

**Sunland Condo Owners' Association Division 7**  
**Board of Directors Meeting**  
**January 25 2024 - 3:00 PM, Gathering Place**

**Minutes**

**Certification of Quorum:** In person attendance; Rob Baer, Joel Ogden, Carol Stults, Kelly Foster; by phone Derek Brown, Krystal Brown. Owners present – Nancy Baer and Dawn Kerns.

**Call to Order:**

- Rob Baer, President, called the meeting to order. A quorum was established.

**President's Comments:**

- Thank you to the Board for overseeing Board duties will he was gone.
- Rob gave a thought for the day – from Alexander Graham Bell – “Concentrate all your thoughts upon the work in hand. The sun’s rays do not burn until brought to a focus”. As we look at our tasks now and in the future, if we can focus on them, I think that is important to accomplish what we need to do.

**Secretary's Report:**

- Approval for the Annual meeting minutes November 16, 2023: Carol Stults made a **MOTION to accept the minutes of the Annual Meeting in November 2023, 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 1/22/2024**

- **Sound Bank** –Total of accounts at Sound Bank - \$219,061
  - Checking balance \$107,515
  - Emergency Maint/Landscape Reserve \$27,624
  - Total Comp Roof Reserve balances TOTAL **\$83,922** includes:
    - MMKT – \$32,655
    - CD expires 5/27/2024 – 11 months - \$51,267 **(earns 5.15%)**
- **Kitsap Bank** – Total of account on deposit is **\$174,157**
  - Total **Road** Reserve is - **\$80,685** including
    - Road Reserve MMKT balance is \$7,440 (tsfr in Dec of \$3,500)
    - CD Road Reserve #1 - \$63,135 (matures 1/25/2024 – rate is 3.44%)
    - CD Road Reserve #2 - \$10,110 (matures 10/25/2024 – rate is 4.5%)
  - Total **Tile** Reserve is \$93,472 including
    - MMKT balance is \$5,785
    - CD # 1 Tile Roof is \$75,555 (matures 1/25/2024 – rate is 3.44%)
    - CD #2 Tile Roof is \$12,132 (matures 10/25/2024 – rate is 4.5%)

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**Total for all Reserves** as of 1/22/2024 is **\$285,703 (an increase of \$5,000)**.

**Total Checking and Reserve accounts** is \$393,218 with a past due account as of 12/31/2023 of \$1,974.56.

**Aging** – Two accounts are past due as of 12/31/2023 for a total of \$1,974.56. Notice to one owner was sent as he is now due for 4<sup>th</sup> AND 1<sup>st</sup> qtr dues. Interest was added, and if not payment, a lien may need to be filed. The second account is unit 145 – past due amount is \$977 plus now 1<sup>st</sup> qtr 2024 dues as well are due. A phone number and address for HUD manager was obtained and a phone call was made as to where to send the invoices for payment and those were sent with a letter requesting case manager name, but no specific manager of the case at HUD has yet been assigned. The Treasurer will continue to contact both of these accounts for resolution.

**Expenditures/Deposits:**

**Total Checks** written after 1/1/2024 include (total \$6,407.91):

- Ambro’s Landscaping - \$4,611.25
- Kelly Foster \$1,000 – last installment of glass replacement reimbursement
- John Gagan - \$316.53 reimbursement to owners for gutter replacement costs
- Bob LeMaster - \$479.13 reimbursement to owners for gutter replacement costs

**Deposits** made after 1/1/2024 include **\$80,714.48 – 1<sup>st</sup> qtr dues and roof assessment revenue**

**Reserve Transfers:**

NOTE: payments for roof assessments each quarter will be transferred to the appropriate reserve account at the end of each quarter as follows:

Transfer at end of quarter-	\$875 per quarter - Tile Roof Assessment transfer
Transfer at end of quarter-	\$9,742.50 per quarter - Comp Roof assessment
Transfer full amount at year end	\$3,500 Annual Roof assessment (charged in dues)

**Water Bill** – Motion was made to pay in its entirety - \$5,444.00 (vs \$1,361.00 quarterly) – seconded by Kelly. Motion passed unanimously.

