

	Scott Lake Maintenance Company
	2631 114 th Way Olympia, WA 98512
	(360) 352-4787 office@scottlake.net

BOARD OF TRUSTEES REGULAR MEETING MINUTES

ASSOCIATION NAME: Scott Lake Maintenance Company

DATE AND LOCATION: Thursday, December 16, 2021, in the Community Center/via Zoom

CALLED TO ORDER AT: 6:00 PM by acting Parliamentarian, Loran Bures, who would control the meeting until after the President of the Board of Trustees was determined. Trustees were asked to introduce themselves and include the number of years they lived in the community.

AUDIENCE MEMBERS: ~20 in person; 30 via Zoom

ROLL CALL - BOARD MEMBERS PRESENT (check box):

- | | | |
|---|--|-------------------------------------|
| <input type="checkbox"/> Rich Graham | <input type="checkbox"/> Tiffany Round | <input type="checkbox"/> Eric Riffe |
| <input type="checkbox"/> Sherry Stacy | <input type="checkbox"/> Marci Simmons | |
| <input type="checkbox"/> Kelleigh Eckholm | <input type="checkbox"/> Mike Pierce | |
| <input type="checkbox"/> Jyll Jones | <input type="checkbox"/> Jim Hawkes | |

BOARD MEMBER ABSENT:

1. All were in attendance.

CONFIRM QUORUM: The acting Parliamentarian, Loran Bures, confirmed that a Quorum was present.

STAFF MEMBERS/GUESTS PRESENT: Staff members were not present. Joint Partners, LLC contractors, Mitch Waterman, Jennifer Spidle, and Ashley McCully were present.

I. ADOPTION OF AGENDA

- a. Board of Trustee, Rich Graham, made a motion to move the organization of Elected Trustees to item IV. on the agenda. Motion was seconded and passed by acclamation.
- b. Board of Trustee, Sherry Stacy, made a motion to add item k. Credit Card Policy under VIII. New Business. Motion was seconded and passed by acclamation.
- c. Board of Trustee, Jim Hawkes, made a motion to add item l. Member Comments and Board Response Policy VIII. New Business. Motion was seconded and passed by acclamation.
- d. The agenda was adopted as amended by acclamation.

II. ORGANIZATION OF ELECTED TRUSTEES

- a. President
 - i. Rich Graham was nominated for President by Marci Simmons, the motion was seconded by Sherry Stacey. Rich Graham accepted the nomination. As there were no other nominations, Graham was elected President by acclamation.
 - ii. President Graham thanked member and acting Parliamentarian, Loran Bures, for his assistance as he rejoined the audience.
- b. Vice President

- i. President Graham nominated Sherry Stacey for Vice President. The motion was seconded by Kelleigh Eckholm. Sherry Stacey accepted the nomination. As there were no other nominations, Stacey was elected Vice President by acclamation.
- c. Treasurer
 - i. President Graham nominated Kelleigh Eckholm for Treasurer. The motion was seconded by Marci Simmons. Kelleigh Eckholm accepted the nomination. As there were no other nominations, Eckholm was elected Treasurer by acclamation.
- d. Secretary
 - i. President Graham nominated Jyll Jones for Secretary. The motion was seconded by Kelleigh Eckholm. Jyll Jones accepted the nomination. As there were no other nominations, Jones was elected Secretary by acclamation.

III. ANNOUNCEMENTS

- a. President, Rich Graham read aloud a letter from the Board. (See attachment A)

IV. SLMC MEMBER COMMENTS – 15 MINUTES

- a. President Graham opened Member Comments by requesting speakers to keep their comments to a maximum of 3-minutes. (See attachment B)

V. SLMC BOARD RESPONSE – 15 MINUTES

- a. Following Member Comments, the Board responded to each comment/question posed by the attending members. Responses were limited to 3-minutes. (See Attachment B)

VI. NEW BUSINESS AND VOTING AS NECESSARY – President Graham asked Ashley McCully to review the rules of debate for the Board of Trustees.

- a. Signature Authority
 - i. President Graham asked Jennifer Spidle to explain Signature Authority policy that was presented (see agenda packet). Jennifer recommended to the Board/membership that we have 3 signatures on file with the bank and two signatures will be required for each check written. This is a check and balance and ensures there will always be two signers available with the bank.

1. MOTION TO: Adopt the Signature Authority policy as submitted and add Rich Graham, Sherry Stacy and Kelleigh Eckholm as signature authorities.

MOTION BY: President Graham SECONDED BY: Jim Hawkes

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED: _____

- b. Joint Partners Consulting Contract Ratification
 - i. Mitch Waterman, CEO of Joint Partners, LLC introduced himself and Partner/CFO Jennifer Spidle. The Bellingham based company assists HOA's that have problems by getting them back on track and moving forward on a short-term basis. Waterman reviewed a summary of the services provided. This is a short-term hourly contract Waterman is \$220/hr, CPA services \$185/hr, Office Manager \$85/hr. The Board engaged with JP via a Board Poll on Sunday, December 12th, 2021, to guarantee payment for services provided the week of 12/13/2021 as a formal contract had not been signed.

