

SunLand Owners Association
Annual Meeting of the Membership Minutes DRAFT
September 13, 2017
Sunland G&CC Ballroom

The meeting was called to order by **Fred Smith, President**. He stated the purpose of the meeting

- to welcome those present
- approve the minutes of the previous annual meeting
- approve the 2018 budget
- elect new members to the Board of Directors
- and conduct any other business that is properly brought before the membership.

Secretary/Treasurer Jennifer Sweeney verified that a quorum of the membership was present or represented by proxy. It was moved that the minutes from 2017 not be read. 2017 Annual Meeting minutes were approved.

He then introduced **Ricki Bele, the new office manager**, and the Board of Directors who were present:

- **Jac Osborn**, Vice President and Architectural Chair
- **Jennifer Sweeney**, Secretary Treasurer
- **Bobbie Piety**, Rental Chair
- **Steve Loska**, Greenbelts
- **Phil Merlin**, Roads, Parking, and Security
- **Richard Hempel**, Landscape chair for the last 3 months, but must step away from the board for the time being.
- **Missy Church-Smith**, Communications

Fred Smith thanked the board member who is retiring this year: **Bobbie Piety**. We are only losing one BOD member since **Fred Smith** announced that he and **Jennifer** would be staying on the board for one more year.

Treasurer Jennifer Sweeney gave the financial report.

- SLOA is financially stable, having \$242,385 in income as of August 31st.
- The total budgeted in expenses as of August 31st is \$229,688, spent 68.1% so far or \$156,368. We are over budget 1.4%.
 - Over budget are professional services: legal expenses, accounting, tax prep which was due to the forensic audit (\$6300.00) which wiped out the entire budget. No improprieties were found; our accounting policy is sound.
- Swimming pool is over budget, which is to be expected. \$161,291 was spent last year; spending was less this year.
- The proposed budget for 2018 does not include any increase in dues.
- To date, 68 Homes sales in SunLand; same time last year was 56.
- Goals are to redo QuickBooks completely...start fresh, make it less cumbersome.

Fred Smith then introduced the candidates for the Board of Directors:

- **Maggie Philbin** (not present)
- **Jerry Ahern**: Jerry and Diane moved to Sunland 3 ½ years from Seattle and have been involved in the community. Over the years they owned several salons and were active in related educational activities.
- **Michael Gawley**: Michael and his wife have lived at Sunland for over 12 years. They moved from Hawaii in 2005. He would like to work with the RV Lot.

Mr. Smith then asked for nominations from the floor; no additional nominations.

- Since there are three candidates and three slots, it was moved and seconded to elect the three nominees to the board; unanimous approval.

Fred Smith opened the floor to questions about the budget. There were no questions.

UNFINISHED BUSINESS

Fred Smith opened the floor to questions about ratification of the CC&Rs.

