

Sunland Condo Owners' Association Division 7
Annual Meeting of Owners

Board of Directors Meeting
NOVEMBER 21, 2024, 3:00 P.M.

CALL TO ORDER: President Robert Baer called the Annual Meeting to order. Present were seven owners and the following Board members: Rob Baer, Kelly Foster, Katie Venator, Joel Ogden, Steve Lavelly, Carol Stults.

Welcome by President: All were welcomed and the next Annual Meeting was announced for November 20, 2025.

Secretary Report: A quorum was certified. **MOTION:** Carol moved to accept the October 17, 2024 minutes, seconded by Joel, and passed unanimously. The 2023 Annual meeting minutes were approved at the January 2024 regular monthly Board meeting.

Owner Questions: Rob Baer, Board President, ask all owners to now state their questions regarding the Annual voter packet information or the election of Board members or any category related to the HOA.

Mike Mowatt asked about the decision on earthquake insurance. Rob stated that the final cost of insurance, including the earthquake insurance portion, was not available since our insurance renewal comes in March 2025, but our insurance broker has clearly indicated that we can expect a 15-20% increase in regular insurance coverage and a 20 to 30% increase in earthquake insurance. There is also a very real possibility that all insurance companies will cease offering earthquake insurance coverage at all – if not 2025 then soon thereafter. Carol thanked the Finance Committee for assessing all options regarding the 2025 budget, particularly on the insurance question. She stated the budget being offered with a 6% increase would cover all policies except earthquake insurance, regular costs and provide funds to increase the roofs and road reserves. The Reserve Study very clearly demonstrates that Division 7 must focus on building the reserves as an important necessity. Once the exact options are known for earthquake insurance (in February) the Owners will be asked to consider the options for coverage. At that time, the Board will propose any additional funds needed to pay for earthquake insurance, should it be available. Currently the earthquake insurance coverage would cost an average of \$350 per unit in Division 7 for the maximum \$10 million in coverage.

Carol asked the owners present if they needed any additional materials sent or the financial information that would have been helpful that was not included in the voter packet, or if there were any suggestions for assisting them in voting. The consensus was that the voter packet was complete and was well presented. Several comments were given, appreciating the efforts to communicate at all times.

Jean Woolridge offered one comment supporting the work that is being done to cable and prune our trees, as well as taking out diseased trees.

Call For Votes: The Owners present were asked to deliver their ballots to the Secretary if they had not yet done so.

Call for Vote Count: The Secretary, Carol Stults, reported 42 yes votes and 0 no votes – the 2025 budget was approved as offered. Board members were elected as listed on the attached Board list.

Financial Reports:

The roof reserve income from the 3rd and 4th quarter revenues needs to be transferred from the checking account to the roofs reserve accounts prior to year end. **MOTION: Motion was made by Carol to transfer the 3rd and 4th quarter income to the appropriate tile or composite roof bank account, Katie seconded, motion passed unanimously.**

Interest on our CDs was mentioned, which has been helpful in securing higher reserve balances. We are required to pay 30% tax on interest, but we hope to receive at least \$6,000 in interest total in 2024.

The operational Budget 2024 vs actual was reviewed. Much has been accomplished this year from maintenance and landscape oversight. Board members used the extra 4% dues income wisely and have succeeded in focusing those additional funds to complete some much needed deck work, roof work and attention to privacy walls and fences, as well as tree care and road repair.

One thing learned from insurance presentation – we need to focus our budget dollars on ensuring we are not avoiding maintenance that needs to be done. Deferred maintenance is a huge issue for HOAs in many ways, and if we don't address serious issues, even tree issues, we risk our insurance coverage being denied if an incident occurs that would ordinarily be covered, including fallen trees causing damage.

We want to compliment the Division 7 owners who have been quite good at timely payment of dues.