2. MOTION TO: Ratify the Board poll and approve the Joint Partners Consulting Contract.

MOTION BY: President Graham SECONDED BY: Jim Hawkes

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED: _____

President Graham motioned to ratify the board poll and approve the Joint Partners consulting contract.

c. Engagement Letter for Legal Counsel

- i. SLMC current legal counsel does not specialize in HOA law which the Association needs.

3. MOTION TO: Solicit an engagement letter from the law office of Chmelik, Sitkin, & Davis for an engagement letter to be SLMC legal Counsel.

MOTION BY: Sherry Stacey SECONDED BY: Marci Simmons

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED: _____

d. Finance Committee Charter

- i. The Board is establishing a Finance Committee will consist of the Treasurer, one other Board member and five (5) other members of the community. This committee will be charged with reviewing all financial requests, budgeting, etc. and then submit the board for review and approval. This will require members to have various and wide depth of knowledge to make recommendations to the Board. Members can contact through email at office@scottlake.net.

4. MOTION TO: Adopt the Finance Committee Charter as submitted.

MOTION BY: President Graham SECONDED BY: Marci Simmons

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED: _____

e. Auditing Contract

- i. Jennifer Spidle reviewed status and scope of the current auditing contract.
 - 1. The previous Board engaged DNM & Associates to conduct an audit. Jennifer noted it had been April 30, 2012, that the last audit was conducted.
 - 2. She recommended that DNM prepare two audits in tandem from May 1, 2019-April 30, 2020, and May 1, 2020-April 30, 2021.
- ii. Spidle recommended another tax professional as the IRS sent a notice to the Association as the tax return ending in 2020 had not been filed and is now considered late. This is another good reason to have the Audits done in tandem.

5. MOTION TO: President Graham motioned to approve the audit as proposed by Ms. Spidle.

MOTION BY: President Graham SECONDED BY: Sherry Stacy

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED: _____

- f. Financial Review
 - i. Spidle gave a brief review of the Association cash position. Currently reconciled as of 10/2021 \$1,491,712.25, there are two (2) \$100,000 CDs and \$3,518.71 for the Kids Fishing Derby. Receivables are currently being held by Northwest Water Services. There are a few payables waiting to be processed and we are in the process of creating a contract listing. Currently the operating and Reserve Capital funds are comingled which is not a best practice and is actively being corrected.
- g. Reserve Study
 - i. Waterman explained a Reserve Study is required by the state of Washington and one has not been performed for SLMC. A Reserve study lists out all your assets in specificity and when replacement should occur and how much it will cost to repair/replace. This is built based on risk and probability of failure. A Reserve Analysis will need to be conducted.
- h. Communication Plan
 - i. Jim Hawkes stated that this was a major concern for the Board of Trustees to address and read a statement on behalf of the Board which stated they will be creating a formal communication plan and is to be completed by January with the assistance of Joint Partners. This will establish formal lines of communication between the Board and the membership.
- i. Nomination of Official Communications Spokesperson
 - i. Rich Graham stated the Board would like to create one line of communication from the Board of Trustees via a designated spokesperson.

6. MOTION TO: Nominate Jim Hawkes as the official Communications liaison for the Board of Trustees.

MOTION BY: President Graham SECONDED BY: Marci Simmons

APPROVED: X NOT APPROVED: _____ TABLED: _____ DIED: _____

IN FAVOR: U n a n i m o u s OPPOSED: _____ ABSTAINED _____

- j. Board Orientation Date
 - i. A date has yet to be established but will be conducted between January 4th-14th. The community was invited to listen but would not be allowed to actively participate.
- k. Credit Card Policy
 - i. Spidle stated this policy is an internal control for anyone that has a SLMC credit card. This item was not voted on and would be brought back at the next Board of Directors meeting as it was added during the adoption of agenda.
- l. Member Comments and Board Response Policy
 - i. Ashley McCully, Joint Partners Office Manager, reviewed the policy and stated it will ensure that Members may comment, and the Board can respond, with equal opportunity at Regular Board meetings. This item was not voted on and would be brought back at the next Board of Directors meeting as it was added during the adoption of agenda.

*Rich Graham opened the floor to member comments. (See attachment B)

VII. ADJOURNMENT

- a. The meeting adjourned at 7:40 p.m.

BOARD OF TRUSTEES CONTINUED:

DIRECTIVES MADE BY THE BOARD

- 1. N/A
- 2. N/A

ITEMS FOR NEXT MEETING’S AGENDA

- 1. Credit Card Policy
- 2. Member Comments & Board Response Policy

ACTION ITEM LIST

Task	Assignee	Date Assigned	Due Date	Comments

Attachment A

President Announcement

SLMC Board Meeting 12/16/21

President Announcements

As most of you know, we just completed an election and have a new Board of Trustees. We are here to share with our neighbors that we, your directors, whether you voted for us or not, will give fair, honest and equal consideration to the community. This is our commitment to you.

We have some actions we are initiating that you as members need to be informed about.

