

SHOA BOARD MEETING MINUTES
FRIDAY, Sept. 17, 2021
EXECUTIVE SESSION – 1:00 pm
Legal – Lot 575
GENERAL BOARD MEETING 2:00 PM
TELECONFERENCE MEETING

Board members: Terri Parker, Chuck Feist, Sherry Barrett, Teresa Baron, Joe Peragine, Kathy Lebeuf and Scott Barrett, Treasurer (non-Board member).

Owners who called in: Joann Lednicky, Carole Eskandari, Laura St. George, Richard Hatch, Dawn Koester, Deanna Davis, Mike Pearson, David Bigelow, Mark Sanders, and Michael Dottarar. (FreeConferenceCall detail report)

The Executive Board meeting was called to order at 1 pm, and a quorum was declared. The discussion was on Lot 575.

The General Board meeting was called to order at 2 pm. The Board announced that no action was taken on Lot 575.

The July SHOA Board election results, specifically slate of officers voted by the Board for 2021-2022: Terri Parker, President, and Chuck Feist, VP. The Board also elected Scott Barrett as the SHOA Treasurer (non-Board member).

The Board unanimously approved the minutes from May 21, 2021, Board Meeting with one correction, "Islands" should be "Island."

President's Report:

Parker reported at the last meeting that there was a request to pursue a legal review of whether there was a breach of contract by a former SHOA employee regarding confidential release of SHOA owner information. SHOA contacted the SHOA attorney and provided factual information to determine that there may have been a breach of contract. SHOA needs to know if there are any actions that should be taken on this matter. The attorney reviewed the information and the initial comments, including the information contained in the minutes, wherein an owner said his wife gave out owner information. The attorney contacted the former secretary to find out what had been given out. The former secretary responded to SHOA's attorney by letter that she had not given any info to anyone and had not breached her contract. The owner who stated, in the meeting, that the former secretary did provide owner information, has retracted that statement. The attorney recommended that after investigation that there's conflicting information about this issue, and without further investigation that he-said/she-said situation would remain. However, the attorney also recommended that the Board establish a committee to determine what is SHOA owner confidential information going forward. Lastly, as part of the material reviewed by the attorney was an allegation that a conflict of interest existed since Parker is co-signer on the loan on the house where Baron resides. The attorney stated that after review, there is no legal statutory conflict of interest just because there

are joint signatures on a loan document. Given there is no legal proof of a conflict of interest exists, i.e., activities of conducting business, etc., there is no conflict of interest in this matter.

Parker asked if the Board would like to take any action on a confidential information issue. A suggestion was made that SHOA form a committee to set out the policies about providing SHOA owner information, what should be considered as confidential, and what information is not, and how this information can or should be used. A motion was made and seconded to form a committee regarding confidential SHOA information and approved by unanimous vote. Parker would like the committee to establish a charter for this, and asked that Sherry Barrett chair this committee, report to the Board on the members of the committee, and finally provide the Board with a SHOA policy as to appropriate confidential SHOA owners' information.

Kathy Lebeuf volunteered to be a member. Parker asked Barrett to come back to the Board with a charter that will be made public at a future meeting.

Manager's Report

a. A compilation report on SHOA's financial information said that SHOA needs to establish a new money market account due to FDIC regulations. Only one money market account per institution is insured by FDIC. A motion was made and seconded to open a new money market account with US Bank in Lincoln City, and the Board unanimously approved. Parker said that the compilation report will go out to all owners.

b. Assessment dues have been collected. These funds now reside in SHOA's reserve/assessment accounts. The 2nd quarter dues invoices were sent out.

c. Water restrictions are now in place, no washing cars, no power washing, etc. Given these restrictions, the tennis courts will not be power washed this year. The contractor will put this on their schedule for early spring 2022. SHOA is not in the crisis center at this point.

d. Gates – added camera. Free recording for 24 hours. No camera at the Bluffs. This may be a safety feature as there are many non-full-time residents. Should Baron talk to Bluffs president before doing this? Will discuss this at the Bluff's meeting next week.

Gate remotes are available to purchase, please contact the property manager.

Old camera equipment to be removed and work on design of gates. Need to decide on the current tiger teeth, get another arm, to remove, or not. In the past, no unanimous vote from owners. Leave the tiger teeth for now. A different type of security (besides the tiger teeth) could be done, but it would be more expensive. Would have to dig up road and put in another type of sensor device. Peregrine said something else would have to be put in. Does the Board want to do this? Unanimous decision by Board to leave tiger teeth for now. One Board member suggests a survey. The schematic design work has already been done for this. Need to get bids for actual gate design.

