

June 6 and June 26, 2021 SAPOA Board Meeting Minutes UNAPPROVED

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**SAPOA'S Dues: payments are payable September 1<sup>st</sup> ever year. Send to: SAPOA, PO BOX 824, SEQUIM, WA 98382**

**General Meeting: September 25<sup>th</sup> Refreshments and Social Hour at Noon; Meeting at 1pm**

**SEE OUR WEBSITE:** SAPOASEQUIM.ORG – under construction now, revisions of documents need to be verified

**VOLUNTEERS are needed:** Please talk any Board Member for more information, together we are strong.

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June 26, 2021 Board Meeting Minutes:

President's Welcome and Report:

Kathleen Keehn started the meeting and introduced herself as the New President of SAPOA; Annemarie Montera as Treasurer and Kaye Gagnon as Secretary.

Previous Board Meetings Minutes: were reviewed and approved by the Board Members.

Bob Salisbury was recalled and the resignations of 3 Board Members were accepted.

Thank you to Bob, Christine, Diana, and Loren for your volunteer time and talents.

An Interim Board has been set up by the remaining Board Member, Kathleen Keehn, who will preside as President until Board Members can be voted upon by the membership after the General Meeting in September. She appointed two other Members, per the By-Laws, to the positions of Acting Secretary (Kaye Gagnon) and Acting Treasurer (Annemarie Montera). They will work to keep the membership informed and to get the Association Board back to an elected Board by the membership as quickly as possible.

Annemarie will be doing a full treasurer's report at the next General Meeting. There will be an opportunity for members to ask questions later and at the next General Meeting. Finalized copies of the Treasurers Reports and Audits will be presented for approval by the membership at the next General Meeting.

SAPOA is a tax-exempt organization (WA State stamped our Articles of Incorporation as "Non-Profit and waived fees to file); the Bylaw changes proposed in last ballot were discussed and there is a concern that the changes had the potential of establishing SAPOA as a for profit organization causing more costs (mainly in taxes and insurance) to the membership. This Board will work to maintain SAPOAs non-profit status.

There is a subcommittee who will be preparing Bylaw updates which will be voted on by the membership before they are released and used. This Board is focused on getting feedback from members, communicating openly, making decisions based on member input and keeping expenses as low as possible.

Today the committees are in need of members, the more volunteers we can get actively engaged in running SAPOA the better the learning and running of SAPA will be. Hope today people will volunteer and serve on the committees or take on specific roles to help spread the workload and learning.

Announcements were made to use the signup sheet for being on a committee and all are encouraged to attend the next General Meeting.

Help Needed:

Website Committee: to look at if what we are doing to ensure we are getting the best information out to the membership as timely as possible. We will be trying to put all documents on the site as soon as possible and then have them voted on and approved as needed.

Muscle Beach Road Committee: Maintain Road and beach access.

Nominating / Election Committee: We want to establish this Committee first to find volunteers to run for the Board and then to manage the elections per the Bylaws.

Plat Architectural Representatives for each Plat and SAPOA.

Bylaw Committee: to review and revise the Bylaws based on membership input.

Budget and Finance Committee: we want at least two members to work with Annemarie to learn how to manage the books and budget.

Communications Volunteer to monitor emails.

Kathleen Keehn closed her opening comments by stating she would like to get the community working together again and communicating openly. We always have and should continue this tradition. There have been bumps in SAPOA's history before, but just as we did then, we can continue to work together and communicate with our neighbors as well as welcoming new neighbors with SAPOA information.

Treasurers Report - Annemarie Montera:

Upon review of the bank accounts, if we tighten our belts, we can keep our Association Dues to \$50 for this year and although we expect there to be some increasing in the following years due to cost of insurance, mailing costs and other factors we will attempt to keep them as low as possible to keep the dues reasonable.

There are some dates that need correcting on the reports that were caught after they had been printed. The final Treasurer Reports will be updated and distributed at the General meeting and posted on the Website.

The only income SAPOA has ever had, besides our contributions in Dues, is the interest on our funds which is the ONLY income that is taxable (over \$100 a year).

All Fiscal Years from 9/1/2017 – 8/31/2020 books were not audited. The current Acting Treasurer has now audited all those books and found that the books now match the Bank Statements for all years. All of the unapproved Audits will be put on the SAPOA website for review before the General Meeting. These reports (with some minor date errors previously noted) were available at this meeting for all members. \$4K MBR operating budget was not allocated for 2018, so we owe \$4K to those reserve funds.

