

## 2019 GENERAL MEMBERSHIP MEETING – AGENDA

- 50 voting members represented, 13 proxy votes

### PRELIMINARY

- A. Preliminary discussion about the process for the day. Budget will be presented first and for a vote. Then general meeting. Explanation of history of HOA law, how budgets often failed to be passed, WA legislature passed WUCIOA. How WUCIOA impacts Sea Links (161 lots/tracts, need 50%+1 to defeat a budget = 81 votes). Explained Audit requirement of 2018. Audit was completed, but not part of this budget and would not be discussed as part of the budget.

### BUDGET MEETING

- B. BUDGET REVIEW & PROPOSAL
  - a. Meeting opened by Joe Black, Presiding. Kelly Elford conducting.
  - b. In attendance are Joe Black (Presiding – President), James Danger (Vice President), Steve Skannes (Treasurer), and Kelly Elford (Secretary). Also present is Cindy Polley from Birch Bay Tax & Accounting.
  - c. Proof of Notice discussed.
    - i. Item of note by Sandy Lahn that the mailing failed to mention whether reserve account balances will be sufficient at the end of the year to meet maintenance, repair or replacement, and percent funded.
    - ii. Put before the membership whether anyone challenged the requirements of the Proof of Notice. None came forward. Motion presented to accept Proof of Notice properly performed. Voted and passed.
  - d. Quorum not needed for budget proposal (RCW 54.90.525(1)(A)).
  - e. Presentation of the Agenda as indicated in Mailing.
    - i. Put before the membership whether anyone challenged the Agenda as provided. No challenge. Voted in favor to accept.
    - ii. Time turned over to Cindy Polley and Steve Skannes for presentation of 2018-2019 Budget in review, and the 2019-2020 Budget Proposal.
      - 1. Balance Sheet and Revenue and Expense Statement discussed by BBT&A
        - a. Brian Bell asked question re audit, responded by BBT&A that it was not needed for this year and not represented. Audit report as performed was for 2017-2018.
        - b. Request by community to have access to Audit. Not online. Commitment by Board to put Audit online or provide copies to any who wanted.
      - 2. Profit & Loss discussed by BBT&A
      - 3. Annual Operating Budget v. Actual

- a. BBT&A explained different reports. Financial statements done in accrual basis. Budget is cash basis. Difference is when money is actually realized.
- 4. Summary Statement of Reserves
- 5. 2019-2020 Annual Operating Budget presented by Steve Skannes – Treasurer
  - a. Question why several items are higher. Items discussed include:
    - i. Sea Links Drive – we do not own – we have an easement that requires Sea Links to maintain.
    - ii. Discussion of easement at lower gate.
    - iii. Cost of maintaining grounds
    - iv. Legal Fees increase – going after overdue accounts, in which we hope to also recover attorney’s fees which will lower the amount.
    - v. Maintenance of Gates – costs, repairs, help from community member Dan Mauk.
    - vi. Discussion of storm water system and upcoming road repairs, including area to be repaved.
      - 1. Comment made by Shirley Sell that the original developers did not lay rock down and how pond on golf course higher than areas around it
    - vii. Question why mowing and storm water system is combined. Request to divide it.
- 6. With no further questions, noted that total members in attendance are 50. Budget will pass regardless of vote.
  - a. Formal vote held. Karen Bell motioned for budget to represent changes discussed with division between storm water and mowing. Noted that the budget to be passed is the budget as presented, without changes or edits. Choice is to accept in entirety or oppose. No opposition to budget as detailed.

### C. GENERAL MEMBERSHIP MEETING

- a. Proof of Notice of Meeting – held with budget meeting. No opposition
- b. Established a Quorum – Recognition we need at least 20% of members represented per Sea Links Amended & Restated Bylaws 4.8.6. 20% of 161 lots = 33. 50 members present for voting. Quorum established.
- c. Approval of Agenda as noted in mailing.
  - i. Presented to general membership for Motion to object. No objection to the Agenda was noted. Agenda passed by general membership
- d. Approval of Minutes of July Board of Directors meeting
  - i. Commented it was not in mailing, many members not present at July meeting.
  - ii. Postponed indefinitely (to be presented at next BOD meeting).