Majority of calls for entry is from service workers; owners not home and they enter. Baron suggests owners give access code or be at home to receive calls. Baron is also available to give access with a phone call.

e. Trash cans are to be put away on Wednesday nights.

f. All road drains will be cleaned in November 2021.

g. Asphalt repair may be delayed due to contractor schedule and weather. Work for the Island Road is not yet scheduled.

h. Emergency Exit Road: contractor to review, also thank you to the three owners who did some work in this area recently.

i. Budgeted for limbing of trees on the roads.

Treasurer's Report:

Scott Barrett reported review by outside CPA; the only item noted on their report was the FDIC issue as discussed above.

Adoption of new revenue recognition on reserve monies. It's been over a decade and delays were caused by many factors. What this means is that reserve funds are only recognized when funds are spent. When money is collected, it's a liability because it must be spent in the future. Change in statement for revenue recognition to be moved to replacement funds from an equity to a liability. Show a zero in P & L because this is a wash. At end of June, \$394K for contract liabilities; funds collected and accumulated for future projects. No change in the Operating Fund. August financials; cash \$569K; assessment funds came in. Current year dues thru August, \$120K received, 77% of annual amount due. 160 units paid in full; 36 make quarterly payments, and 21 have not started making payments. All owners should be paying dues, timely, and late fees should be applied.

Operating expenses are on track; a couple of items that were more than usual; legal fees \$4,500 (budget for year is \$5,000), and forest management \$8,685 (budget for year is \$10,000). Reserve funds, only \$100 for parts for the gate for the Bluffs.

Committee Reports

- a. New committee members: Road & Drain committee; met for first time in about three years. Members are Sherry Barrett, chair, Bob Malt, Richard Hatch, Jeff Starr, and Don Meyer.
- b. Landscape committee: Syd Hatch is a new member.
- c. The Emergency committee is still forming.

OLD BUSINESS

1. Update on new committees; see above.
2. Survey Results

Surveys were sent out via mail twice and handed out at the July 2021 annual meeting. We have received 70 completed surveys. Parker will compile information, owners' responses and try to summarize if there are any themes among the results. The plan is to include results and email out to owners with leaseholder's gate access code from Baron at the end of the month.

Parker said there's a lot for the Board to look at in the future. Are there any items that Board should start working on right away? 40 people said that the Island and Bluffs Presidents should be full voting members. Does the Board want to pursue right away? There are some legal questions that need to be addressed and By-Laws would need to be changed.

NEW BUSINESS

Consolidation of Lots review.

Parker said that with the current budget situation we always need to look at revenue and whether dues need to be increased. Current By-Laws (CC&Rs) state if you own more than one lot, lots can be combined, and dues are then reduced to only one unit. Is this something the Board wants to talk about in the future? Currently 15 owners pay consolidation lot dues, others have not done this but could do this. Recently we have had new owners who bought multiple

lots, if they act to combine the lots the planned revenue would be reduced. Parker asks the board, if we want to proceed to amend this By-Law. Any changes would only apply to going forward. If this is done, only prospective. However, if any owner sells a previously consolidated lot, the owners would have to pay back the dues that were previously waived. Lots only consolidated if they are adjacent to each other. How much annual revenue is currently lost? 15 X \$740.24 per year. Only new owners would be affected by any change. In order to bring a resolution to the Board, there would have to be a vote and two thirds of owners would have to adopt the change.

Parker will draft a legal resolution and bring to the November Board meeting to start the clock to notify owners that there will be a vote on this issue. SHOA will know the results of this before the 2022-23 budget next spring.

Lot 575 – status discussion.

Discussion by Board. Lot has had legal issues in the past. No action taken. Board was contacted by Lot owner 575 who wants access to part of the lot that is zoned timber conservation through SHOA. Board wants to operate in fiduciary manner. The Board doesn't have enough information yet but will open the door to further consideration if more information is provided.

COMMENTS FROM THE BLUFFS, HILLS, or ISLAND

Bluffs – none.

Island – none.

Lot 492 had a question about pickle ball court re-striping. The court needs to be power washed before striping. Due to the current water shortage mandate, no power washing allowed, so this project will hopefully be done in the Spring of 2022.

Lot 434 owner said thanks to the Board for all the hard work. In regard to the Bluffs gate camera, since these owners pay the same dues as the Hills, their security level should be the same.

Adjourned meeting @ 3:17 pm.

Next meeting November 19, 2021, at 2:00 pm (location to be determined).