

Sunland Condo Owners' Association Division 7
Board of Directors Meeting
October 19, 2023 - 4:30 PM, Gathering Place

Minutes

Certification of Quorum: In person attendance; Rob Baer, Katie Venator, Joel Ogden, Carol Stults, Kelly Foster, and Krystal Brown (by phone). Owners present – Toni Cline, Nancy Baer.

Call to Order:

- Rob Baer, President; quorum was established.

President's Comments:

- Krystal Brown, the newly appointed Board member was welcomed.
- Discussed distribution of voting packets for Owners- Board members will be needed to assist. Approximately 15 will need to be mailed which will be done by the Secretary.

Secretary's Report:

- Approval for the Sept 28, 2023 minutes: Carol Stults made a **MOTION to accept the minutes as last presented to the Board, and Joel Ogden seconded the motion. The motion was approved unanimously.**

Treasurer and Finance/Audit Committee report:

Monthly financials – balances as of 10/16/2023

- **Sound Bank** –Total of accounts at Sound Bank - **\$195,512**
 - Checking balance \$84,622
 - Emergency Maint/Landscape Reserve \$27,614 (\$6,000 was used to cover 137D materials expense for emergency wall repair)
 - Total Comp Roof Reserve balances TOTAL \$83,276 includes:
 - MMKT – \$32,643
 - CD expires 5/27/2024 – 11 months - \$50,633 (**earns 5.15%**)
- **Kitsap Bank** – Total of account on deposit is **\$170,274**
 - Total **Road** Reserve is - \$76,527 including
 - Road Reserve MMKT balance is \$3,937
 - CD Road Reserve #1 - \$62,590 (matures 1/25/2024 – rate is 3.44%)
 - CD Road Reserve #2 - \$10,000 (matures 10/25/2024 – rate is 4.5%)

- Total **Tile** Reserve is \$92,685 including
 - MMKT balance is \$5,782
 - CD # 1 Tile Roof is \$74,903 (matures 1/25/2024 – rate is 3.44%)
 - CD #2 Tile Roof is \$12,000 (matures 10/25/2024 – rate is 4.5%)

Total for all Reserves as of 10/16/2023 is **\$280,102** and reserve income for the remainder of the year includes interest earned plus \$3,500 road reserve allocation to be transferred in December if approved by the Board.

Cash flow estimate

Reminders on budget vs actual and cash flow:

- **Final report on 137D – will be discussed in maintenance report on the agenda. The treasurer recommended waiting to see final invoices are paid and assess where the cash position stands after 4th qtr. revenue is received to decide final amount to transfer from Emergency Reserves.**

Aging – No units are past due.

Interest Earned – 2023 and 2024 estimate. By December 15th we will need to decide where we expense the taxes – operating vs reserve expense.

- **Finance Committee Update** – The Board and Finance Committee met in a working meeting to review final options for 2024 Budget levels and for building roof reserves. Packets handed out are compiled as they will be sent to Owners. Board members were asked to review these packets as if it is the first time they are seeing the information.

1. 2024 Operating and Reserve Budget

- a. Reflects a 4% Annual Dues assessment per Unit.
- b. Roof Reserve invoice changes – the Annual Roof Reserves will be invoiced on January 1 as before, but will NOT be required to be paid by January 31st. The Annual Roof Reserves may be paid quarterly throughout the year with Annual Dues payments, making the quarterly invoices for the year the same amount.
- c. Establishes the **Annual** Roof Reserves at 3x the current Comp Roof Reserve Assessments; This represents a **decrease** in total Comp Roof Reserve Assessment compared to 2023 total Comp Roof Reserve Assessments, which was the equivalent of 5x the current Comp Roof Reserve. But it establishes the appropriate level of funding needed to start to rebuild the Composite Roof Reserve.
- d. Establishes the Annual **Tile** Roof Reserve Assessment at \$500 per year. Impact to Tile Roof Owners will be \$150 increase per year per unit.

