

## Sunset Plaza Condominiums Annual Board Meeting

Date: 6/22/2020

### Board Members:

Teresa Topping – President  
Jody Matthews – Vice President  
Jackie Uhlemann – Treasurer  
Brooke Picone – Secretary  
Sue Brown – Member at Large  
Bryson Browning – Member at Large

Board Members in Attendance: Teresa, Jody, Jackie, Brooke, Sue

TMT Representatives in Attendance: Heather LaDue and Michelle Saulina

Minutes: Brooke Picone

Community Members in Attendance: approximately 14 SPCA Community members in attendance

Due to COVID, this meeting was held virtually via Zoom

1. At 6:30pm, attendance was established through roll call by Heather LaDue.
  - a. A quorum was established with 25.02%.
2. Meeting called to order by Teresa at 6:47pm
  - a. Introduction of new Board members (Brooke and Jackie who were temporarily appointed in March 2020)
  - b. Thank you speech to outgoing Board members (Jody's term is over effective 6/22/2020)
3. Approval of 2019 Annual Meeting
  - a. Moved, seconded, and approved; none dissented
4. Teresa makes a motion to approve Annual Meeting minutes at the next monthly SPCA Board meeting instead of waiting until the next SPCA Annual Meeting, or if no meeting is to occur, then the meeting minutes can be approved by email if there is 100% consensus.
  - a. Seconded and approved; none dissented
5. Review/Synopsis of last year activities
  - a. Completion of the roof project
  - b. Signage project to include a map of the community at the front entrance
  - c. Completed Phase 1 of trees and bushes being trimmed back from building by Archon
  - d. June 2019, Board approved Phase 2 of Gully trimming by Archon; 4 members in favor, 1 not in favor. Option B was approved
  - e. June 2019, Archon clear cut the bottom portion of the Gully. Residents were angry and felt misled.
  - f. August 2019, Special Meeting was called with members voting to recall the Board. There was 60% resident participation. Of that 60%, 64% voted to oust the Board, and 35% wanted them to remain in place. A new Board was installed through community vote. New Board members were Teresa Topping (President), Jody Matthews (VP), Jean

Homan (Secretary), Peter Schrempf (Treasurer), Sue Brown (MAL), and Bryson Browning (MAL).

- g. New Board was immediately tasked with how to correct the Gully. The Board took the following actions:
  - i. Self-reported to City of Tacoma
  - ii. Engaged Geotech Resources to assess slope stability
  - iii. Engaged Soundview Consultants for a recovery plan
  - iv. Engaged with SS Landscaping to implement Soundview's recovery plan.
- h. The most difficult issue is how to pay for the Gully rehab project. Total estimated costs are approx. \$150k. Initially, the Board wanted to distribute the cost over 3 years. However, in Jan/Feb of 2020, the idea prevailed that the Gully is a long-term asset, so it is possible to use reserve funding for the project.
- i. From Jan-June 2020 SPCA area improvements have been reserve project focused with the following projects slotted for completion:
  - i. Front fence replacement. Originally slotted for June completion, but due to COVID, the contractor is experiencing materials supply issues. TMT confirmed the fence would be completed in August 2020.
  - ii. Tacoma Water replaced all the underground galvanized pipe to copper pipe.
  - iii. Rainier Asphalt will complete asphalt seal, crack, painting and striping hard date TBD
  - iv. Teresa will schedule a walk through with SS Landscaping to iron out some issues in their execution of weekly landscaping
  - v. The final permit approval for the Gully rehab project has been received from CoT, effective June 19, 2020. Invasive species (blackberry, ivy, and poison hemlock) is scheduled for removal by SS Landscaping during July 2020. Per Soundview Consultants, planting cannot commence until the fall planting season. Additional invasives must likely be removed (to a slighter extent) in the fall before planting, but the bulk of the work should happen now, so any herbicides sprayed on invasives will not hurt new plantings.
  - vi. Gully Legal Remedy: Two lawyers (of the 4 initially eligible for consideration) deemed acceptable in handling our legal case regarding the Gully were interviewed. The lawyer found more experienced in the handling of our type of situation was asked to provide a preliminary assessment of our case for a cost not to exceed \$5k. At this time, a lawsuit is not recommended; instead, pursuing an insurance claim is likely the quickest road to recouping damages incurred for the Gully negligence.
- j. The Communications Committee started in Jan 2020 by Nancy Schrempf, is still publishing the monthly newsletter, and distributing it on the 3<sup>rd</sup> Monday of every month. Nancy has since moved away, but the Comms Committee is still active with 2 members. Brooke does the newsletter and signage for mail kiosks, and Alan Uhlemann handles all website activity.
- k. Addressed 2019 water issues/leaks in buildings D, N, and E. These leaks have affected the SPCA Master Policy and increased the deductible. The solution is to become

proactive instead of reactive with leaks to ensure insurance companies we are taking measures to care for aging buildings with appropriate maintenance.