**Surplus Funds Analysis** – As shown in the presented analysis - no surplus funds are required to be transferred for 2023, as the Bylaws allow us to retain 25% of the budget for the following year as operating capital. 25% of the 2024 budget is \$65,949. Total operating funds stood at \$38,321, well below the \$65,949 threshold, with \$11,326 2023 expenses not yet paid for landscaping project not yet completed.

**142A outstanding invoice** – The Board discussed removing the obligation for owners to pay half of landscape cleanup invoice done in fall of 2023. As approved by the Landscape Manager, MOTION was made to remove any obligation for the Owners at 142A to reimburse the HOA for expenses incurred in landscape cleanup. Kelly seconded the motion, motion passed unanimously.

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**Budget vs expenses was discussed.** Expenses should be reviewed and approved based on priority perspective, not just having the budget in that category. That was very successful in 2023 and we should continue to pursue approval of expenses based on priority need and impact to Owners. 2023 budget vs actuals was discussed. The budget was impacted by the decision of the Board to not transfer emergency funds from the Emergency reserve account for the unexpected expense at 137D, even though we could have done that. This increased operating expenses by almost \$20,000. The Board agreed that we were right in that decision still and we will keep close tabs on the operating funds via cash flow and perhaps a better detailed expenditure tracking document than the QuickBooks Profit and Loss documents show.

**CD renewal – Motion was made via email by Carol Stults, Treasurer on January 23, 2024, to renew the expiring CDs as follows:**

2 of the CDs deposited at Kitsap Bank are coming due on January 25, 2024 (this Friday), and I will need an approved motion to reinvest those funds in CDs again, as this documentation is a bank requirement.

1. **CD acct 5129 - Tile Roof Reserve – expires 1/25/2024. Balance is \$75,555.** We would renew the entire \$75,555 into a new CD with the following options:
  - a. **8 month CD at 4.75% or**
  - b. **60 month CD (5 year) at 3.10%.**

I am proposing that we purchase a 60 month CD for the 5 year terms at 3.10%, since we do not anticipate needing the funds in the next 5 years. **The Tile Roof MMKT acct 5119 has a balance of \$5,786.** Since the CD funds are accessible to us (we lose 3 months interest on the amount withdrawn early), I believe we can safely invest the full \$75,555 for 5 years in order to get a return of 3.10%, since interest rates are probably going to fall this year due to declining inflation, making the shorter term less desirable. BUT if you feel it prudent to keep more in the MMKT, please feel free to amend my Motion as presented and I am happy to adjust the amount we reinvest in the Tile Roof CD.

2. **CD acct 5128 Road Reserve expires 1/25/2024. Balance for this CD is \$63,135.** We would renew only \$45,000 at 4.75%, moving the remainder (\$18,135) into the MMKT Road Reserve acct 5128, since we expect to use funds for the approved bid of \$15,990 from this reserve account for the road repairs we are doing this summer. Current balance of the MMKT as of today is \$7,440 – **after transfer from CD to MMKT the balance will be \$25,575. The new Road CD of \$45,000 will be for 8 months at 4.75% - the best short term rate right now for \$45,000 renewal.** Since we may need the funds within the next 2-3 years for road repairs, it is prudent to only commit to this time frame as of now, in my opinion. We have an addition Road reserve CD acct 5132 for \$10,110.00 which expires 10/25/2024 (earning 4.4%).

**Carol made a motion that we approve the renewal of the two CDs for**

- **Renew Tile Roof Reserve (invest \$75,555 for 5 years CD at 3.10%) and**
- **renew the Road Reserve CD (invest \$45,000 and deposit \$18,135 in MMKT Road Reserve from existing CD to cover expenses in 2024). See the details of the motion as presented above.**

**MOTION was seconded by Kelly Foster, and passed unanimously.** NOTE: The 2 CDs were renewed as presented on Friday 1/25/2024.

