

SNOHOMISH CASCADE HOMEOWNERS ASSOCIATION
Minutes
Tuesday, September 10, 2013

After due notice given and received to and by a majority of the Directors, the Board of Directors of the Snohomish Cascade Homeowners Association held an Executive and General Session Board Meeting on, **Tuesday, September 10, 2013** located at Willis Tucker Park, Gary Wiekel Room, 6705 Puget Park Drive, Snohomish WA 98296. President of the Board of Directors, Barbara Wenders, called the General meeting to order at 6:17 pm.

Board Members Present: Barbara Wenders, President
Charles Hower, Vice President
Dena Bastian, Secretary
Cynthia MacKenzie, Member at Large

Board Member Absent: Sherry Cuddy, Treasurer

Homeowners Present: Sanda Ewalt, Bob Roush, Kimberly Tan, John & Shelley Logan, Josh & Jayme Crandall, Michelle Haneberg, Keri Newby, Reiner Gobel

Others in attendance: Dawn Mertens, Palette Property, Monisha Sood, Minute Taker

Board Convened to Executive Session: The purpose of the Executive Session is to consider and act upon third party contracts, discipline of members, board policies and delinquencies. Motions, if any, are to be made during General Session. Barbara Wenders moved to convene to Executive Session at 6:18 pm to discuss delinquencies and infractions. Executive Session reconvened to General Session by Barbara Wenders at 7:02 pm. Homeowners welcomed.

HOMEOWNER FORUM:

John Logan voiced his concern over the survey done in early August; he believes it was crafted so the Board would obtain an outcome agreeable to their goals. He further expressed that the HOA was deliberately confusing the membership. It is his opinion that obtaining an amendment is unnecessary to replace the fencing along Snohomish Cascade Drive with HOA funds. He stated that he is an original homeowner and has lived here for 22 years. His written letter to the Board is on file.

Jayme Crandall indicated that she would support an amendment for the ACC process.

Kim Tan stated that there was space on the survey to leave comments, but that those comments were not included in the survey results that were shared with homeowners. She stated she would like them shared.

Michelle Haneberg questioned the board on how long the current vendors, such as: landscaper, attorney, and management are under contract. Dawn Mertens, Management, responded that

most contracts run year to year from the original contract date and renew automatically. Typically there is a termination clause within each contract of thirty to sixty days, most without penalty.

Michelle also expressed that the PIC Application process was a waste of effort as the ACC is defunct. Charles Hower stated that while that may be so, the survey clearly indicates that most homeowners (53% of those that voted) desire an ACC process and that most previous Board's work (sic) to that end in the best interest of the Association. Charles pointed out that this is an example of how an amendment to the legal documents would benefit the community and is apparently desired more than she is aware. Dawn agreed that the board cannot enforce the PIC application, so she has just been approving everything now.

Further, Michelle said that it appears that other board members are trying to push Mrs. Bastian out of the Secretary position by hiring a minute taker. She referred to Article 7 of the By-laws that says the secretary shall keep or cause to be kept the minutes of all meetings and stated Denae is willing to do them. Barbara noted that all the positions have duties that may be absorbed by Management or a third-party to take the burden off the Board and create a decision making board vs. one bogged down by the day-to-day work.

In regards to homeowner comment forms, Denae Bastian mentioned that some homeowners have been submitting their comments on the comment forms that are provided to homeowners at each meeting for written comment, but the board members have not seen them. She asked that management provide the board with copies of the submitted comments each month.

Homeowners' forum ended at 7:38 pm.

MINUTES:

ACCEPTANCE OF THE MINUTES:

Motion made by Cynthia MacKenzie to accept minutes for the July 9th and August 15th Board Meetings.

Motion seconded by Charles Hower.

All in favor

Motion carried

MINUTE TAKER:

Pursuant to the last meeting when it was discussed by the board a general dissatisfaction with the current level of board minutes, management obtained an outside bid from Marquis Resume Services, LLC in Everett, WA for \$65 per hour for minute taking. Palette Property Management usually charges \$75/hour for the same services, however agreed to bill at \$50/hour.

Motion made by Cynthia Mackenzie to hire a minute taker at \$50 per hour for the next six (6) months or until the next annual meeting in 2014.

Motion seconded by Denae Bastian to begin discussion.

Denae Bastian spoke against the motion saying that it was poor use of funds to hire someone to create the board meeting minutes and suggested they use another board member or use a volunteer homeowner instead. She added that per policy previously adopted the minute taker has one week after a board meeting to provide the minutes to board members for review. The board members then have one week to give feedback. Denae mentioned that she has provided the minutes in the time frame agreed upon, but board members have often taken several weeks to give their feedback/changes.

