

BOARD MEETING MINUTES for December 7th, 2022

Time: 10:30 AM

Location: Goldstein Residence



Board Members Present: Ron Henley, Dave Shellenbarger, Roberta Piercy, Richard Goldstein, Clay Miller, and Water Coordinator Todd Albi

Community Members Present: Lynn Coffey, Hal Hovey, and Steve Gorgas.

10:29AM: RH called meeting to order and established a quorum. The reading of Preceding Meeting Minutes was waived by the Board (RG moved to waive, RP 2nd, all in favor).

- **Officer and Committee Reports**

- **President** – RH welcomed the new owners, Hal & Susan Hovey.
- **Treasurer** – RP presented the current financial report and pointed out that changes since last report are noted in green. See attached **Financial Report & Proposed 2023 Budget**.
- **ACC report** – Lucy Gorgas relayed to RH that the ACC only had no requests since the last meeting.
- **Water system report** – TA had nothing new to report.

- **Unfinished Business**

- **Records storage** – TA has purchased and moved a used, lockable, 4-drawer fireproof cabinet into the well house for less than \$100 of SMCA funds.
 - There are 3 keys. The HOA President, Secretary and Water Coordinator will each have one.
 - The fireproof cabinet is in the wellhouse near the NE corner of the pressure tank and can be moved on wheels if it is ever in the way.
 - RH called for a “Sort & Shred” day on 12/15/22 at 12PM at his house to go through old SMCA files and see what needs to be kept for both legal and historical reasons. CM will help RH.
- **Savings Plan** – RH reviewed the process undertaken by the community to develop a financial reserve or savings plan to address future financial requirements. The 2021 board selected a firm to conduct a formal reserve study and that was completed in early 2022. Following that, Roberta Piercy and Jan Graham prepared an information sheet explaining the reserve study process and the options available to the association moving forward. This was shared with the community. The formal reserve study was included in this 8/1/22 emailed communication from RH. This fall a community survey was completed to provide the board with feedback on what the members wanted to meet future financial requirements. 28 of the 35 members responded to the survey. The following is a summary of the results from the survey which the board used to develop a savings plan:
 - Q1: 68% said they would like to establish a Savings Acct
 - RH proposed that if approved by the Association, the Treasurer will be instructed to open a separate (but connected) Savings Account at our current bank.
 - Q2: 75% said they would like this Savings Acct to be capped, and 57% said they would like it to be capped between \$50,000 and \$100,000.

- RH proposed that the Board establish a \$100,000 cap, if approved by the Association, to our new Savings Acct PLUS the Normal Operating Checking Acct (which averages \$36,000 balance).
 - Q3: “How much more per quarter are you willing to pay for this savings fund?” The largest group surveyed, 42%, desire that an assessment to raise these funds be limited to \$25 to \$50/quarter. 18% voted for \$100/quarter.
 - RH proposed that the Board recommend, if approved by the Association, that this new assessment be \$50/quarter per lot, as this will generate the funds to meet these goals within ten years.
 - Q4: When asked, “What other options would you prefer to raise funds when needed?” 46%, the single largest group, reiterated that they want some kind of a Savings Plan. Another 43% said they would be comfortable with a one-time assessment. The remaining 11% said that borrowing money would be an option.
 - RH suggested that the first assessment, if approved by the association, go out with the March 2023 water bill, and be collected quarterly after that.
 - Q5: While 64% said that the recent \$5,000 one-time assessment was not a hardship for them, 36% said it was a hardship.
 - RH proposed that the Board will recommend, if approved by the Association, that this new Savings accts is NOT funded by a one-time assessment, but by incremental fees collected quarterly.
 - Q6: 65% responded that they have no concerns about carrying more than \$36,000 in our account.
 - RH then proposed: “The Board should approve a savings plan which is funded by incremental fees collected quarterly,” and called for a motion.
 - RG then moved, “I move that the Board submit this savings plan to the membership for ratification, a plan to begin in the first quarter of 2023. The plan is a \$50 per lot quarterly assessment to apply to a savings fund. When the overall **combined** checking and savings accounts total reaches \$100,000, the \$50 quarterly assessment will be paused until required again. That assessment can be restarted by the board if the fund falls below \$100,000. The savings fund will be used for needed repairs, replacements, or upgrades to our existing water, road, and drainage systems for which sufficient funds do not exist within the SMCA Operating/checking account. SMCA bylaws will be updated to reflect this change.” DS 2nd. All voted in favor.
 - RH then said that this plan will be going out to the Association this month (December 2022) for ratification. All concurred.
- 11:36 AM – RG excused himself from the Board meeting to make it to another appointment.
 - **Annual Association Meeting**
 - RH confirmed the Coupeville Library Conference Room has been reserved and will prepare the agenda.
 - TA confirmed King Water will send a representative to discuss our water system.
 - CM will provide coffee and cookies, ballots/proxy forms, a roster, and blank nametags.

