



**Homeowners Association
Regular Meeting - HOA Board of Directors
July 24, 2023**

MINUTES

Minutes are meant to reflect a summary of the Board's actions and not as a transcript of all discussions. This is a virtual meeting; members were notified on our website and by email of the time and provided the link.

The purpose of this meeting is to conduct regular board business and update fellow board members of actions taken and proposed in an open format.

The meeting was called to order with 4 of 5 Board members present: Acting President: Doug Moore; Treasurer: Diana Johnson; and Member-at-Large: Kevin Cavanaugh; Landscaping Member: Jim Taylor

Joining the meeting virtually were committee Chairs Renee Jacobs and Sarah Whitney. Members joining were: Wendy H, Susan T, Dave K. Sam M., Rudey M; Rock M, Barb and Bill C, Roberta R.; Jeanne and Ken H, Cynthia K., Jeff and Nanci L. Representatives from an association management firm observed for the first portion of the meeting.

OLD BUSINESS

Secretary, Beth Morris is not present at this time, so the adopting of the most recent meeting minutes will be taken up next week.

Summary of Executive Session on 7/17/23

Diana Johnson has researched and reached out to several potential management companies to take over from Elite. A sales rep from national firm EMB Management presented services, features and possible solutions that the board will take under consideration. Members were again encouraged to watch the taped presentation and provide input. We are looking to make a decision by 7/31.

Diana shared the discussion about the workload changing the level of commitment needed from past boards and unease with matters of confidentiality that led to asking Kevin Cavanaugh to step down as a board member. A straw poll was taken and a majority of the members (3) agreed to Kevin Cavanaugh's removal. A slide presentation outlined governing documents and WA state law regarding removal of a Director. (See Attachment).

It was shown that Kevin Cavanaugh can resign, or Kevin Cavanaugh is invited to give a speech at the next Open Meeting scheduled 31 July 31st, which will be followed by repeating the vote, in the Open Meeting.

Members were invited to pose questions; none were expressed.

Treasurer's Report; Diana Johnson [slide show with graphics and data] June financials were received hours before this meetings, so they are not included in the prepared charts and graphs. Account balances are: CD: \$9,800; checking \$13,000; reserve/savings: \$86,000. The June 30 statement shows \$3,000 in our checking

account which causes Diana concerns. Any new management company we hire will allow for a much faster turn-around for financials. Diana is obtaining her credentials so she can access our bank records anytime in real time. Another set-back for our financial health is we have absolutely zero documents available on line; we were given three banker's boxes full of paper documents to sort through going back only as far as 2017. The documents were not in folders or any sort of order whatsoever. Our next management will be able to provide organized electronic files for us. Our Certificate of Deposit has matured and we can either cash it out or reinvest it; it's paying less than 0.5 percent. That is an action item. Diana explained that the reserve/savings account is held for known upcoming major expenses as well as emergencies which come up. A review of the reserve study shows that projections of expenses in the study were based on a 2 percent inflation rate. Since interest rates have been between 5 and 8 percent the past few years, those cost projections, and thus our projected funds needed in reserve, are significantly depressed. A red flag from December was a bounced check in December 2022. We're looking forward to a software solution to analyze our spending needs and habits. Members are invited to attend a budget sharing opportunity later in the week to learn more and ask questions.

Sam M. points out the lack of earnings on our \$86,000. Diana notes that interest earned at 0.05% means we're losing 6-7% year over year making our account worth less.

Ken H shared there are other options for placing a portion of our reserved into an interest-bearing account higher than we have now. He volunteered to be on the budget review committee.

A pie chart of our spending was used to show areas we'll be looking to save money like landscaping and management fees.

A finance committee meeting was confirmed at this time with date, time, and location.

Beth Morris, Secretary, joined the meeting.

Diana outlined upcoming steps to draft a new budget for the board to consider, pass and then ratify a budget, and the likely expenses in the next 18 months.

Acting President, Doug Moore updated us on the status of the consent forms allowing email to replace US postal service.[bylaw 9.1] At this time all but about 15 of our 96 homes have agreed to email correspondence. Renee reminded members that the printing and postage costs of paper documents are increased as the hourly rate for those services by Elite is also tacked on.

Landscaping Chair; Jim Taylor A new "short form" has been developed for use for minor upkeep or changes and tidying landscaping activities. It replaces the multi-page architectural controls document. Photos can be attached using the board email. It will allow the board to review in a timely manner.