The Reserve Budget for 2024 was certainly impacted by a roof failure for one of the duplex units. The Composite Roof Reserve still managed to grow despite the \$32,000 unexpected expenditure. We continue to add to our Reserves as aggressively as we feel is tolerable. But as you can see by the projections included in our packet, our best plans can be railroaded by a failed roof that must be fixed. Owners can certainly help us in that regard by continuing to report issues with leaks and gutter issues. The Finance Committee will continue to monitor the Reserve accounts with the goal of achieving the 'moderate risk' status in future Reserve Studies – funding to 30% of the suggested ong term goal from the Reserve Study. The only other reserve expense paid this year was the road repair done this summer. The Maintenance Directors have focused on using the road reserve funds to do maintenance when needed extending the life of our road considerably.

Copies of the full financial report including current balances and a list of expenditures since the last Board meeting were handed out to all present.

Expenditures are winding down this time of year, but there are still projects that will be presented that will be done hopefully by the end of this year.

Bank balances were reported as follows:

ACCOUNT Balances as of		11/19/2024	
Sound Bank		Balances	Totals
Checking account 0085 as of 11/19/2024	\$	90,629	
deposits pending after 11/18	\$	1,206	
Less uncleared checks as of 11/18	\$	(23,814)	
			\$ 68,021
Emergency Reserve - MMT 3402			\$ 27,659
Comp Roof Reserve - CD 6458	\$	53,394	
Comp Roof Reserve - MMKT 7721	\$	29,894	
Total Comp Roof Reserve			\$ 83,288
Total Acct Balances - Sound Bank			\$ 178,968
Kitsap Bank		Balances	Totals
Tile Roof CD 5129 - exp 1/25/29	\$	77,779	
Tile Roof CD 5131 - exp 10/25/24	\$	12,587	
Tile Roof MMKT 5119	\$	8,425	
(includes dep of \$875.00 from 3rd qtr revenue)			
Total Tile Roof Reserve			\$ 98,791
Road CD 5128 exp 10/25/2025	\$	46,418	
Road CD 5132 exp 10/25/24	\$	10,489	
Road MMKT 5118	\$	8,661	
Total Road Reserve			\$ 65,567
Total Acct Balances - Kitsap Bank			\$ 164,359
Total - ALL Reserve Accounts			\$ 275,305
NOTE: After Tsfrs on 11/22 - Total Reserve Accounts will be \$296,540			
Total - All Oper and Reserve Accounts			\$ 343,326

EXPENDITURES And Transfers to Reserve since 10/18/2024

Check payment tracking		through 11/21/2024	
Date	Payee	Amount	Category
11/21/2024	Sunland Condo Owners - tsfr	\$ 875.00	4th qtr Tsfr to Tile Roof Reserve
11/21/2024	Sunland Condo Owners - tsfr	\$ 9,742.50	4th qtr tsfr to Comp Roof Reserve
11/21/2024	Sunland Condo Owners - tsfr	\$ 875.00	3rd qtr Tsfr to Tile Roof Reserve
11/21/2024	Sunland Condo Owners - tsfr	\$ 9,742.50	3rd qtr tsfr to Comp Roof Reserve
11/19/2024	Peninsula Water - 1st pymt	\$ 1,252.35	5340 Sprinkler
11/14/2024	Jardin Pura Vida (Juan) - prepayment	\$ 1,225.00	5345 Shrubs
11/12/2024	Bell and Bell	\$ 500.00	7020 Bookping
11/11/2024	Dynamic Graphics uncleared	\$ 101.85	7160 - website
11/11/2024	Jamestown Concrete	\$ 13,220.00	5120 Deck
11/7/2024	CAU - Nov	\$ 4,526.00	7050 Insurance
11/6/2024	Ambros Landscape - Nov	\$ 5,072.38	5320 - Grounds contract
10/10/2024	Peninsula Water Solutions	\$ 1,252.35	5340 Sprinkler (Sept pymt)
	Total expenses & Tsfrs	\$ 48,384.93	
	10/18/2024 - 11/21/2024		

Maintenance: Joel was honored for his several years of handling maintenance as he leaves the board after many years of service.

Steve Lavelly provided a brief recap of completed or in process repairs and replacements such as road repair, decks, outside west walls and privacy walls, addressed several drainage issues, commissioned a review of 10 roofs for repair/replacement priority, and next year painting needs. The roof review proved that 156 roof was listed as the most in need of reroofing. 2024 saw the beginning of Owner volunteers reviewing the exterior of their assigned building, reporting issues or potential problems, which helps budget for 2025, as well as proactively do repairs. The bidding for painting buildings was discussed – and since painters are so busy, getting on their list early in 2025 will be important.