Motion was made by Carol Stults, Treasurer/Secretary, to accept the revised reroofing schedule as Joel Ogden, as Landscape Director, has proposed in the voting packet. Kelly seconded the motion; the motion was approved unanimously. NOTE: this will go into the voting packet as a revised Reroofing Schedule.

Motion will be made by email to approve the packet as presented, once the Board has read the material.

NOTE: Motion was made by email after voter packet review as follows:

MOTION: Carol made a motion the we approve the contents of the voting packet and Annual Meeting information as presented, to be sent to the Owners no later than Nov 1, 2023. Second by Kelly. Motion passed unanimously.

Voting Schedule/deadlines –

NOTE: - Volunteers needed:

- Monday 10/24 and Tuesday 10/25 – be prepared to do detailed review/edit final packet for any changes or errors
- Wednesday afternoon 10/25 or Thursday 10/26 to stuff packets; need volunteers for packet deliveries on Hilltop by Board members.
- **October 26th/November 1st:** Mailing to Owners – Per Governing documents, deadline to mail is November 1st BUT that gives little time for mailing Proxies back in time for the meeting.
 - Deadline for Mailing to Owners not living on Hilltop **will be Thursday October 26th.**
 - Hand delivery can take place **October 30th through November 1st;**
- **November 9th** at 3:30pm – Owners Informational Meeting – Gathering Place
- **November 16, 2023** at 4:30pm – Annual Meeting – Gathering Place

Agenda for Annual Meeting was discussed. The Secretary will present the Minutes from last year's Annual Meeting for approval.

Landscape Report:

- Brett was here last week and did a walk through of repairs still to be done, including capping off some sprinklers, and adjusting some sprinkler heads. A compressor will be rented by Brett to blow out the sprinkler systems, and he will need to locate all the drains, which were discussed. Scott Bower might have written down all the drains in the Landscape notes.
- Tree removal – Arbor's Edge removed the tree between 119 and 121, then did substantial pruning of branches where needed. There will be more pruning and tree removals done in January.
- Jason is gone this week on a business trip.

- Jason has done quite a bit of pruning, and it was done well. Willow tree pruning was discussed, and Richard Streeter (former Owner) has knowledge of how to prune it, which can be helpful, if needed.
- 121 B – a pending Request for Service regarding adding some landscape shrubbery on south side by patio/deck was received. There currently is no landscaping. Kelly has added this to the list of service requests Jason is working on.
- 137D – Will follow up with Owner re the Common Area that will need landscaping now that cement patio is completed. Kelly will work with Judy Ogilvie (Owner) on that project.
- 137A new resident, Jill, has some shrubs in her courtyard as they are not compatible for her dog. Some of the shrubs at 137A and one from 108A can possibly be used at 137D if needed. Kelly will have Jason look at the option of transplanting those somewhere.
- Jason will be adding another application of fertilizer soon.
- The landscape contract is being revised and will be sent out for bids. A list of other bidders was discussed, so that we try for additional bids beyond Ambro's. The Board agreed that having multiple bids is an important business practice for us, given the percentage of the budget that is spent on this contract.
- 163 backyard project was discussed. A resolution and progress needs to be made. Owner does not want to add any funds to the expense to have terrace done. Planting needs to be done correctly to create a 'shelf' for plants so that they sit on the hill at a flat angle. The questions remaining are: Which part of the bid are we going to do and what is the desire of the Board on which plan we do. We also needed to confirm with the landscaper what the terracing portion means on each of the options. Price difference in two options – one is \$1,100 or \$1,600 expense. Irrigation also needs to be considered, as the sprinklers that hit the hill are set for grass. Kelly and Katie will follow up to get the information needed to finalize and will move forward.
- Projects were reviewed including 142A pruning/clean up. Owner will be charged \$771.20 for their portion. Fencing around the 142A PUD equipment is rotten and needs to be replaced. Possible removable fencing was discussed.
- Yellow jacket nests were discussed – the nest at 142A Hilltop was in the ground. Spraying was discussed. Kelly will contact Angeles Pest Control.
- Hiding propane tanks was discussed, and it was indicated Division 7 has no rule regarding hiding tanks. This will be referred to the Governing Documents committee for review with SLOA rules.