- **Resident:** If this is ratified, there is no method to amend the CC&Rs as there is no Article 17. Before it is registered or recorded, be sure that Article 17 is included as we cannot operate without a process to amend.
 - **Fred** said that before the CC&Rs are filed our attorney will review them again.
- **Resident:** Somebody said that the board can change the CC&Rs. Section 17 states that the board can adopt the bylaws. Section 18 states the rules and regulations shall be implementation guidelines for the CC&Rs - and the rules and regulations have been adopted or suspended by the board. The CC&Rs and bylaws should be guidelines for regulations, not be regulations. The CC&RS should only be changed when most of us agree they should be changed. Rules and regulations should be implemented according to the guidelines of the bylaws and the CC&Rs but not the other way around.
 - **Fred:** The copy you are reading from here is from last year and was not passed by membership last year; updated copies were sent out to everybody in February.
This process to update the CC&Rs goes back to a year ago last February, when we started. They were written, you were given the opportunity to review them, and they were not passed. The committee went through them again, came up with a final set, gave them to the attorney; the attorney reviewed them then sent them back - and that is what you voted on in February.
The main reason we began the process to change the CC&Rs was very simple - they were outdated. They did not follow federal or state guidelines. We were in the position to either change them, or do things that were against the law. The revised ones do not allow the board to make any changes that owners don't want. Period.
- **Resident:** Which regulations specifically violate federal law currently?
 - **Fred:** Trust me, it goes back way, way too many months for my feeble mind to remember.
- **Resident:** And my other question is, why haven't we seen the recommendations from the attorney in our communications?
 - **Fred:** They were sent to all Owners. You voted on them; the ratification that you have now, is ratifying that vote. There were several people that decided that the way we sent the ballots out didn't suit their needs. And so, the attorney advised to have everybody ratify it one more time; that's what we are doing.
- **Resident:** Didn't you just say though it's still going to the attorney to approve?
 - **Fred:** He is going to be reviewing his own work; Section 17 is not in there. Everything will be brought up to where it can be filed. No language will be changed.
- **Resident:** That doesn't make sense to me. He should send the final copy, which meets the legal requirements, for us to look over.
 - **Fred:** If you want to do that, we will wait another year. I'm saying no.
 - **Fred:** It will be online, Yes
- **Resident:** If you are still sending it to a lawyer, we do not yet know what we are voting on.
- **Resident:** I am referencing a comment that Carl Kelly had to say as he was reading from the last year's draft. Is there somebody on the board who has the current copy that was sent out; could that person could read what Carl said and show him the changes were made in accordance with regulations
 - **Board:** We do not have a copy.
- **Resident:** A lot of us voted by proxy and I think we should just wait and see what the results are and go from there.
- **Resident:** I have a question. What's the purpose of the CC&R's in general?
 - **Fred:** CC&Rs are the structure that we use to organize and manage the owner's association.
- **Fred:** We have 915 homes in Sunland now. We started the year with 907, now we have 915 - 915 different opinions. This has been a year and a half project - writing, rewriting. We voted in February and by the ballot and the proxy passed. So, at this point it is a moot point.
Let me give you some assurances though:

- In the CC&Rs the board can't do anything you don't want to do. You elect the board. You don't like us, kick us out. There are provisions in the CC&Rs for you to kick us out.
- The CC&Rs, if we change them, any way matter, shape or form, the United States Supreme Court said that you have to follow the original intent of the original CC&Rs. That dates back to 1971. We went back and looked at the original CC&Rs when we started rewriting. Most of you who live in Sunland do not belong to the golf club. The original CC&Rs stated very clearly, that you did not have to buy a membership at the golf club; but if you did had to be a member of the golf club in perpetuity. Now those vanished somewhere along the lines. So, if we were to move on the original intent we would be forced, by law, to go back to all the previous owners of your lots. And if they were members of the golf club, you would be members of the golf club. That's not going to happen.
- I've had three comments this week about the board having the ability to buy more real estate. We don't have the ability to buy up real estate. We don't want to buy any more real estate. We are not going to have SunLand South. There is a limitation of common sense that has to apply in situations like this. If I've hurt any bodies feeling, I apologize. We are not here to upset you or do something you don't want us to do. We are doing the job you elected us to do - to run SunLand as best as we can.
- **Resident:** You're doing a great job, Fred.
- **Resident:** We wouldn't have moved into Sunland had it not been protected CC&Rs; they are extremely important. I just want to make sure we are doing things correctly, that's all. And I believe that is the intent of the board as well.
 - **Fred:** You have to remember, we live here too. The one reason that we volunteer for these positions is to improve and help maintain our standard of living in SunLand. Any other questions or comments on the CC&Rs? Can I close the subject?
- **Fred:** Nominations are closed. Do we have the results?
 - **Jennifer:** I didn't collect all the ballots, because we were going to wait.
 - **Fred:** Let's collect all the ballots

Fred: While those get processed, let me skip ahead a little bit.