Insurance: Rob recapped the insurance process, which will pick up after the first of the year – usually February timeframe. As more info comes in, the owners will be notified of any updates to the costs being presented. Owners are urged to come to the presentation that our agent, Dianna Kaspar, provides annually.

Landscape: Kelly thanked Katie for her support and help in general landscaping tasks and particularly irrigation improvement and management. Kelly was thanked for her extensive work on setting up a program to manage landscape work requests, securing contracts and the wide ranging and difficult tasks of having Hilltop stay pretty.

Between March 2023 to November 2023 Ambros completed 38 formal Landscape Service requests. In addition to those service requests, many plants, shrubs and trees were pruned. Some dead shrubs were removed, others were assessed and observed “coming back” after last winter. Efforts were made to keep Hilltop clean from debris, much of the work being done soon after a windstorm. Fertilizer was applied and many weeds were sprayed. Mulch was made available for owners to use.

Katie Venator, an HOA Board Member worked closely with irrigation contractor Brett Romano from Peninsula Water Solutions who was contracted to complete many repairs and adjustments to sprinklers. New timers were installed, and winterizing has been completed. Brett also installed the much needed and required backflow unit.

Katie Adolphson was coordinated with trapping moles that continue to be an issue.

We Love Trees removed several diseased trees, one of them being hollow. Many trees were given heavy pruning, cabling and/or dead weighting.

Some owners requested to make changes to the common area near their units. Katie Venator and Kelly Foster worked closely with owners, educating them on the regulations, requirements, processes.

New irrigation timers and repair led to Sunland Water commending Division 7 for significantly reduced water usage.

Reserve Study: The Reserve Study is required by the RCW that governs our HOA. The full report and summary is posted on our website. Presently our rating is only fair and in the red alert area, and we are working to get back above the 30% funded area as is prudent. Increased reserve contributions will raise our percentage of funding, which helps our property values stay high.

Governing Documents: Carol thanked the committee members – Nancy Baer, Margaret Cox and Krystal Brown – for their efforts throughout 2024 editing governing documents. The Bylaws had some minor changes including updated roof reserve annual assessments. More Bylaw changes are in the works including updating our monetary policies and adding in the approved File Retention Policy as well. We will be adding language regarding HOA insurance as well.

Rules and Regulations have been updated and will be approved by the Board in January, including a new section on Owner/HOA responsibility that will assist owners in understanding what the HOA actually manages and where the Owner has responsibility instead.

The new Washington State Common Interest Community Law was enacted in 2024, and takes effect for Division 7 on January 1, 2028 and we will need to be in compliance by that time by rewriting our CCRS or Bylaws. .

Debby McGehee is the new chairperson of the Documents Committee and we will continue to look for a scribe.

Social Committee: Nancy announced the Christmas Party will be December 13 from 5:00 to 8:00pm at the Gathering Place. Owners should bring a hearty appetizer or sweet and personal beverages. Water and punch will be provided. All are asked to bring canned goods or cash to be given to the Sequim Food Bank. The Food Bank gave out 1,275 boxes for Thanksgiving. As always, helpful volunteers for set up and clean up afterwards are beloved. Elizabeth Rosenberg has joined the committee as well.

Data and Records: Information on physical changes or repairs on individual units is important for future building histories. Division 7 has allowed owner modifications, while other divisions have not done so. Therefore a record of such changes over the past fifty years is essential in order to hold each owner accountable for maintenance of the architectural or landscape changes made by them. Each unit now has a file and our records are sorted by unit and building. We are looking at digital options and Jill Olkoski has agreed to assist in this endeavor.

Ballot Results: Budget with dues increase passed and all proposed board members were accepted.

Old Business: As noted, Kelly Foster and Joel Ogden will be leaving the Board with thanks and were applauded and given cards and gift cards to show appreciation for their efforts.