Maintenance Committee:

- 137D project – invoices were received for both the finish of the steps and railings for both porch and back patio was \$8,913 less the \$2,650 prepaid amount. As noted to the Board in email, the difference in the bid and the final cost was the decision to pour concrete steps and not add wood steps that require maintenance. A check was issued for \$6,263 once Joel confirmed the work was completed. The other invoice is for the emergency repairs to the corner northwest post/wall by the side porch and 8 feet down the west wall. Cost was \$6,522, less the \$2,000 prepaid material cost already prepaid, and check was cut for \$4,522. The owner is delighted with the final cement patio and side yard. The invoice for repairs to the full wall, after water damage and rot was found was sent but needs to be confirmed that work is completed before paying. The \$4,522 includes the remaining complete wall repair. Extra siding is stored under the deck of 108A. Bid for painting the completed full west wall was \$1,300 vs \$2,800. We have scheduled

the contractor for the \$1,300 bid and it will be painted 10/20. The belly board under the patio door needs to be checked and/or painted. These invoices will be paid out of operating, and we will assess in November/December whether we need to transfer emergency reserve funds to cover any of this emergency repair.

- Leaking window at 134A was deemed only moisture due a heavy blind. No repairs needed.
- Savage Glass will come and check window at 148A for bid.
- 116 building – painter was there, so assuming Joel will report more on those repairs.
- Request today from Sherry Barnhart re moss on front steps. Manny (painter contractor) sent one of his men to clean it the next day – including checking both 125 C&D. Manny indicated a product needs to be applied that will kill the algae – not just power washing – and he was authorized to apply. Both owners were informed.
- Options for speed bumps were discussed. Joel is talking to Lakeside (road repair contractor) about options when they come out for a bid and Joel will come back to the Board with options.
- From audience – additional information was requested regarding status of Request for Service for 116. One of the 116 owners was upset that the Service Request was not acknowledged. Painters that came only worked on 116D. Since Joel is not present due to illness, Owner will be contacted the next day to discuss further, and an apology was issued for not responding to the original Request for Service. The Board Secretary will forward a copy of the Request for Service to the Owner since the website does not always send correctly to the Owner once a Request is submitted.

Data and Records Committee:

- Online DB-Pros access has been canceled and there will be no other charges for database.
- Bell and Bell has offered to allow us to use their 'Vault' called Canopy for storing our Association files at no cost to us.. Kelly agreed to be part of the experiment to set up folders and use the Canopy app as a test. We want to be sure to set up folder system, to avoid having to ask for more folders too often. Bell & Bell office staff will send an email to Kelly with a link to sign up and create a password, once folder structure is reviewed.

Communications Committee/Newsletter:

- Reminder of Owner Info November 9th meeting will be sent via separate email on Tuesday Nov 7th.
- The Newsletter will be sent out early on Friday November 10th with reminders re the Annual Meeting including the importance of voting.
- Reminders will be sent out for the Annual meeting via email on Tuesday Nov 14th.

Welcoming & Social Committee:

- Holiday party is set for December 21st at the Gathering Place – replacing the regular Board meeting. A specific time will be announced – and we have the space until 8pm.
- Nancy will be contacting the new owner at 137A to welcome her to Hilltop Drive.

Governing Documents:

- It was decided to not send the Contact Sheet with Owner voting packets but will be mailed out with Invoices in December. Eventually this will be added to the Rules and Regs as an Exhibit.
- Gov Docs Committee meeting will be held in November. Pending Reviews/edits needed include:

RULES and REGS:

- Contact Sheet – to be added to the Rules and Regs
- Responsibility Chart - Owner and HOA document – add as Appendix D of Rules and Regs.
- Hold Harmless Agreement revisions.
- Rules for propane tanks.