2 years of income taxes were not filed, they will be filed as 1120-H for 2017 and 2018. Penalties and Interest will probably be assessed, they should be minimal and will then make us up-to-date on all tax returns. The 2019 1120-H tax return was filed and a tax of \$45 was paid.

2019 - 2020 bookwork was done by Bell & Bell, CPA firm; The Acting Treasurer's Audit of those books finding that there was an \$85.73 difference in Operating Account bank balances between the books and the bank statement but the audit balanced to the Bank Statement when done so the opening balances matched for 9/1/2020.

Legal Reserve Fund account dropped due to large Legal expenses spent in 2020 and 2021.

Reconciliation of the database is underway.

Mussel Beach Road \$4,000 annual Reserve contributions are supposed to be allocated annually to maintain Reserves Study approved funds. The \$4,000 Aquatic Lease Bond is now being held in Escrow by the State rather than in our bank account as Restricted funds. Therefore, all funds in MBR account are now available for use for maintenance and repairs of the MBR Road.

All books will be brought to the general meetings and are available for review by membership at the meeting or by appointment with the Acting Treasurer. We will ask the Finance Committee to appoint an Auditor for the books for 2020-2021 at the General Meeting and the books will be given to the Auditor at that meeting or at another appointed time.

Discussion of Budget included:

Bookkeeping fees of \$2,000 will be removed from the Budget and the funds will be used to

- Increase of \$900.00 to the membership communications line item
- Pay for the increased cost of the storage unit from \$250 to \$600 annually.
- Insurance line item will go up from \$6,500 to \$8,000 to cover the increase in premiums

Feedback was received that people don't know where or when to send in dues. The PO Box is on SAPOASquim.org. Several members stated they didn't know we had a website. Send Checks to PO Box 824, Sequim WA. Dues cover Sept 1 through August 31st each year and are payable on September 1st and Delinquent after October 15th. A \$5 late fee is due after that date to compensate the Association

for a billing needing to be prepared and sent out. We will be sure to be better at communicating these things in the future through the web site, Reader Board, blast emails and Newsletters.

More than one person needs to know how the finances are managed so we don't have a single point failure. An Audit needs to be done each year of the Treasurer's books by a member of the Association. The Finance Committee can, in the future, appoint one member to be that Auditor who will have nothing to do with preparing the books during the year but will be aware of how they are being taken care of. The Committee will be aware of the processes being used to do the bookwork as a back-up to the Treasurer. Governing by Committee will ensure talents are used and expenses are reduced.

We currently have 125 delinquent members compared with a 6% rate in 2016-2017. The liens have, however, decreased from 25 to 5 at this time many due to sales or refinancing of properties. We have reminded the title companies to please report all sales to the Association and check for delinquent dues owed. SAPOA has had some sales go unreported to us. Lately a few properties have not paid liens when they have been personal sales between family members. We are contacting Realtors and Title company to ensure they are aware of SAPOA lien policies which should be settled before titles are transferred.

Payment of membership dues were not available since we did not have the database in time to calculate all the payments made in time for Board Meeting but will be calculated on Financials for the General Meeting.

Annemarie will be working with members to help members understand what dues are owed and to address Liens owed and try to work out payment schedules to get them paid and released.

We want members to help direct the Board on what to spend money on through approval of the Budget and we want to keep the reserve fund properly funded as directed by the membership. All of the Board's recommendations will be on the Budget Ballot that will, per the By Laws, be sent out by July 15th.

Conclusion by the Acting Treasurer is that we have enough funds on deposit to be able to make the transfers to the Restricted funds that have been spent so that those funds remain on track to balances we approved in the Reserve Study done in 2014. That Study will be reviewed every year and any changes that might be needed can be addressed each year before the Budget is presented to the membership.

Delinquent rate right now is 31%. We will be working on lowering that.

A discussion about the reserve study and how much funds members want to put into a fund that may not be needed for many years down the road. Members encouraged to give thought to how much of our money should be put away for projects that might not happen for many years to come. A reminder was stated that there is no penalty for not having a reserve fund and no reserve study except for having to pay for repairs with assessments if the funds are not saved. SAPOA had this happen prior to the establishment of the Reserves which led to several when we had to pay an additional \$75/year instead

of the normal \$50 dues. With a review annually of projects needed, reserves deposited per the standing study and funds available, we should be able to meet our needs as we go forward.

Budget Ballot will go out in July. It will summarize what the budget was and what it is now and how it is changing. All members are encouraged to vote.