Nancy acknowledged each member of the Board works hard to keep Division 7 a good place to live but it is fun and a good way to learn our community. Owners should think about volunteering in some way.

Katie asked that people not overload the garden recycle bins or allow rain to get in since the bins become too heavy for the gardeners to lift.

President Rob Baer suggested the new Board members elected consider an email address specifically for HOA business.

Executive Session:

The Board members held an executive session but did not have a quorum of all Board members. Adjourned until Monday when all the new Board members were available to join.

Motion to Adjourn at 4:30pm was unanimously approved.

MONDAY – November 25, 2024 at 2pm – Full Board met in executive session to elect officers and assign Committee members to leadership roles.

Term assignments were made for elected Board members (attached final terms updated).

Officers were elected by motion – Rob Baer, President; Steve Lavelly, Vice President; Co-Secretaries Joe Holliday and Shar Busch; Treasurer – Carol Stults.

Committee Chairs and members were selected (see attached list of Committee Chairs and members).

Addendum to November Minutes:

On November 12th 2024, a Motion was made via email as shown:

MOTION: A motion was made by Carol Stults that we approve the bid from Jardin Pura Vida LLC (Juan) for the landscape project involving the backyard of 163 including wood stairs, small retaining wall, hillside weed control and plantings. Cost is \$3,500.00, using maintenance 2024 budget dollars to cover this project. Motion was seconded by Steve Lavelly, and was passed unanimously.

On November 17th a Motion was made via email as shown below, including the final contract as a handout..

Kelly presented all 3 bids – via email:

- Ambros: \$65,000 per year
- Squeaky Clean: \$54,4000 per year
- We did not pursue a bid from Jardin but verbally he indicated it would be \$55,000 per year.

Kelly also provided details of the references checked for Squeaky Clean.

The final decision was tabled and subsequently was discussed in executive session on November 18, 2024 - to approve landscape contract. After discussion and questions were answered, the motion was voted on as follows:

MOTION: Kelly made a motion that we sign a contract with Squeaky Clean for both lawn care and landscape services, with one contract reflecting all the duties associated with those services. Carol seconded the motion; votes were taken – 5 yes votes and 1 no. The contract was awarded to Squeaky Clean. Executive session was adjourned.

Next Board Meeting: January 16th, 2025 at 3:00pm.

Minutes submitted by: Carol L. Stults

Carol Stults, Secretary/Treasurer

SUNLAND CONDO OWNERS ASSOCIATION

Division 7 Board of Directors

Term Expirations –as of November 25, 2024

<u>*POSITIONS</u>	<u>TERM EXPIRES</u>	<u>Board Member Assigned</u>
Position 1	November 2025	Katie Venator
Position 2	November 2025	Rob Baer
Position 3	November 2025	Jill Olkoski
Position 4	November 2026	Carol Stults
Position 5	November 2026	Steve Lavelly
Position 6	November 2026	Julie Turnross
Position 7	November 2027	Joe Holliday
Position 8	November 2027	Shar Busch
Position 9	November 2027	Open

***NOTE: Position numbers are listed/sorted according to most recent expiration date. Persons assigned to a position number will move up into the position number according to their term expiration.**

Per the Bylaws, the Board may add members to fill empty positions by appointment approval, or positions will be filled by vote of the Owners at the next Annual Meeting.

Board and Committee Membership – November 25, 2024 – November 2025

President Rob Baer
Vice-President Steve Lavelly
Co-Secretaries Joe Holliday, Sharlene Busch
Treasurer Carol Stults

Maintenance Committee

Julie Turnross, Director
Rob Baer

Landscape Committee Katie Venator, Director
Steve Lavelly

Finance and Audit Carol Stults, Chair
Ed Busch
Mike Mowatt
Rob Baer

Nominating Committee Steve Lavelly
Others To Be Announced

Governing Documents Committee

Debby McGehee, Chair
Margaret Cox
Nancy Baer
Carol Stults

Records and Date Committee

Jill Olkoski, Chair
Carol Stults

Insurance Committee Rob Baer

Communications Carol Stults

Social Committee Nancy Baer, Chair
Debby McGehee
Sharlene Busch

Elizabeth Rosenberg