

Sunland Condo Owners' Association Division 7
Board of Directors Meeting
September 28, 2023 - 4:30 PM, Gathering Place

Minutes

Certification of Quorum: In person attendance; Rob Baer, Katie Venator, Joel Ogden, Carol Stults, Kelly Foster. Owners present – Steve and Karen Tucker, Toni Cline.

Call to Order:

- Rob Baer, President; quorum was established.

President's Comments:

- From Rob - Thank you to everyone who covered for me while we were gone. I appreciated all the updates and was able to enjoy our trip.

Secretary's Report:

- Approval for the August 17, 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 9/26/2023

- **Sound Bank** –Total of accounts at Sound Bank - **\$174,082**
 - Checking balance \$63,833
 - Emergency Maint/Landscape Reserve \$27,610
 - Total Comp Roof Reserve balances TOTAL \$82,639 includes:
 - MMKT – \$32,639
 - CD expires 5/27/2024 – 11 months - \$50,000 **(earns 5.15%)**

- **Kitsap Bank** – Total of account on deposit is **\$170,274**
 - Total **Road** Reserve is - **\$76,523** including
 - Road Reserve MMKT balance is \$3,933
 - CD Road Reserve #1 - \$62,590 (matures 1/25/2024 – rate is 3.44%)
 - Purchased CD Road Reserve #2 - \$10,000 (matures 10/25/2024 – rate is 4.5%)
 - Total **Tile** Reserve is \$93,750.88 including
 - MMKT balance is \$5,777
 - CD # 1 Tile Roof is \$74,903 (matures 1/25/2024 – rate is 3.44%)
 - Purchased CD #2 Tile Roof is \$12,000 (matures 10/25/2024 – rate is 4.5%)

Total for all Reserves as of 9/25/2023 is **\$280,523** and income for the remainder of the year includes interest earned plus \$3,500 road reserve allocation to be considered for approval in November and transferred in December.

Cash flow estimate through 10/31/2023 – review expenses to be paid through end of August. Cash balance at end of 10/31/2023 is estimated to be \$65,714 (includes total 4th qtr dues). NOTE: Last year (2022) we were projecting only \$42,015 in checking account.

Reminders on budget vs actual and cash flow:

- **Cost of 137D – will discuss options next month. Recommend waiting to see until October where the cash position stands after 4th qtr revenue is received and most expenses for maintenance and landscape are resolved.**

Aging – Only one unit is past due any amount (only \$3.00 due to check error).

Interest Earned – 2023 and 2024 estimate indicate we will owe \$1,150 additional estimated taxes to be paid by Jan 15th 2024 on 2023 income. Tax rate is 30% of taxable income and interest income is the only income we will have in 2023 that is taxable at this point. We will want to decide where to charge tax – operation budget vs reserve budget for 2024 (charge the Reserves for the taxes on interest earned vs paying out of operating).

- **Finance Committee Update** – The Finance Committee met in a working meeting to review options for building up reserves, as well as initial 2024 budget planning.

The Committee is putting forth

Summary of Annual Dues Increases – for every 1% increase in Annual Dues, we only increase our operating income by \$2,600. The impact to each Owner is only about \$40 per year for every 1% dues increase. Two options for current draft budgets for operations and reserve were discussed.

1. **The Finance Committee will meet with the Board on October 9th at 10am in a working meeting to review the options of 3% vs 4% increase in dues, and the appropriate level of Annual Roof Assessment for 2024.**

Changes/items to consider in budget documents since last version:

- a. **Maintenance budget** – added 5125 Fences/retaining walls as separate category – moved \$5,000 from 5170 Painting, since it appears we may not need to paint a building in 2024.
 - b. **Landscape** – lowered bark/ground cover to \$1,500; increased Grounds Contract to \$60,500; added new account snow removal to track that expense better (\$500); lowered miscellaneous to \$1,000; Set sprinkler systems mgmt. at \$9,500; lowered shrubs to \$2,300; set tree trimming/removal at \$10,000.
 - c. **Insurance** may be up to 30% and we won't know until March. Agent is working to get a preliminary quote for us. If 30% increase, budget for insurance would need to be \$62,400 total.
 - d. **Taxes** – 2024 taxes estimated to be \$1,954. We have only budgeted \$800. We may need to add \$1,154.
2. **Example of 4% dues increase** – where do we need the additional \$2,600 over the 3% increase?
 3. **Annual Roof Assessments** – 2024 -It is recommended by the Finance Committee that the Board consider increasing Comp Roof and Tile Roof Annual Assessments to the appropriate levels based on the rising costs of roofs. The current assessments have been the same since 2006. The Consumer Price Index has risen over 60% percent since that time, indicating we

are not securing our reserves under current costs. The Reserve Study reflected that we are lower in percentage funded than last year and that trend is going to continue unless the Roof Assessments for both Tile and Composite Roofs is adjusted according to today's costs. The chart you have attached to the 2024 Reserve Budget shows estimated projections through 2031 for the Reserve balances with different increases.