Under new business I was going to talk about the projects we have done and have been planning. You saw in the bulletin last month that we discovered **\$70,000** in cash; to date, we do not know exactly where it came from. The only explanation we can come up with is over the years, as various boards came and went, we never had a true accounting of an accurate cash balance at the end of the year. In the past we held either an audit or a review. Mr. Brown, the gentleman that did our taxes/reviews/etc., looked at the checkbook balance on the 31st of December; it would balance because at that time, the Water District & SLOA were merging funds. SLOA was managing the water district's money - collecting, depositing, and sending a check to the county for water and sewer. Most years the December 31st balance ranged from \$500,000 to \$700,000; on January 2nd, the balance ranged from \$75,000.00 to \$100,000.00. No one accurately knew what was there.

Last year we made the decision to conduct a forensic accounting. It started in January, under Jennifer's supervision. When finished, she reported that we have absolutely zero indication of any falsehoods, scam of money or anything. But what we did have was too much money. Brings up the question...what do we do with it? As a board, the first inclination was return it to owners in the form of a credit of \$35 or \$40 per household,; but we could not figure out how to allocate fairly. So one of the things we did, a year ago was work on the swimming pool.

Current options for SLOA Improvements under review are:

- New entrance sign
- Additional pickle ball court
- A bocce ball court

Results of ballot issues:

- **2018 Budget: Approved 151, Disapproved 7. Budget passes.**
- **Ratification of CC&Rs: Approved 133 Disapproved 24. Ratification of CC&Rs passed.**

NEW BUSINESS

SLOA WEBSITE, Missy Church-Smith

- Will move to electronic communication as appropriate to be more effective and cut expenses
 - Those without computers will be accommodated with hard copies
- Presented overview and features of new site
 - Homepage with slideshow, contact information, board minutes, SLOA Newsletter, calendar
 - Amenities – information, photos
 - SLOA owners info – BOD members (hotlinks to e-mail), committee chairs (hotlinks to e-mail), updated forms
 - Will add a Members Only site
 - Will add on-line Roster
 - Appropriate financial information
 - Site is a “work in progress”
 - www.sunlandhomeowners.com

QUESTIONS/COMMENTS

- **Resident:** Deer herd increasing and becoming a problem. Suggest requesting that Clallam County reduce the herd.
 - **Fred:** I’ve researched options with the state; they cannot do anything. SunLand cannot cull the herd. However, if we can prove that the herd is not healthy, perhaps the County will be able to remove some. We also have an issue with raccoons, rats, as well as other animals. Some of the problem is a result of residents feeding wild animals -do not do that...against the CC&Rs and state rules to feed wild animals. Please remove all bird feeders.
- **Resident:** Speed limit is not adhered to on SunLand roads; this is a danger for all of us.
 - **Fred:** SunLand roads are county roads and therefore speed bumps are not an option.
 - When walking, face the traffic.
- **Resident:** Perhaps meet with County Commissioners re. Deer issue.
 - **Fred:** All options are being explored.
- **Resident:** Is it possible for Sheriff to patrol our streets?
 - **Fred:** Phil Merlin and I will meet with Mark Ozias to explore solutions.
- **Resident:** Deer problem idea – hot pepper solution sprayed on vegetation.
- **Resident:** Was the February 2017 Audit performed by an outside accounting firm?
 - **Fred:** Yes, a firm in Seattle. **Decision has been made to have an audit every 3 years.**
- **Resident:** Status of pickle ball and bocce ball courts area?
 - **Fred:** In process. I would like to eventually include a permanent shelter and rest rooms.
- **Resident:** re. Entrance Sign. Who owns corner where current sign sits? Who will pay for expenses associated with sign maintenance – installation and annual expenses?
 - **Fred:** Currently spending funds to replace lights that have been broken.
 - **Jennifer:** An additional court’s additional maintenance would be negligible.
- **Resident:** Swimming pool expenses – asked for breakdown of all pool expenses to be posted on-line
 - **Jennifer:** cleaning products, toys, cash box, trac phone, certification training, etc.
 - Inappropriate to post day-to-day expenses on line
 - **Fred:** BOD has been entrusted to make decisions re. these expenses. Make an appointment for more information.
- **Resident:** Arborist status?
 - **Fred:** Greenbelt issues have been resolved.

Motion to adjourn, second, unanimous approval. Meeting adjourned at 6:05pm