



# Board of Directors Meeting

February 12, 2009

**To:** Board of Directors.

**By:** Allen Miglore, Secretary

**Call to Order:** The meeting of the Board of Directors was called to order at 7:35 p.m. at the home of Don Oas and Sherri Snyder.

**Directors Present:** Allen Miglore, Tony Ringor, Pete Southworth, Scot Yarnell, and Don Oas.

## **1. OLD BUSINESS**

### **1.1 Treasurer Report**

Approximate account values: Checking \$10,912, 58,397 in various CD's up to seven months. Total \$69,309. Southworth mentioned recent quote for resurfacing roads of \$56,257, plus \$3,300 to seal asphalt sections and \$1,500 to resurface fire turnout. These figures compare with quotes of approximately \$67,000 last fall.

### **1.2 Gate Maintenance**

Zimmerman reported no issues are currently open with the gates. Miglore read from a note provided by owner Iander that there were many loose bolts that Iander had tightened, plus some bolts were elongated, indicating possible repair work might be needed in the future. Southworth noted that Promise Landscape had not provided a winter planting. There was additional discussion about the scope of the landscape contract, and that several trees had died again at the water tank and needed replacing.

Action items: Miglore to contact Promise. Southworth to contact landscaper that Zimmerman recommends for a bid.

### **1.3 Road Report**

Southworth reported spraying schedule and intent to use Excel rather than the previous company this year. There was further discussion of the timing of resurfacing: topics mentioned: the roads are in generally good condition, but the current price for resurfacing appears low, and in the current economic climate, there may be other contractors interested in this size of job, so another effort should be made to receive alternate bids.

We should consider splitting the job into two phases to help budgeting. No resurfacing can take place until summer. Action: Southworth to investigate getting additional bids.

#### **1.4 Jeremy Meyers-Oakes Claim**

No report.

## **2. NEW BUSINESS**

### **2.1 Adopt New CC&R's**

A previous vote of the membership approved a set of modifications to the CC&R's, by at least a 2/3 majority. A new document with the approved amendments, with recitals based upon consultation with an attorney specialist, was prepared and presented to the Board.

A motion to adopt the new CC&R's was made (Southworth/Miglore), and approved 4-0 (Ringor abstaining). Action: Miglore to sign document as Secretary, Oas to sign and notarize, and record at the county. A copy of the recorded document shall be distributed to each member. Tina Dias offered to do the copying.

### **2.2 Adopt 2009 Budget**

Southworth presented the 2009 budget, and reviewed it verbally. A motion to approve the budget as presented was made (Oas/Yarnell), and approved (5-0).

### **2.3 Dues Adjustment for South Shingle Properties**

Southworth reported that he had reviewed the budget for several years and concluded that, on average, 29% of the association expenses and reserve funding is due to common expenses and fire tank-related reserves. A meeting between Dias's and Stearn's and three BOD members (Southworth, Oas, Miglore) had taken place and this figure had been agreed to as an appropriate proportion of "full" dues (the amount paid by the 36 members on interior roads).

Discussion ensued covering the following topics:

- Clarifying the items in the budget that applied, which Southworth reported was such items as legal fees, insurance, landscape maintenance for the tank, pump maintenance and tank and pump reserves.
- History of reduced dues for the properties, including original Beazer amount of \$22.50 (50% of then full dues), and a later board discussion with the owners that retained the 50% basis.
- A citing of the reserve study performed in 2007, which Miglore stated first provided accurate reserve calculations for the tank, roads, and gates.

- Southworth mentioned that the fire tank itself has an indefinite life, and is no reserves are applied to it, but the possibility exists that it might need significant repair or replacement some day, or the association may determine that reserves should be applied to it. Under such an occurrence, the 29% figure may require significant adjustment. Therefore, the amount is subject to periodic review.
- A suggestion by Dias that there should be some compensation for all the years of paying 50% rather than 29%.
- A statement by Yarnell that agreements had been in place during that time, and there should be no retroactive dues adjustment. Yarnell stated he would not support the dues adjustment if there was any implied promise of a retroactive adjustment.
- Southworth mentioned that the dues adjustment should be effective as of when the board promised to negotiate a new rate, which was the second quarter of 2008.
- A suggestion by Oas that the owners should determine the cost of upgrading their gate to include communication and remote access, in order that the board and owners might in the future consider taking on responsibility for the South Shingle gate and roadside spraying in return for full dues payment by the owners.
- Southworth stated that the action on the table was strictly for adjusting current dues and not for any retroactive reimbursement (except for the effective date of 4/1/2008 based on the first promise of negotiation).
- Motion to adjust the dues for the South Shingle properties to 29% of "full", effective April 1, 2008 (Yarnell/Southworth), approved 3-2 (Miglore, Oas, Southworth yes, Yarnell, Ringor no).

#### **2.4 Speed Bump Report**

Southworth presented a bid of \$5,320 for four painted and signed speed bumps to be installed during a road resurfacing. Discussion topics included questions about the potential for lawsuits for both installing and not installing speed bumps. Miglore suggested that the topic should be discussed at the annual meeting when far more members are present to provide opinions. No action taken.

#### **2.5 Adjust Insurance Policies per current HOA requirements**

Owner and association insurance agent Marjorie Snokes reported that the association maintains \$1 million in general liability, and would save \$31 per year by reducing that to the legal minimum of \$500,000. She also reported that a minimum of \$1 million is required to be able to purchase Directors and Officers liability insurance. Further, the general liability could be increased to \$2 million for an additional \$31 per year. The current policy costs \$1190 per year.

A brief discussion about the benefits of D&O insurance, and the low cost of increasing the policy limits. A motion to increase the liability limits to \$2 million (Miglore/Ringor) was approved (5-0).

#### **2.6 Nominations for BOD and SHARC positions**

The bylaws state that a nominating committee should be formed before the annual meeting to solicit members to run for Board positions that are open each year. In addition, the new CC&R's create the Architectural Review Committee as an appointed entity. There was discussion about how no previous nominating committee had ever obtained names for a ballot. All board members had volunteered during the annual meetings. No action was taken.

### **2.7 Review Potential "clean up" CC&R Amendments**

Southworth reported that during the review of the new CC&R's approved by membership vote, the specialist attorney had suggested that sections 7.2 (which allowed for annexation of Unit 2, which has already occurred) and 4.23 (Elderberry beetle buffers) could be removed by a 2/3 vote of the membership.

Yarnell questioned if it was legal to remove the Elderberry buffer restriction, and Southworth stated it was because no third party approval was required (such as the Army Corp of Engineer approval required to remove wetlands restrictions). Yarnell then questioned if it was a good idea to remove an environmental protection. Southworth agreed this was the primary issue, rather than the question of legality.

Action: Add two CC&R amendment votes to the agenda for the annual meeting.

### **3. OTHER BUSINESS**

No other business was presented.

### **ADJOURNMENT**

The meeting was adjourned at approximately 10:00 p.m.