Sky Meadows Community Association

- RH called for sending out a renewed “electronic permission form” to each member for the Board to keep on file so that the Board may continue to send documents such as agendas, minutes, etc. to each member via email. RH said he would bring blank forms to the Annual Meeting, and we will start gathering them at this time.
- **The First notice** for the annual meeting was sent out via email by CM on 12/1/22. The deadline for nominees is December 31st, 2022, and members are reminded that nominees must “agree” to have their names added to the ballot
- **Second notice with Ballots** – CM will send out the ballots and combined proxy form to the Association no later than 1/6/23.
- **New Business**
 - 2023 draft budget review and approval process: RP presented her 2023 draft budget. RG moved to accept this budget, CM 2nd. All voted in favor, and this budget will be presented to the Membership for ratification at the Annual Association Meeting. See attached **Financial Report & Proposed 2023 Budget**.
 - Bylaw revision – Article X, section 2.2.c. (Change of Ownership) – RP proposed the following language to amend our Bylaws:
 - **EXISTING:** 2.2.c. When property changes from one owner to another, SMCA will read the meter if requested by the seller or buyer and provide a prorated bill for the portion of the quarter owned by the buyer and by the seller. In any case the owner of the lot at the end of the quarter is responsible for the full quarters’ water bill.
 - **PROPOSED: 2.2.c. When property changes ownership within SMCA, the water meter will be read upon closing date if requested by buyer, seller or closing agent, and a prorated bill provided. Should there not be a request for a reading, then the full quarter’s billing will be the responsibility of the current owner, with any proration thereof being a matter between the buyer and seller only.**
 - CM moved to approve this amendment, DS 2nd. All voted in favor.
 - Sky Meadows Community entrance sign repair – TA reported that Debra Paros has volunteered to do the fine detailed painting of the sign, and when all is completed, TA will reset the sign at our entrance.
- **Comments and Discussion**
 - New Member Hal Hovey asked if a fence requires ACC approval and was told that it does and to contact the ACC Chair, Lucy Gorgas for more information.

12:05AM: CM moved to adjourn, and RH 2nd; all in favor.

Next meeting: January 21st, 2023, 10:00 AM at the Coupeville Library Conference Room.

Minutes prepared by Clay Miller, Secretary, Approved by SMCA board.