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### Landscape Report:

- The Sunland Water invoice was addressed and approved by earlier motion today.
- Reminders regarding We Love Trees were sent out. Three trees will be evaluated by James, the owner of We Love Trees. Two probably don't get pruned this time of year; plus a tree behind 142A will be reviewed for a big limb that fell – large limb that fell is not on the grass but down on the hillside – will be removed when ground dries out probably in April.
- Large tree behind 121 will be removed when the ground dries out. Kelly met with owner of 121A and explained the issues with the tree. The owner asked about having the stump removed, and Kelly indicated there were also other stumps that we will need to seek bids on getting removed. They also discussed replanting another tree between 121A and 119C.
- Large branches between 116A and 108D is a big job and will be done next week. (*NOTE as of 2/14/2024 - This has now been rescheduled*).
- A tree in front of 119A/B that is really diseased is coming down - next week.
- A tree at 143 also will be removed as recommended by the arborist.
- Replanting trees was discussed and the requests to consider replanting were welcome and a good reminder to budget for replanting, considering the type of tree we are taking down and what is appropriate. Trees have been replanted (like at 142D) but we haven't tracked or communicated that.
- Deliverables required from the landscape contractor were documented and Ambro's Landscaping has agreed to the timelines set. Kelly addressed with Jason the issue regarding leaving piles of yard debris on driveways and yards without picking up before leaving for the day. Also discussed was early weed control and the timing of applying is tricky.
- Landscape tracker document will be sent out for 2023 and 2024.
- Draft contract for Brett at Peninsula Irrigation will be sent for Board review. Brett and Kelly will meet soon to discuss and review, and then Kelly will send it to the Board. The contract will include duties to be done regularly as well as adding 2 timers in 2024.

### Maintenance Committee:

- Work approved through All in One Service (Kyle Fritz) includes fixing the hillside access adjacent to 108A north side, an area used by contractors for mowing north side grass. Kyle will add gravel and a border of cement landscape border blocks to hold the gravel. Also approved 108D to remove the rotted section of the garage wall off the patio, replacing the railroad ties at 134A for \$490.
- Drain work to be done includes 108 east side drainpipe running from street drain – the drainpipe is broken and camera needs to be snaked down the pipe to locate where the break is located for repair. We will be graveling the roadway with building 104 (not part of Division 7) using All in One Services but don't want to do that project until the pipe is repaired. Drains and downspouts needing clearing include 108A patio area, 117 D, 119D and 156D.
- One other issue is the street drain by 142A which does not drain anywhere – just a box. The small drain to the east of the driveway drains into that box as well. Solutions need to be explored to prevent the flooding of the driveway at that location and were discussed.
- NW Gutters did work on Tuesday on 125, 133, 147/149, 142C, and 148B due to overflow issue over front doors. Gutters were redesigned with dams and flashing to alter the flow of rain

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correctly. This should prevent moss accumulation on the front door areas. Total repairs will be \$1,200.

- 148D – we are possibly testing a sample of steel or aluminum fencing as an option. 50 year life maintenance free. More will be reported after exploring costs and color options.
- 156D – Owner project was reported on by Rob Baer. The Architect Committee will meet and review the project as presented by the Owner. The owner has a building permit and an application to repair the support system of the deck that holds the sunroom. Privacy wall issues were discussed including the need for bracing to support the wall. A meeting needs to be set to discuss any questions with the Owner. It was clarified that the sunroom was not going to be removed but this needs to be confirmed with the Owner in writing. A meeting will be set with Derek, Joel, Carol and Rob to get together to compile questions to send back to the Owner.

### **Data and Records Committee:**

- No report

### **Communications Committee/Newsletter:**

- The Newsletter will be sent out by February 12<sup>th</sup>.
- Emergency Contact Sheet – draft will be sent out for review by the Board. Governing Documents will be reviewing and adding the form to the Rules and Regulations.
  - NOTED: The new Washington State Law for non-profits was mentioned. This law is separate from the RCW that controls HOAs but does affect the HOA organizations in a few ways. The new non-project law does allow for the use of digital communications to members without asking permission, but allows the member must be given the option to opt out. Our Emergency Contact form will still ask them for permission for us to use emails to communicate, and will also ask for permission to share their email with CERT for emergency communications only. The Governing Documents will continue to monitor the new law parameters to see where we may need changes to our governing documents.