Annemarie summarized that the Association is in good shape financially and will be donating her time to put everything in good order and would like to establish a committee to help her with budgets and finances and she will train all volunteers.

Discussion and Questions to be addressed at the General Meeting:

All were encouraged to talk with their neighbors and make members aware there is information on the website. Several members said they didn't know there was a website. The Board took an action to advertise the website more.

Newsletters used to be issued four times a year, they always had when dues were due and how much and were to send checks as well as volunteers needed. The goal is to include due date reminder and how to submit dues in all correspondence.

A question was asked about going to a calendar year instead of a fiscal year. There was discussion about tax implications, calendaring to allow new board members to be elected in fall and installed in January to allow overlap between board members for learning. Annemarie said it would have to be looked at, the current overlapped timing has worked well.

When a property is sold how do we get our money? The title company gets in touch with us, or should.

Who gives new owners a copy of the bylaws or covenants? Suggestion for the Current Board to do this. Kaye Gagnon volunteered to create and include this information in a welcome to SAPOA letter.

More people need to know about CC&R's and plats and rules. Volunteers are needed to help with this.

Questions were made about Mussel Beach Road. The State will come out in August and make recommendations for the boat launch area. Information will be made available at the next General Meeting.

Mussel Beach Road two lock system will be changed to one lock. Steve Irwin will issue new keys to those who need them. Due to supply chain issues, it will take an unknown amount of time to receive locks, a temporary alternative will be developed to support new requests.

Annemarie stated keys have cost \$10 each in the past, you can give your key to new owner when you sell your home or return them to SAPOA. Keys are actually given to the "property" not the owner.

Member Bruce Ellis shared that a fellow apparently was leading tours on Mussel Beach about geology. There appeared to be 4 parked cars at the bottom on the road. Presumably they were not residents.

The Board took an action item to determine who this is and inform them only property owners can use Mussel Beach Road due to insurance liability concerns for SAPOA.

General meeting will be held September 25th at 1pm, with social hour starting at Noon at Gardiner Community Center.

Election ballot goes out after the General Meeting. People can be nominated for the ballot prior to the meeting (by getting a Nominating Form and completing and turning it into the Board) or by volunteering or nominating from the floor at the General Meeting in September (Nominating Forms will be available at the meeting to complete and turn in as well). We encourage people to volunteer now. The General Meeting is your opportunity to meet the prospective Board members.

Steve Irwin, the President of DPAA sent a letter to SAPOA and made an announcement that people from SAPOA and their guests are not supposed to walk across the runway. The Board advised all member and guests not to walk on the runway, planes are hard to see and hear. Annemarie asked to have the website updated.

Who do you go to if you have a complaint about your neighbor? Kathleen offered to help the homeowner with their issue.

All property owners are encouraged to attend SAPOA General meetings.

Property owners were reminded that Plat rules are primarily enforced by the Plat owners not by SAPOA.

A request was made to have Plat maps at the next meeting(s).

A short discussion was had about an issue with a home being built and compliance with Covenants that has been taken care with the help of the previous Board and the current Board leading the discussions with the owner.

Another discussion about Plat Architectural Committees was had and the consensus is that enforcement of Covenants works best when these Committees are filled with members that can help owners and the Board encourages owners to see to fully fill those positions in whatever way works best for their Plat.

An historical practice was shared about new home owner getting a welcome letter from SAPOA with copy of bylaws and other information of things to know about the area. Some Realtors do this, the Board will make this as an action plan to welcome members with links to documents and helpful information.

Adjourned 2:40

June 9, 2021 SAPOA Board Meeting Minutes

The new Board met on June 9, 2021 at Noon, in attendance were: Kathleen Keehn, Kaye Gagnon and Annemarie Montera.

The agenda was orientation of new members; however, several pressing matters were voted on.

Kathleen appointed Interim Board members: Annemarie Montera as Treasurer and Kaye Gagnon as Secretary.

A discussion about the web site needing to be updated with current information was made. Annemarie moved and Kaye seconded a motion to do so as soon as we have access to the site and volunteers trained to do so. The motion was passed with 3 votes

The cost of getting new keys to support a one lock system was motioned by Annemarie, seconded by Kaye and approved with 3 votes. Steve Irwin will be in charge of this change.

Kaye made a motion to inform via the website that members and their guests should not walk on the runway, seconded by Annemarie and approved by 3 votes.

New PO Box keys were handed out.

Adjourned: 1:15pm.