Cynthia Mackenzie argued that it is time consuming having to make corrections, June minutes were still being revised, and management was able to efficiently and correctly create minutes. Volunteers could spend time better on other projects in the community. Cynthia further commented that Denae was too busy to take the meeting minutes. Denae stated that she was not too busy to take meeting minutes. Denae also stated that she did not care if she took the minutes or if someone else took the minutes, she just did not believe homeowner dues should be used to pay for it.

Barbara Wenders commented that they are considering different options and would like to see non-biased minutes.

Charles Hower added minutes need to be taken according to the format provided and do not need to include long conversations, they should only show the decisions made and who would take action.

Motion results: Charles Hower abstained from the motion. Voting was done. **Motion carried 2:1.**

Barbara Wenders introduced Monisha Sood, from Palette Property Management, who was there taking the minutes and said the board would try it out and see if it makes a difference.

MANAGEMENT REPORT:

- **Financial Report:** An unofficial verbal interim financial report was presented by Dawn Mertens, property manager, to the board members as of September 10, 2013:

| | |
|---|--------------|
| Operating Cash | \$ 34,704.59 |
| Reserve Cash | \$ 79,584.71 |
| A/C Receivables w/ allowance for doubtful | \$ 2,697.85 |
| Prepaid Insurance | \$ 2,328.72 |
| A/C Payable | \$ 370.10 |
| Net Income | \$ 28,925.52 |

Motion: Denae Bastian made a motion for management to provide written copies of the monthly financial statements for board members at each board meeting.

Seconded by Charles Hower.

All in favor

Motion carried

Dawn Mertens was asked to email the interim balance sheet to all the board members and she was willing to do so.

Delinquency Report:

Motion made by Denae Bastian to forgive the penalties on 513SC 0300-02-3-106.

Seconded by Cynthia MacKenzie.

All in favor

Motion carried

Motion made by Cynthia MacKenzie to have Denae continue to set up a payment plan with 513SC 0046-02-1-046 and have answer within two (2) weeks

Seconded by Charles Hower

All in favor

Motion carried

Motion made by Barbara Wenders for management to get in touch with 513SC 0240-02-3-044 and 513SC 0179-02-2-081 within next two (2) weeks and give them a last chance to make a payment plan. At which Dawn Mertens replied that three letters had been sent, but failed to get a response and is working on it.

Seconded by Charles Hower to discuss. He stated that only accounts with payments owing longer than 90 days should go to collections

All in favor

Motion carried

UNFINISHED BUSINESS AND GENERAL ORDERS:

- **Signage, camera, sensor lighting installation:** Dawn Mertens showed the board all the signs and the camera that were ready to be installed.

Motion made by Cynthia MacKenzie for management to find someone to install two (2) battery operated sensor lights at the sports park, six (6) signs for trail heads and the waterfall area, and the surveillance camera at the waterfall.

Seconded by Charles Hower

All in favor

Motion carried

- **Footbridges** - Cynthia MacKenzie made a **motion** to table the discussion on the footbridges to the October meeting as she and Charles needed more time to create the specifications.

Seconded by Denae Bastian

All in favor

Motion Carried

- **Repair of Permanent Lighting at the South Entrance and North Entrance is on hold.**
Due to continued vandalism the Board does not want to invest in lighting that may be destroyed as soon as it is installed.

In an effort to combat vandalism and drug use at the waterfall and sports courts, Dawn Mertens showed the Board the sensor lights which are ready to be installed. Charles added that the lights shouldn't be blinding to pedestrians or drivers and should be verified upon installation.

Lights will be installed at the top and bottom of the falls, in the park and sports court.

- **Landscape RFP Specifications** The board reviewed the Scope of Services and discussed that a few changes need to be made in the RFP - Landscaper needs to do hard edging every time and frequency of visits needs to be specified. Denae Bastian noted that the current landscaper comes less frequently from November through March and more frequently from April through October. One of the landscaping companies she talked to does the same. It was decided that the RFP's need to be sent out to vendors and see what comes back.
- **Motion made** by Cynthia MacKenzie to have Management send out Request For Proposals (RFP) for landscape services based on the specifications provided by management including Nature's Way Landscape and Design, LLC in the RFP as well as three (3) other companies, local and any recommendations from management. **Seconded** by Charles Hower. All in favor. **Motion** carried