- The prior Board initiated an Audit, we thank them for initiating that action. It is a very reputable firm, and we believe they will help our community.
- We are changing our HOA Legal representation. HOAs are a specialty legal service, and we need to be represented by an accomplished HOA knowledgeable counsel.
- We are establishing a seven-person Finance Committee, chaired by our Treasurer with one other director. We will be seeking 5 other members from the community to sit on this committee. The Finance Committee will have purview on all capital requests and have the responsibility of building our budget to present to the Board, who will present a final version to the Community. A Charter of this committee will be discussed tonight and will be posted on our web site.
- The Board has initiated actions to hire an employee to replace Caitlyn. This will be an open posting seeking the best candidate for our Association.
- The Board reaffirms the prior Board's assignment of Theresa Parsons as Our single point of contact with Thurston County and Northwest Water as our advocate to address our water system.
- We are committing to have our Board trained to ensure they are fully aware of the requirements for governing our non-profit Homeowners Association.
 - Board Training to be complete before mid-January, and it includes:
 - Hierarchy of Controlling Documents from state law down to Policies
 - Legal Responsibilities of Trustees
 - HOA Law 64.38/ 64.90 as well as 24.03A Washington Non-Profit Act
 - Role and Responsibilities of Trustees
 - SLMC Finances/ Requirements/ Budget development/ Financial controls
 - Insurance Requirements and Policies
 - Roberts Rules of Order
 - On-Call Director – Off-hours events

Attachment B

Members Comments & Board Response

1. Dave Tracy – Representing “SLAMS” Club. Concerned that no board member was assigned to the Parks committee. SLAMS has fund raisers such as the Kid’s Fishing Derby and Easter breakfast. Indicated that the board needs to have a representative on SLAMS so they can work with the board on timelines and such for the fund raisers. He asked who to deal with on the board. SLAMS has a separate bank account within the SLMC accounting. Dave also indicated that some SLAMS supplies were pilfered from their kitchen supplies. Dave turned over the Park’s notebook to the board.
 - a. BOT Response: Jim hawks indicated board is happy to work with the SLAMS club on all of their efforts.
2. Teresa Parsons - Stated that she appreciated both the new and old board members, she was happy to be asked to be the board liaison with Thurston County to work on the water system. She is excited to see the how the comment and communication plan develop and that we will have a spokesperson from the board to keep the membership informed. She asked that all the volunteers took their oath of volunteerism with honor and integrity.
 - a. BOT Response: Board stated that they have nothing to hide and that they were excited to work with her.
3. Mrs. Highmiller – Shorewood Drive - Had a tree blown down in our last windstorm about 3-4 weeks ago and asked the board how to take care of the many trees that we have in the community. Recommended D&D tree removal.
 - a. BOT Response: Thanked her for the tree company recommendation on the tree service and will look into what can be done to be proactive on this issue.
4. Wendy Mallow – on zoom – Indicated she would like the board to make the board meeting meaningful and would like the opportunity to be ask questions and participate in any discussions.
 - a. BOT Response: President Graham apologized for the bad audio and acknowledged with the PA system in the building and audio needs some updating.
5. Sarah White – Stated she was impressed so far with what she has seen from the new board. Stressed that communication was key and told the board that she and other members have created a public FB page for communication with the board. Indicated she has teenager that could help with the IT of the meeting. Indicated the audio on zoom needed to be better quality.
 - a. BOT Response: Thanked her for her efforts on the communication committee. Rich indicated he reads every FB post and that the board will have a clear message, not chatter. The board will define the channels used for communication. The Scott Lake website (www.scottlake.net) and Scott Lake official FB page will contain all the links and necessary information.
6. Janis Snyder – President of and representing HERS club. She asked about the keys to the community center and what protocols would be put into place. Asked that the board keep dual signatures on the checking account. Asked if NW Water system being removed? Shared that the HERS club has posted on the bulletin board a list of resources for homeowners that were having trouble paying their water bill. Asked that the board consider continuing a newsletter. Asked about the FB page that only certain members were included. Asked about what the duration of the proxies were and how long they were going to be kept. Asked that we continue the ad-hoc committees.

- a. BOT Response: Key assignments are still being worked on. The board supports all SLMC groups. Rich indicated that he agreed many of the FB pages were not necessary. The board wants a newsletter to help inform the membership. Acknowledged that he was aware of two different proxy forms. No answer to the Ad hoc committees was given, will be under review. NW Water System will not be removed.
7. Cathy Hirschorn - Indicated it was hard to hear the board on audio. Suggested that the speaker stand closer to the computer.
8. Jessica Crail – Appreciated the meeting that was held both in person and on Zoom. She is looking forward to working with the new board.
9. Suzanne Fromme – Stressed the need for policies; suggested a volunteer policy that encompassed understanding roles of volunteers.
10. Doug Ogden – Appreciated that the phone was answered in the office, interested in how and when board would be populating the committees and a question on how to sign up.
11. Paul Kostechka - Asked general questions on how to communicate with board. BOT President indicated that the communication will be through www.scottlake.net and the official Scott Lake FB page. T
12. Tammy Fromm asked about the cost of the water and any changes that might be made. She wanted to know when the assessment was to be paid back in full.