- I. COVID struck in March 2020 and forced closure of the SPCA Community Center, pool, and the cancellation of March, April, and May monthly Board meetings.
  - i. The community center and pool will remain closed until Pierce county has been approved to move into Phase III of COVID reopening (outside gatherings of 50 people or more permitted).
6. 5 Things the Board intends to focus on for the future
  - a. Gully rehab and recouping of losses through legal means
  - b. The potential revision of SPCA rules
  - c. The enforcement of existing SPCA rules
  - d. Improving existing security by developing a security committee to research potential security systems and ways to fund the system
  - e. How to deal with increased children in the community while still maintaining the valued peace and quiet this community has traditionally experienced.
7. Brooke provided an update on Gully and Comms Committee (see letter i (v and vi) and letter j in section 5 above for details)
  - a. A resident informed the Board L103 is lacking a chimney pad and is concerned about birds nesting
  - b. A resident requested hearing more about Board nominees and relayed correction to Safe St. organization info in newsletter coupled with a request for potential new SPCA representation within Safe St. as the current rep would like to step down for health reasons
  - c. Resident recommendation of adding an additional dog waste station behind E building
8. Sue provided an update on Welcoming Committee
  - a. Negatively impacted by COVID over the last few months but is working to regain momentum and work to provide residents with info needed upon arrival (and potentially brownies!)
  - b. Asked if there was a way to streamline the retrieval of new resident info (ex, could Heather of TMT send that info?)
    - i. Heather relayed that she could include units sold in monthly management report disseminated to the Board.
9. Jackie provided a brief introduction and the Treasurer's report
  - a. Major factors that have affected the SPCA 2019/2020 budget were:
    - i. Gully consult fees (Geotech Resources and Soundview Consultants)
    - ii. Gully rehab invoices (SS Landscaping)
    - iii. Variations in insurance costs
    - iv. YTD admin fees vary by ~\$3k (\$2500 attributable to insurance costs)
    - v. Pool expenditures (~\$3800) due to Eddie's pool maintenance class canceled b/c of COVID. SPCA was required to keep Aqua Rec service longer than anticipated.
  - b. Initially \$53k over budget; however, once move the Gully rehab invoices from SS Landscaping (~\$50k) as an Operating Expenses line item to a Reserve Fund line item, this will be largely remedied.
  - c. Resident Question: What is the current Reserve balance, and are we making monthly Reserve payments to account for the previous deficit from Operating Expenses to Reserve?

- i. Treasurer Answer: Although we did not make the reserve payment for June 2020, the current reserve balance is \$160k. Yes, we are making payments back to the reserve fund, and yes, there is still a deficit from operating to reserve that should be made up by the end of the 2020 year.
  - d. Resident question: how much is owed from the Operating Expenses to the Reserve Fund?
    - i. Treasurer Answer: ~\$20k. One month's contribution is \$15, 780. Only about 1 month behind.
  - e. Resident Question: How is cash flow re: HOA fees? Are they ok, or do we see deficits due to COVID unemployment?
    - i. Treasurer Answer: there have only been a few instances of people struggling. Overall, SPCA is doing well in collecting assessments and meeting the budget. Our accounts receivable steadily increased for a few months and then took a small nosedive due to COVID, but now it is starting to improve.
  - f. Resident Question: HOA dues went up 8% this year. Next year they will go up 6%. If we stay on budget this year, could they (dues) potentially only increase by 4% instead of 6%?
    - i. Teresa (President) Answer: We are unsure at this point, but we encourage all residents to attend the budget meetings to find out why and how the budget happens along with its negative and positive effects.
- 10. Jenika Burton provided a brief introduction of herself and why she wishes to join the SPCA Board.
  - a. Areas of interest include:
    - i. Rules revision (does not necessarily want to be part of the enforcement piece)
    - ii. Management company contract negotiation
- 11. Heather LaDue provided the Management Report (a summarized version of the collaboration between SPCA and TMT to address issues within the community).
  - a. Addressing electrical issues to include the chronic problems in carports and outside of the buildings.
  - b. Annual Reserve study, which indicated the life of the lighting, is due for replacement.
  - c. Ongoing landscaping issues.
  - d. 2020 Reserve study is preparing a report of their findings.
  - e. Front fence replacement
    - i. Confirmed it is pushed until August due to material shortages
  - f. Fire alarm system upgrade
  - g. Now that Tacoma Water has finished galvanized to copper pipe replacement, Rainier asphalt can schedule the crack sealing and striping project.
  - h. Heather is tracking that some gutters and downspouts still need adjustment/repair after recent downspout repair that occurred before her joining TMT.
  - i. Heather reiterated that its part of the management company's portfolio to revisit governing docs and work with attorneys to redraft CCRs/Bylaws/etc. and records Board docs and meeting minutes into the record. TMT does this for SPCA and several other organizations/associations.
- 12. Election of Board Members begins at 8:12pm
  - a. 4 positions open
  - b. 3 candidates; Brooke Picone (temporarily appointed as Secretary in March 2020), Jackie Uhlemann (temporarily appointed as Treasurer in March 2020), and Jenika Burton (moved to SPCA Community in March 2020).

- c. Teresa (President) asked how the voting will commence
  - d. TMT calls for any nominees from the floor
    - i. No nominees were given from the floor
  - e. All 3 candidates were elected to the SPCA Board
    - i. Brooke received 19 votes
    - ii. Jackie received 17 votes
    - iii. Jenika received 16 votes
13. IRS resolution Form
- a. TMT Rep Michell Saulina explains the purpose of the IRS resolution measure is that is SPCA has any additional income at the end of the year, it will be applied to next year's revenue, so it is not taxed.
    - i. For example, if SPCA has an excess of \$10k, then it would be applied to the income line item for the following business year instead of being taxed.
  - b. Motion to accept IRS resolution as presented
    - i. Motion moved, seconded, and thirded. All agree; none dissented.
14. Jody Matthews, outgoing Vice President, imparted words of wisdom to incoming Board members and advised all Board members to Stop. Listen. Consider. Then move forward.
15. Meeting adjourned at 8:26pm