**SLOA REPORT:** No report.

### **Welcoming & Social Committee:**

- Successful Christmas party was noted. Nancy appreciated all the volunteers who helped with set-up and clean up. The event was well attended with a full house. 2024 Christmas event may be done differently – for committee to decide.
- The Ladies Tea was well received but it will be discussed whether to hold it again. All suggestions are welcome.
- Rob Baer reminded us all that in June of 2024 Division will be 50 years old.

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### Governing Documents:

- The Gov Docs Committee meeting will be held Monday Jan 29<sup>th</sup>. We will be reviewing the following:

#### RULES and REGS (to be discussed at Jan 29 meeting):

1. **Owner Contact Sheet** – to be added to the Rules and Regs as an Appendix (hand out)
2. **Responsibility Chart** - Owner and HOA document – add as Appendix D of Rules and Regs. (Hand out)
3. Hold Harmless Agreement revisions - Krystal
4. Rules for propane tanks (SLOA has a rule for the tanks to be hidden by shrubs or fencing – Division 7 does not have such a rule).

#### BYLAWS Issues (to be discussed in March meeting):

1. Insurance Language: We have some examples of insurance requirements in CCRS or Bylaw from our Agents, have compiled examples from Division 17 and from examples under a Google search. Add to Bylaws (not CCRs). Committee will edit or add Insurance language to the Bylaws that reflects
  - a. responsibility of owners to secure their own insurance
  - b. responsibility of the Board to secure insurance – in detail?
  - c. Updated policy with regard to owner-requested claims defining who pays the deductible.
  - d. Clear language that defines difference between what HOA policy covers on their policy as written vs maintenance responsibilities of HOA/Owner. CAU currently requires coverage of the entire building, with the exception of Owner personal items.
2. Update Annual Roof Reserve Contributions in Exhibit C to 2024 amounts per unit.
3. File Retention Policy – add to Bylaws when researched and compiled
4. Monetary Policy – update Bylaws with final Finance Committee recommendations after they review our draft.

NOTE: The Finance Committee will make recommendations re **ARTICLE XIII – LIMITS OF MONETARY AUTHORITY D section** – and will clarify language regarding authority to sign for transactions on all bank accounts - on checking, savings and CD purchases.

Nominating Committee: No report.

### Insurance Committee:

- All documents requested have been sent to our agent and we haven't yet heard anything.

### New Business:

- Dawn Kerns noted that a person who used to live on Hilltop Drive decided to come to Dawn's yard and dig up some flower bulbs to plant at her current home which is not in Sunland.
- Dawn also requested that we remind people that a dusk-to-dawn light is required in Sunland.
- Dawn requested that we review the Roberts Rules of Order re making a motion. The person who makes a report should not be making the motion. The Board agreed to review the Roberts Rules and comply with any rules that covers this.
- Dawn noted that it was great that the Division 7 Board works so well with Division 17.

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- Joel asked if there was a map of all the Sunland water shut off valves for each unit. The board discussed how best to educate all residents on how best to shut off water in an emergency. Not all Units have their own built in water shut offs to the whole unit, and some are not easily accessible. **ACTION**: Joel and Rob would work to document all shut offs known and talk to Sunland Water to see what they recommend, and check to see if they have a map for water shut offs.

**Old Business:**

**Next Board Meeting:** February 15, 2024 at 3:00pm – date was confirmed by the Board.

**Adjournment:** **Motion to adjourn was made by Rob Baer, seconded and unanimously approved.**

**Executive Session was held to discuss Maintenance Committee reorganization.**

**Minutes submitted by:** \_\_\_\_\_

**Carol Stults, Secretary/Treasurer**