SMCA 2022 Financials @ 12-6-22 with 2023 Budget

	Budget 2022	Actual YTD 2022	Proposed Budget 2023
INCOME			
Annual Assessment Income	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00
Interest Income Heritage Bank	\$ 13.00	\$ 7.12	\$ 5.00
General Income Subtotal	\$ 10,513.00	\$ 10,507.12	\$ 10,505.00
Water Income			
Service Fee (\$50/lot/qtr)	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
Savings Fund Contribution (\$50/lot/qtr)			\$ 7,000.00
Usage Fee	\$ 7,255.00	\$ 7,115.99	\$ 7,100.00
Water Income Subtotal**	\$ 14,255.00	\$ 14,115.99	\$ 21,100.00
Special Assessment - Refund		\$ (1,545.60)	
TOTAL INCOME	\$ 24,768.00	\$ 23,077.51	\$ 31,605.00
Transfer to Savings			\$ (7,000.00)
NET OPERATING INCOME			\$ 24,605.00
EXPENSE			
Road Re-Paving Project 2021			
Tree Service	\$ -	\$ 217.40	\$ -
Road Re-Paving Subtotals		\$ 217.40	
Sky Crest Trench Extension Project 2022			
Trench supplies	\$ -	\$ 453.30	\$ -
Trench Project Subtotals		\$ 453.30	
Bank Fees	\$ -	\$ 34.00	\$ -
Insurance	\$ 3,125.00	\$ 3,337.00	\$ 3,604.00
Legal - General	\$ 1,500.00	\$ 118.00	\$ 1,500.00
Licenses & Permits SMCA	\$ 10.00	\$ 40.00	\$ 20.00
Office Expense SMCA Board/Admin			
Archiving (safe)		\$ 132.69	
Audit	\$ -	\$ 642.50	\$ 325.00
Office Supplies	\$ 500.00	\$ 41.07	\$ 100.00
PO Box Fee	\$ 70.00	\$ 74.00	\$ 80.00
Postage		\$ -	\$ 12.00
Website (2 yr)		\$ 391.06	
Picnic	\$ 150.00	\$ 112.19	\$ 150.00
Reserve Study	\$ 2,400.00	\$ 2,400.00	\$ -
Zoom	\$ -	\$ 32.58	\$ -
General Expense Subtotal	\$ 7,755.00	\$ 7,355.09	\$ 5,791.00
Road Maintenance			
Gravel Roads* - <i>New Item for 2022</i>	\$ 11,800.00	\$ 13,614.68	\$ -
Road & Drainage Maintenance			\$ 1,500.00
Road Maintenance Subtotal	\$ 11,800.00	\$ 13,614.68	\$ 1,500.00

SMCA 2022 Financials @ 12-6-22 with 2023 Budget

	Budget 2022	Actual YTD 2022	Proposed Budget 2023
Water System			
Utilities - PSE - Each pump location			
2230 Skycrest (3B)	\$ 1,900.00	\$ 259.48	\$ 1,815.00
790 Snowberry (2A-Pumphouse)		\$ 1,271.30	
Admin - Water Coordinator Supplies	\$ 150.00	\$ -	\$ 150.00
<u>King Water Regular Services:</u>			
Monthly Svcs - King	\$ 4,800.00	\$ 4,258.84	\$ 5,319.00
Clean-Flush	\$ 1,800.00	\$ 710.25	\$ 2,600.00
Testing (1-5 tests done monthly)	\$ 675.00	\$ 1,274.40	\$ 1,484.00
Equipment:			
Pump & Install	\$ -	\$ 3,619.15	\$ -
Generator Annual Maintenance	\$ 850.00	\$ 197.12	\$ 200.00
Hydrants (bi-annual mtce-even yrs)	\$ 1,000.00	\$ 1,289.28	\$ -
LP - for generator	\$ 220.00	\$ 408.63	\$ 441.00
Operator Permit Fee	\$ 271.00	\$ 270.75	\$ 271.00
Wellhouse Maintenance	\$ 500.00	\$ 137.29	\$ 150.00
Wellhouse Security - Camera	\$ 120.00	\$ 120.00	\$ 120.00
Building Security**	\$ -	\$ 242.41	\$ -
WIWSA Membership	\$ 62.00	\$ 62.00	\$ 62.00
Water System Subtotal**	\$ 12,348.00	\$ 14,120.90	\$ 12,612.00
TOTAL EXPENSE	\$ 31,903.00	\$ 35,761.37	\$ 19,903.00
TOTAL NET OPERATING INCOME/EXPENSE YTD	\$ (7,135.00)	\$ (12,683.86)	\$ 4,702.00

Proposed Savings Account Balance at YE 2023

\$ 7,000.00

Total All Bank Est YE 2023

\$ 44,268.02

Bank Balance @ 12-31-21

\$ 42,973.82

Bank Balance @ 12-6-22

\$ 33,582.02

Checks O/S

L. Coffey - replacement for expired Zoom chk #1211 from 2021 \$ (16.29)

Deposits pending \$ -

Bank after all O/S posts \$ 33,565.73

Quicken/Book Balance @ 12-6-22 \$ 33,565.73

See attached QTD transaction list for detail.

Numbers in green denote a change from prior report