4. Board members were charged with reviewing their own sections of the budget prior to the Budget working meeting - to ensure they need the amounts listed – and note where there may be ways to lower our expenditures for 2024.

Landscape Report:

- **Irrigation** – valves have been replaced with a timer was added to the Common Area between 116 and 126, making this area no longer manual management of sprinklers.
- **Sprinklers** – will be turned off over the next 3 weeks – with some running occasionally as needed. More info will be sent out to Owners once schedule is completed. Question was asking about Island 3 sprinklers – the work done by trench contractors to restore the grass is finished – and the sprinklers are now on.
- **Moles** – continue to be an issue – and the trapper is still working on capturing them, with traps set.
- **Landscape contractor** – Jason has completed 50+ Service Requests this season. Kelly follows up with Owners to ensure work was complete and acceptable. After wind this past week, it was noted how quickly he cleaned up the driveways and streets. Jason still is having trouble keeping reliable staff to assist.
- **Major Cleanup on landscape areas** around one unit was discussed – contractor Native Earth met with Kelly and Katie - came out to estimate cost to clear and met with Owners which went well, and contractor will send a bid this week. Owners will be part of the planning to get this project done and are happy with the contractor interaction.
- **Arborist meetings/bids** – Email was sent out to Board members with bids for tree assessment/work to be done. 117D tree originally discussed – does not need to be cut down but the branches on the trees behind 117D that need to be pruned up to protect the roof. Arbor's Edge bid to do work has been approved via email – that includes diseased leaning tree to be removed between 119C and 121A plus heavy pruning that is high and is impacting roofs. James from We Love Trees evaluated trees as well. He knows the Golf Course management team – and has experience removing large trees that require access to the Golf Course. Recommendation is to accept total quote from We Love Trees –
 - for work on a tree between 108D and 116A that needs crown reduction,
 - remove tree near 119B and C – it is diseased and split multiple times to be removed
 - remove tree near 140 where tree roots are impacting garage – tree is rotten and hollow

Total bid for all that work to be done by We Love Trees \$2,831 to be done in January – **Motion made by Kelly, seconded by Carol. The motion was passed unanimously.**

MOTION made 9/29/2024 by email – A motion was made by Kelly Foster to approve a bid for large tree near 121 to be taken down in January, 2024 – amount \$8,712.00. Seconded by Katie, vote was unanimous to approve.

116C – backyard – Large limb needs to be taken out – possibly might be done in 2024.

Other trees that were assessed were discussed.

Removal of large branch that came down on roof due to windstorm already removed by We Love Trees (already paid and not included in quote).

163 project – Update on back slope landscaping project was presented by Rob Baer, comparing bid options. Kelly will clarify terracing options with the one contractor. Presenting options to the owners is the next step once the Board has recommendations.

Owner question re trees behind 134A – limbs overhanging the yard. Slope parameters were explained, including what is Division 7 land. A Board member will follow up to review branch mentioned.

Maintenance Committee:

- 137D update – when we are repairing some areas of rotted or wet wood under siding, we find additional issues. We now have to repair the entire lower half of the west wall, due to leaks under the siding. A bid was received for additional funding to repair more of the west wall on 137D than was originally thought. A new bid is for \$16,250 as a worst case scenario. NOTE: Motion was made via email on 9/14/2023 for Board to accept the bid of \$16,250 for the emergency repairs on the west side wall surrounding the window at 137D beyond the corner repairs already bid. Second was made and motion passed unanimously by email vote on 9/14/2023. Painting bids have been requested from at least two contractors for painting the siding when construction repairs are completed.
- Road repair estimate for 2024 – Lakeside will be reviewing additional larger patching road repairs for 2024 budget.
- 121C fascia painting was requested and will be reviewed.
- Update on 156C owner project – removal of sunroom vs repairs. Owner has not submitted official request documentation to us but has the requirement details now. We are in touch with him for more information in order to approve his final plan and determine if a permit is required. This project is not the responsibility financially for Division 7 but we do have to approve the plans.
- Question from Owner – re 116. The owner was asked to document the request by submitting a Request for Service form, so that the details are known. Joel noted that painting touch up of fascia is going to be reviewed by a new contractor tomorrow so can have them look at any other issues related to painting. Joel will follow up with the Owners once request is submitted with details.

Data and Records Committee:

- Data file on disk was received from dB Pros and we can now cancel the online access and only use the database on a single computer.

