

Board Meeting Minutes

Nine Mile Ranch Homeowners Association Board of Directors Meeting April 6, 2021

Due to Coronavirus this Board meeting was held by Zoom. Board members present; Brian Rabe, Richard Lewis, Stacey Johnson, Don Charnholm, Pam Lewis, Kirk Johnson, Brett Coffman and Susan Stewart by phone. Also present Todd Besaw, ACC Chair. Five Association members were present through Zoom.

Meeting called to order at 6:39 pm.

A thank you to Tyler Coffman and Corinne Mossman for assisting in managing Zoom during the meeting as well as ‘working out the bugs’. We were unable to fully pin down the issues with the April 2nd Zoom meeting “system error”. We shut off video this time to save bandwidth, hoping this would help. There were issues of garbled speech and delays.

Read into minutes

Motions made outside of meeting:

1/21/21 January 14, 2021 Board meeting minutes were approved unanimously.

2/14/21 **Motion** made by Stacey Johnson to have Cheryl Adamson, Farmer Insurance attorney, represent the HOA in James Mathis vs 9MR legal suit. Ms. Adamson’s fees will be paid by Farmers Insurance. Motion passed unanimously.

2/14/21 **Motion** by Stacey Johnson to have HOA attorney Andy Chase withdraw his representation in Mathis vs 9MR case. Ms. Adamson will keep Andy Chase informed of all proceedings as the HOA corporate attorney to further protect the HOA. This will cost the HOA approx. \$3,000. Cost will depend on how the case will unfold. Passed unanimously.

3/24/21 **Motion** made by Stacey Johnson for the Board to approve the Designated Voter Form to be sent to all Lots owned by an organization. This approval includes \$20.00 for mailing costs. Seconded by Brian Rabe. Motion failed: 7 yes, Pam Lewis no. (motions made outside a meeting required unanimous consent)

Motion made by Kirk Johnson to approve the Designed Voter Form to be sent to the membership. This approval includes \$20 for mailing costs. Seconded by Susan Stewart. This motion is regarding the HOA Bylaw Article III, Section 5. Motion passed; 7 yes, Pam Lewis no.

General consent to talk about the various ballot and election topics:

Motion by Kirk Johnson to approve Ballot & Counting Procedure Policy with edits. Seconded by Susan Stewart. Motion passed; 7 yes, Pam Lewis no.

Motion by Kirk Johnson to approve Ballot Inspection & Recount Policy with edits. Seconded by Susan Stewart. Motion passed; 7 yes, Pam Lewis no.

Motion by Kirk Johnson to approve the Membership Voting Requirement Policy with edits, sending it to all Association members with the Designated Voter Form, cost of mailing \$200. Seconded by Susan Stewart. Motion passes; 7 yes, Pam Lewis no.

Brought forward tabled motion by Brett Coffman:

Motion by Brett Coffman that all actions and threats taken against the HOA by any source be automatically turned over to the presiding attorney for responses and proper defense. Seconded by Rick Lewis. Motion amended to “all legal actions brought by any party or threats taken against the HOA through a verified attorney be automatically turned over to the presiding attorney for counsel and initial response.” Seconded by Brian Rabe. Motion passed; 7 yes, Pam Lewis no.

Candidate bios are posted to the website.

General consent to discuss annual membership meeting details:

High school has been secured. There is web access and a PA system that we can use at no charge. Need to verify with all High School persons involved in decision. Covid restrictions can change where and how meeting will happen. Will have to have a Zoom meeting if restriction does not allow gathering. Suggestion to have meeting in larger room at the high school to allow for ‘social distancing’. Suggestion to have meeting at a park; concern of complications with having a sound system, access to Zoom, no bathrooms and weather. We will attempt to have Zoom part of the meeting. Will ask Felicity Rabe to once again manage the hosting details at the meeting. Start counting of the ballots at 10:00, meeting called to order at 12:00, allowing those who want to watch the counting can be present as counting will most likely take a couple of hours.

Motion by Kirk Johnson for the Annual Membership Meeting be held at the Oroville High School, in as large of a room as possible, to comply with current Covid restrictions, simultaneously have meeting on Zoom if possible, start counting of the ballots at 10:00, meeting called to order at 12:00. Seconded by Brian Rabe. Motion passed; 7 yes, Pam no.

Pam Lewis stated concern that asking the manager of Oroville Building Supply to be one of the vote counters would be a conflict of interest because of business being carried out with them. Short discussion bringing forth that we all buy from Oroville Building Supply, and everybody patronizes all the businesses in town. Pam did not bring forth an alternative suggestion.

Topic of Ranch Manager - The president read the following out loud: “Unless a director wishes to bring a motion about it, we will not discuss or address this subject in this meeting. My intent is, upon the request of HOA member Felicity Rabe, to read into the minutes that her information about the subject of the HOA hiring a paid Ranch manager has been received by the Board and that her information is now on record with the secretary, and that members can inquire to receive a copy of the information. Here are some summary statements directly from her information for the record:

- a concept “Long used by other Home/Property Owners Associations...”
- “The purpose of such a position would be helpful to ensure continuity and established procedures for smooth running of the HOA... ensures smooth transition between all major position changes within the Board of Directors, including the treasurer and Roads Manager”. “The position does not replace the voluntary BOD or committees...” “The

Ranch Manager will be a consultant for the board. As such will be a valuable asset for especially a new board, a new director, and any owner who puts their inquiry in writing.”