Communications Chair; Renee Jacobs reviewed the Big Goal of having a special meeting in August was reviewed and its components detailed. We are expecting to pass and then ratify a new budget, increase the board size through new elections, and amend our governing documents. The actions and plans for the next 18 months will benefit from having more than our current 5 volunteers for all the heavy lifting. . She reviewed the changes to how the board will introduce items and allow for community input before voting a week later.

NEW BUSINESS

Communications Chair; Renee Jacobs explained the tight spot we're in having to replace our management company on short notice. She invites members to review the video presentation from last week's executive session and to provide input about what's important to them. She noted the upcoming major maintenance projects for which we are busy gathering estimates. Noting that there isn't time in a board meeting for in-

depth discussions and debate, members are urged to join the committees which have been formed to accommodate these long discussions: Budget, Management CO. selection, Landscaping, and Stormwater.

Renee explained that negotiations are going on with the golf course for potential additional landscaping and maintenance projects. The folks from the golf course will be doing a drive through our neighborhood this week in their golf carts to see what they might be able to do for us.

An update to the website was shared. Jim Taylor thanked Renee for her commitment to putting our governing documents into searchable documents on our website; the enormous amount of work and time she put in should not be overlooked. Renee demonstrated the user-friendly quality. We expect our new management company to have an interactive website for us to use to communicate with our neighbors about issues or events they'd like to share.

The meeting moved into Open Discussion. Member-at-Large, Kevin Cavanaugh declined speaking time at the next Open Meeting 31st July, insisted on expressing his concerns. Discourse became heated.

Result:

1. Our prospective Property Management Company left the meeting and refused to return to pitch their services.
2. Kevin resigned from the board.

Acting President, Doug Moore made a motion, and the meeting was adjourned.

No Executive Session followed the meeting.

<p style="text-align: center;">HOA DIRECTOR REMOVAL</p>	<p>ByLaws</p> <p>6.3. Removal of Officers; Vacancies.</p> <p>An Officer may be removed by the Board of Directors with or without cause by the affirmative vote of a majority of the entire Board of Directors.</p> <p>A successor may be elected at any regular meeting of the Board of Directors or at any special meeting called for that purpose.</p>	<p>During Closed Executive Session</p> <p>Topic: HOA Director Engagement Conversation was specific to work effort and confidentiality.</p> <p>3 of 5 HOA Directors voted to remove Kevin Cavanaugh from the HOA Board.</p>
<p>ByLaw 5.3.7. Open Meetings.</p> <p>...No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed session, reconvenes in open meeting, reasonably identifies the motion or other action considered in executive session, and votes again in the open meeting on such motion or other action.</p>	<p>WA Law</p> <ul style="list-style-type: none"> • RCW 64.90.520 • Officers and board members - Removal. <p>1 (iii) ...subject is listed in notice of the meeting.</p> <p>(2) ...officer being considered for removal must have a reasonable opportunity to speak before the vote.</p> <p>(4) ...the board may remove an officer elected by the board at any time, with or without cause. The removal must be recorded in the minutes of the next board meeting.</p>	<p>WA Law</p> <ul style="list-style-type: none"> • RCW 24.03A.525 <p>Resignation of director.</p> <p>(1) A director may resign at any time by delivering an executed notice in the form of a record to the president, the secretary of the corporation, or another officer designated for that purpose in the articles or bylaws. A director may also resign by giving oral notice to the board at a meeting of the board.</p>
<p>Options</p> <p>Kevin Cavanaugh can resign.</p> <p>Or</p> <p>Prior to Vote becoming official, Kevin Cavanaugh can speak during Open Meeting scheduled July 31st.</p>	<p>Actions</p> <p>Subject was listed in the Notice of this meeting.</p> <p>Subject will be on the Agenda of our next meeting 31 July.</p> <p>Kevin will be invited to Speak, up to 2 minutes, during the meeting July 31st.</p> <p>Vote will take place in Open Meeting.</p> <p>HOA Board will fill the vacancy during election at Special Meeting projected for Augst 2023.</p>	<p>Furthermore...</p> <p>Mr. Cavanaugh is advised to respect Confidentiality regarding Confidential Complaints by HOA Members, likely or pending litigation, matters involving possible violations of the Governing Documents, or matters involving the possible liability of an Owner to the Association.</p>