Communications Committee/Newsletter:

- Newsletter – next issue will be delivered October 16.
- Updated Contact sheet – draft contact sheet is ready for Board to review. This will be sent out with the Annual Meeting packets.

SLOA REPORT –

- It was noted that the SLOA CCRs specifically recognize that the CCRs of the 5 condo divisions in Sunland supersede the CCRS as to the responsibilities of the Board of Directors of those divisions to manage the divisions. This does grant us the right to establish regulations/rules that benefit our owners best, but do no harm to the SLOA members, and those will be honored by SLOA. This was brought up to clarify only that we are allowed to think first of our Owners in regard to certain subjects, such as tree management or road regulations.

Joel reported that he attended the SLOA meeting and the dues will remain the same.

- Picnic was canceled because not enough people responded – needed 200 people and didn't receive enough RSVPs to have the event (saved them \$4,000 in cost). In addition, for the Annual meeting, there were only 267 votes issued out of over 900 home.
- Lot of storm damage to trees and to greenbelts – expensive cleanup.
- John Hammond is staying on as President.

Welcoming & Social Committee:

- Holiday party is set for December 21st in place of the Board meeting.
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Governing Documents:

- Governing Documents – completed the review of Responsibilities for Owners and HOA, which will be added to the Rules and Regs as a Appendix. Board needs to review this final draft and report back any additional subjects not covered or errors.
- Next step is to revise the Rules and Regs to add the revised final Contact Sheet as an Exhibit and update the Hold Harmless Agreement to be more robust.
- The Bylaws will also be reviewed to add language to clarify insurance coverage, update the Monetary Policy (with the Finance Committee assistance), and file retention policy.
- New volunteer – our new Board member, Krystal Brown, has agreed to work on the Gov Documents committee, and policy chair that committee chair in the future.

Nominating Committee:

- Krystal Brown has agreed to be appointed to the Board to serve the vacant position #5 term ending in 2025. **Motion was made to accept Krystal Brown as a Board member to fill the term ending in 2025. Second by Carol. Approval was unanimously approved.**
- Other owners are considering being on the Board and the committee will continue to work with them.

Insurance Committee:

- Phone call with Dianna Kaspar at CAU – and she is working on some options to reduce our premium for next year, and will send an estimate of what the premium will be and how some changes would affect the premium. Rob will follow up with Dianna and bring more information to the Board in October. Policy is not renewable until end of March 2024.

New Business:

- (see SLOA report above – presented by Joel)
- Carol updated the Board on a search for administrative assistance for Division 7. She found a firm founded by a military wife, who was frustrated that as a professional that she had to move so often, disrupting her ability to stay with a valued employer. She started a company called Squared Away to provide remote administrative assistance to companies or individuals, employing only military wives or husbands who want to work but were faced with the same frustration. After speaking directly with the owner, Michelle Penczak, who sent information on the costs and services offered, it was a possible future option for Division 7. Cost ranges from \$50 per hour on up, for as many hours per month as you wish – even as few as 5 hours per month. The price depends on the skill level and covers all cost of using the service. We do not have any budget dollars in 2024 budget but would be a great option in the future. It was hard to find anyone locally this year to use the budgeted dollars for paid assistance, so this may be an option.
- The CPA firm we use, Bell and Bell, has offered for us to utilize the online vault - that we use for the Treasurer records – for putting all our digital files. He would give all Board members access and once their account is confirmed with a secure password, you could upload documents from your computer into defined files. No additional cost is required at this time. It was determined that this might be better than using Google docs which some have had trouble using in the past. Carol will follow up to set up with Bell and Bell.

Old Business:

- Owner in attendance asked about adding an additional speed bump to the road. Joel is meeting with the asphalt company and will ask them for a bid and location recommendations. Portable ones are often severe and might not be an option, but Joel will look into portable options.
- Owner asked about railroad tie repairs – Joel has a bid but it was quite high. More bids will be requested, but it will be 2024 before repaired.
- **Board Working meeting/Final Meeting discussion** - Rob asked the Board to decide on the budget working meeting dates as discussed previously – final Schedule for working meeting/Annual Meeting mailing/working meetings was established:
 - **October 9th, 10th**, – suggested date for final working meeting – Board and Finance Committee. Need final approval of document packet going to owners.

- **October 19th – October Board meeting – 4:30pm – must finalize vote on document packet.**
- **October 23rd/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. Hand delivery can take place on November 1st, but mailing may need to be done by **October 23rd.**
- **November 16, 2023** at 4:30pm – Annual Meeting

Next Board Meeting: October 19th at 4:30pm

Adjournment: Motion to adjourn was approved.

Minutes submitted by: _____

Carol Stults, Secretary/Treasurer