Treasurer Report

Checking: \$27,722

Savings: \$20,360

CD: \$34,355

Cash Flow Report discussion: Report shows a deficit of \$12,000 after all expenses are paid, including \$12,000 for basic road work. Deficit is because of \$16,000 spent over budget for winter maintenance; was a hard winter extremely icy. Also, \$8,000 of HOA funds have been spent so far for the legal suit James Mathis has filed against the HOA. Do we have to report separately to the membership if we use savings? Is our savings account considered a designated RCW ‘reserve fund’? The official reserved fund, per the RCWs, has not been created yet where reporting of “reserve components” to the membership is required. Past Boards have not reported when they used savings.

All expenses need to be paid. Road work is the only expense that could be adjusted or let go. This is not an option. Try to keep road work at a minimum. Roads held up well from spring melt. Culverts need to be cleared, raking needs to be done for crowning. There is \$18,000 of special assessment gravel still to be placed. Pam Lewis stated that we should not spend any funds beyond what is in checking, to not perform any road work if we need to use savings account. The HOA has always been under funded; over the years to make up for under funding prior Boards spent down the savings account. This Board was able to collect \$22,000 of past due accounts, interest and late fees to make up for some of the under funding. Those extra funds are no longer available. Savings is there to use when unforeseen issues come up, like this winter’s higher maintenance and legal fees from James Mathis suing the HOA. This Board has increased the savings by \$6,000 in the last two years.

Motion by Stacey Johnson to transfer \$10,000 from savings to checking, keep road work at a minimum and revisit later. Seconded by Don Charnholm. Motion passed; 7 yes, Pam Lewis no.

Motion by Kirk Johnson to extend the meeting ½ hour. Seconded by Don Charnholm. Motion passed.

Motion by Susan Stewart to raise the annual assessment 10% for 2021-2022 fiscal year. Seconded by Brian Rabe. Motion passed; 5 yes, Don Charnholm, Pam Lewis & Stacey Johnson voted no.

Discussion on how the budget would be presented; ‘balanced’ vs ‘what we need’. Balanced is what *can* be spent, while showing a loss shows the *truth* in what we *need* to be spending on the roads. The membership needs to see the financial condition of the HOA. Decision to have two columns showing both ways on the budget.

Motion by Stacey Johnson to adopt the budget for 2021-2022 showing 2 columns of ‘balanced’ and ‘what we need’. Seconded by Brian Rabe. Motion passed unanimously.

Motion by Stacey Johnson for expenditure of \$1,000 on annual mailing and ballots which includes postage, envelopes and printing costs. Seconded by Kirk Johnson. Stacey has pulled together all of the past mailings and is now on her second printer. She has talked to Kelley’s in Omak who can print the mailing at .07 cents a copy. This mailing will require an estimate of 6000 copies to be made. Cost does not include return postage for members of their ballot. Motion passed unanimously.

Documents for the mailing will be approved by the majority of Board through email as this is administration action.

Motion by Kirk Johnson: “Pursuant to the recently adopted Ballots & Counting Procedure I move that \$250.00 funds be made available to pay for the election PO box and potentially for a fiduciary's time if we are not able to secure a volunteer fiduciary.

- Breakdown as follows:
 - \$50.00 P.O. box
 - \$105.00 3 hrs total labor for initial P.O. box procurement, and for (4) trips to collect ballots from P.O. box.
 - \$52.50 for 1.5 hrs count final amount of envelopes, create a sworn statement, and seal all in a container.
 - \$35.00 for 1 hour deliver sealed container of ballots to meeting.”

Motion seconded by Brian Rabe. Motion passed unanimously.

Motion by Kirk Johnson additional funds of \$2,000 for continuing defense of James Mathis vs HOA, as an extension of funding and terms pursuant to the initial December 20, 2020 Board motion, entitled “Primary Motion”. Seconded by Susan Stewart. Motion passed unanimously.

Motion to extend meeting 20 minutes. Seconded by Brian Rabe. Motion passed unanimously.

Motion by Brian Rabe to send out vote to the membership for assessment increase and special assessments in the up coming annual mailing. Seconded by Stacey Johnson. Motion passed; 7 yes, Pam Lewis no.

Road Report

At this time a work order for \$540.00 plus tax for raking of those areas able to rake is complete. Special assessment gravel is in arrangement process as well as more raking.

Brett Coffman stated for the record desire that road dust control be addressed by the Board. No discussion.

Motion by Don Charnholm to open the meeting to those members attending. Seconded by Stacey Johnson. Motion passed. No discussion or questions from the members who stayed on Zoom for the entire meeting. Some members had dropped off of Zoom before meeting was complete. Members speaking expressed thanks to the Board for their work for the HOA.

Board moved into executive session to discuss James Mathis vs HOA case. No motions were made.

Meeting adjourned at 9:33 p.m.