NEW BUSINESS:

- **Survey Results on Amendment Change for Fencing along Snohomish Cascade Dr.**

Charles Hower outlined the survey results regarding the fencing issue along Snohomish Cascade Drive. specifically stating the percentages of "no" votes outweighed "yes" votes in all categories. 202 homeowners responded to the poll. Some homeowners voted for two different options. Here's how the 202 voted:

| | Amount | % |
|--|---------------|----------|
| Homeowners that responded NO to signing an amendment for 100% | 121 | 59.9% |
| Homeowners that responded YES to signing an amendment for 100% | 69 | 34.2% |
| Homeowners that DECLINED to signing an amendment for 100% | 12 | 5.9% |
| TOTAL STRAW VOTES | 202 | 1 |
| | | |
| Homeowners that responded NO to signing an amendment for 50% | 116 | 57.4% |
| Homeowners that responded YES to signing an amendment for 50% | 74 | 36.6% |
| Homeowners that DECLINED to signing an amendment for 50% | 12 | 5.9% |

| | | |
|--|------------|----------|
| TOTAL STRAW VOTES | 202 | 1 |
| Homeowners that responded NO to signing an amendment for 0% | 114 | 56.4% |
| Homeowners that responded YES to signing an amendment for 0% | 77 | 38.1% |
| Homeowners that DECLINED to signing an amendment for 0% | 11 | 5.4% |
| TOTAL STRAW VOTES | 202 | 1 |

Charles noted that based on the survey results it would be prohibitive to obtain the 75% approval required to change the CC&R's.

Motion made by Charles Hower to have the individual homeowners whose back fences face Snohomish Cascade Drive pay for the fence replacement, utilizing the Board approved fence schematic of 09/05/2012, and homeowners be given 12 months to replace their fences.

Seconded by Denae Bastian for discussion. She spoke against the motion stating it was premature since the board members had little time to review the survey results and were not given the opportunity to discuss all the options available. No plan was made prior to the meeting. In addition, some of the percentages were in question. Denae also expressed concern that there were too many components in Charles' motion and suggested he make two separate motions.

Cynthia spoke for the motion that homeowners will need to replace fences based on CC&R's article 3.17 and the schematics and stain color approved by HOA. She added that the HOA will pay for the stain color on the side facing Snohomish Cascade Drive for uniformity.

Charles Hower spoke in favor of his motion adding that the fence issue has been debated for 5 years or longer and there is 59.9% rejection on amendment for 100% and 57.4% rejection on amendment for 50%. He supports using HOA funds for stain consistency.

Barbara Wenders spoke for the motion saying that she had a letter in front of her from the HOA attorney stating that he felt the HOA funds should not be spent on fences that are owned by the individual owners.

Denae Bastian spoke saying she believes the CC&R's allow HOA funds to be used for purposes which benefit the whole. SCHOA did use funds for common fences for 20 or more years. State law also allows an HOA to use funds on property they do not own.

Barbara Wenders asked the board to vote.

Motion carried 3:1

Amendment Determination

Motion made by Charles Hower, based on the survey results, to go forward with having the

HOA attorney draft an amendment for the reinstatement of the ACC, to change the name of the Association to “The Falls at Snohomish Cascade HOA”, to restate the building materials for broader use and to update the legal documents to meet the same requirements per state law RCW 64.38, with the exception of the amount required to hold an Annual Meeting, which would be better met with a lower percentage of 25%.

Motion Seconded by Cynthia Mackenzie.

Denae Bastian spoke against the motion commenting that the homeowners did not know it would cost money to amend the CC&R’s when they filled out the survey and many did not know how difficult it would be to meet the 75% support vote needed to pass any amendments that the attorney would be paid to make. In regards to paint color for exteriors of homes, Denae felt approval or disapproval of paint colors is very subjective. She stated homeowners should be able to choose for themselves the color they paint their homes.

Cynthia MacKenzie spoke for the motion adding that the CC&R’s, ACC and building material updates were not going to be specific, that there should be a Community Wide Standard for Design Guidelines created.

Barbara Wenders asked the board to vote.

Motion **carried 3:1**.

Legal Opinion

Dawn Mertens asked the board if they wanted to accept the attorney’s opinion letter as it was, or have him put more time into it.

Motion made by Cynthia MacKenzie to accept the drafted opinion letter and go forward with final copy.

Seconded by Charles Hower

Denae Bastian agreed that more money not be spent on the letter.

All in favor

Motion carried 4:0

Adjournment - meeting adjourned at 9:00