BYLAWS:

- Insurance Language: We have asked our CAU insurance agent for examples of insurance requirements in CCRS or Bylaws, have compiled examples from Division 17 and from examples under a Google search. Add to Bylaws (not CCRs).
- Monetary Policy – update Bylaws with Finance Committee recommendations
- File Retention Policy – add to Bylaws when researched and compiled
- Revise **ARTICLE XIII – LIMITS OF MONETARY AUTHORITY D section** – clarify language regarding authority to sign for transactions on all bank accounts - on checking, savings and CD purchases.

SLOA REPORT – No report.

Nominating Committee

Katie discuss the new candidate for the Board, Derek Brown, for the Ballot. His short bio was distributed.

Since Derek is co-owner with Krystal Brown (current Board member), the Board discussed the issue of having two people from one Unit on the Board. The Bylaws allow for an exception to the rule of one Board member per Unit if it is deemed necessary to fulfill the duties of the Board. Since we have been unable to get others to run for the Board, and we have a very capable owner who is willing to volunteer, it was felt by all that Derek would be a great addition to the Board, to make us fully at 7 members.

Motion was made by Katie that more than one Owner per Unit may be added to the Board in this instance. A Second was made by Joel. Motion was passed unanimously.

A motion was made by Katie to accept Mr. Derek Brown as a candidate for the Board of Directors and put his name on the Ballot. Second by Carol. Motion passed unanimously.

Derek would hold a 3 year position, and what role he plays was discussed and tabled until after the election. It was noted that Derek has a great deal of engineering and construction experience, which would be helpful on the Maintenance Committee.

Insurance Committee

- The phone call with our Agent this week was helpful to focus on areas where we won't probably save significantly on the premium for March 2024 renewal. However, adjusting some areas of our coverage that she recommends may give us coverage where we need it most.

- **Water damage deductible separated from other deductible** – Increasing the water damage deductible to \$25,000 or \$30,000 per claim is recommended.
 - **PROS** – will protect the HOA from claims against the HOA insurance by owners for water damage that were the result of Owner neglect. NOTE we will need to give Owners at least 30-60 days’ notice of this change so they can alert their own insurance company of the change and adjust their coverage as they see fit.
 - **CONS** - any water damage caused by negligence or poor maintenance on the part of the HOA would be subject to the same deductible. However, our CCRs establish that the HOA is NOT responsible for the plumbing in the Unit, which might protect us from loss claim to the HOA’s insurance. Water main breaks may be the exception to that depending on where the break occurs. Irrigation water, however, is considered under flood insurance which we do not currently have.
- **Decrease Demolition Cost coverage** – currently stands at \$1.5 million. This coverage pays for demolition costs even when additional demolition beyond what was damaged is ordered by the fire department or deemed necessary for reconstruction, such as a partial fire in a condo unit. Our insurance policy as a whole replaces the Unit or building as it was at the time of the loss/damage. \$1.5 million is probably not required to just demolish damage Units or even a building. Decreasing this coverage to \$750,000 would result in a savings of \$789 to us if we applied it now. However, it is not clear what it would save in March 2024.

Discussion with the agent will continue starting in late January 2024, where we will bring all of these issues to the Board as early as possible prior to late March renewal. We also looked up different companies as options for coverage – Travelers, State Farm for example. Carol will send Krystal all copies of the Insurance information sent to owners after the presentation – including the summary of all Dianna Kaspar (agent) points of discussion during her presentation.

New Business:

2024 Board Meetings: An email SLOA regarding the Gathering Place 2024 schedule was sent to Rob, asking for calendar dates for our Board meetings. Rob requested the 3rd Thursday of each month, but starting at 3:00pm to 5:30pm – giving us flexibility for timing of Board meetings. A list of meetings was handed out to the Board members.

Old Business:

Next Board Meeting: **Annual Meeting on November 16th at 4:30pm**

Adjournment: **Motion to adjourn was approved.**

Minutes submitted by: _____

Carol Stults, Secretary/Treasurer