- e. Approval of Minutes of November 2018 meeting
  - i. Motion to reject due to lack of information. 2<sup>nd</sup>. Membership unanimously rejected 2018 minutes.
- Kelly Elford, conducting, reminded members the current meeting had a 2:00 p.m. hard stop.
- f. Reports of the Board of Directors
  - i. CC&R / Bylaw Committee – Chair = Kelly Elford
    - 1. Report of year including complaints, over 90% by one homeowner.
    - 2. Attempts at neighborly approach.
      - a. Noted several events by homeowners seeking to intimidate, harass, or obtain revenge on Board for not succumbing to demands, including:
        - i. Filing a false police report
        - ii. “Anonymous” report by member in the community that the New Mexico license plate was not changed to WA plate and was in violation of WA law. Noted the car belongs to a family member that resides in New Mexico, and not to Board Member.
        - iii. Intimidation tactics used by several homeowners including excessive swearing. One incident of a family member of homeowner excessive profanity directed to Board member, and following Board member back to his car containing his wife and children while continually screaming excessively profane comments. Such actions scared the young children in the vehicle.
      - b. Sandy Lahn asked about decision on noxious weeds. Discussion with general membership that Himalayan Blackberries ARE listed as a Class 3 Noxious Weed by both WA State, and Whatcom County. Determination means they have a beneficial purpose, and requires only being cut/trimmed to prevent rampant growth. A review of the CC&Rs and Bylaws. A report was submitted to the entire Board, and the entire Board unanimously rejected the complaint.
  - ii. Maintenance Committee – Chair = Steve Skannes
    - 1. Brian Bell questioned gate access, and how often they get a call to open the gate. Shirley Sell responded that the issue is with the gate code number for calling a home, and where the homeowner’s name shows in scrolling at gate.
    - 2. Steve Skannes discussed repairs done to front gate, back gate, storm water system, road repair, plowing/sweeping, and paving in 2020.
    - 3. Mr. Becker asks about placing a speed bump on Birch Bay Drive. He states in the morning, after gate opens, he can hear traffic speed away from gate. Road owned by trailer park. A discussion may be noted.
    - 4. Brian Bell requests painted roads, would like on agenda. Steve Skannes notes the Board welcomes any community member become involved and paint.

5. Board requests members take more active role on doing things re in front of house and drains. The more they do, the more money it saves and less damage is done to drains.
  6. Jane Mauk notes when she went around to help with water drainage, ice around speed bumps are a problem. Shirley Sell responds that the more we can do as homeowners, the better.
  7. Steve Skannes comments about leaves and drains. Pipes are large enough to handle water Sea Links gets, but drains need to be maintained.
- iii. Design Control Committee – Chair = Kelly Elford
1. Noted that almost nobody in community reads or understands rules.
  2. Received over 40 requests. Most approved.
  3. Actions taken is a request, investigation, research re licensing and bonding, then report to entire board for approval.
- iv. Supplemental Committees
1. Noted that the Welcoming Committee and Garage Sale Committee were chaired by volunteer, Richard Drath. Thanks expressed to him, and to all who stepped up and helped with the various projects, including Dan Mauk.
- g. Board Member Election
- i. Board members serve a two year term (Bylaws section 5.1.3) and may serve two terms (Bylaws 5.1.4), for a total of four years.
  - ii. No candidates have come forward for election. Currently, the position held by James Danger will be vacated. Also, there is an open position after the resignation of Jane Mauk as Secretary earlier this year.
  - iii. Noted that Joe Black and Steve Skannes had their terms expire, but they expressed interest in running again for 2<sup>nd</sup> term and nobody submitted name to challenge. According to Bylaws, and on advice of legal counsel, they win on procedural grounds.
    1. Various objections given, statements of “despots” and that various community members were unaware. Some blamed the Board by not informing membership in advance.
    2. Several members stood in defense of Board, one stating the Board was honorable, the other stating the current board was the more neighborly and kind of all, with prior Boards typically sending warning violations and fine notices.
    3. Amended Bylaws 4.7.3 presented with Notice of General Meeting, Part II that informed the general membership of the two board members seeking re-election and that no others have come forward.
    4. Also presented was the email from the HOA attorney stating the chair can reject challenges during General Meeting for not following procedures.
    5. Comment by Kelly Elford, as conductor, that this is just a formality, and the general membership will soon be allowed to remove any board member. We need to first resolve the rule and empty seats.

- iv. Proposed to have Sunny Brown replace outgoing Board member James Danger. Seconded. Approved.
- v. Craig Mancuso nominated Shirley Sell to replace vacant position of Jane Mauk. Richard Drath seconded. Approved.
  - 1. Discussion regarding the votes. Clarified that the general membership does NOT vote for officers. They vote for Board members. Board members, per rules, gather together to elect various Board members.
  - 2. Jane Mauk noted, to enable as much continuity between various boards, the Board member positions are numbered 1 through 5. Positions 1, 3 and 5 were open for a vote this year. Positions 2 and 4 were not. She was formerly position 2, so her replacement is to only serve 1 year.
- vi. Sunny Brown then decided she would not work with two present board members, and resigned post.
- vii. Time for meeting almost expired. Many people left. Concern a quorum is no longer represented. President Joe Black responds that a quorum was established, and that it has not been adjourned. Sufficient people in attendance to resolve position of Sunny Brown.
  - 1. Jane Mauk proposed Brian Bell replace Sunny Brown. Seconded and passed.
- h. TIME EXPIRED. Meeting adjourned.
  - i. Items not able to get to...
    - 1. Removal of Directors under Bylaws 5.4 & RCW 64.38.250
    - 2. New Business / Open Meeting
      - a. Discussion with General Membership regarding Tract A and Tract B and imposition of dues.
      - b. Golf Course