



**LACAMAS
SHORES
HOA**
**Board of Directors' Meeting
Minutes**

- Date and Time:** Monday, January 16, 2017 at approximately 7:05 PM
- Type of Meeting:** Regular Monthly Meeting
- Location:** Camas Police Station, Camas, WA
- Participants:** Matt McCants (President), Tom Kelly (Vice President and ALCC Liaison), Ron Boyce (Interim Treasurer and City Liaison), Marie Tabata-Callerame (Secretary), Janine Smith, Patrick Lambert.
- Absent:** Kalani Davis (injured)
- Audience:** The Moores, the Hayletts, the Arnolds, Dan Foster, the Marrinans, Richard Bolger, Bill Smith, and Lorrie Conway.

The President Matt McCants called the meeting to order at approximately 7:05pm, **called roll** and confirmed a quorum. The meeting was audio recorded by the Board. **Proof of Notice** was stated as by email to homeowners, and posted on the website and Nextdoor.com. While the purpose of the meeting is to conduct Board business, comments are accepted on agenda items and under new business.

Approval of the Minutes – The minutes for the October 17th Board Meeting were submitted and no comments made. Tom moved to approve the October 17, 2016 minutes as written. The motion was seconded and passed unanimously. The minutes for the November 28th Board Meeting were submitted with changes based on comments emailed by Linda Harnish. Cindi Marrinan made suggestions and the Board made further changes as agreed. Ron moved to approve the November 28, 2016 minutes with the agreed changes. The motion was seconded and passed unanimously.

REPORT OF OFFICERS:

President's Report – Matt had a short message. Matt has accepted a new position and has put his house up for sale. He is happy to continue until his lot is sold or term expires. The Board thanked Matt for all the work he has done on behalf of the Association.

Treasurer's Report – Ron presented the November financials, which showed our reserve account balance at \$144,918.49 and the operating accounts combined at \$41,655.40, for a \$186,573.89 balance in total.

The December financials showed \$144,936.95 in reserve and \$37,526.83 in operating. Thus, we started the year with a balance totaling \$182,463.78. It was noted that we use accrual-based accounting, so it is possible that we may get another bill that will affect that total.

“Ask the Accountant” or Accountant’s Presentation by Lorrie Conway

[Note that more information is given on this topic than is usual in minutes to provide a future reference for new Homeowners.]

Lorrie has been contracted with our HOA since 1989 and had family living in Lacamas Shores before then. She worked for LS HOA during the transition from the developer to the HOA and 19 to 253 lots, and has work with at least 13 different LS HOA treasurers. Lorrie has 30+ years of non-profit accounting management experience, a BA in Business Administration, an MBA Certificate for Non-Profit Management, and an Accounting Certificate. Over the past 28 years, there have been 3 professionally contracted audits of the Lacamas Shores financials, with the rest conducted internally by volunteer Homeowners. In addition to our accounting, Lorrie files any necessary fines/liens as directed by and at the discretion of the Board.

Lorrie went over ten years of our history and our current state:

- We are a non-profit corporation and are not tax exempt – we file an 1120-H tax return.
- Our accounting is on an accrual basis, not a cash-basis, i.e., she debts/credits by the year they are accrued in/for instead of when the debt/credit is paid/received). This explains why delayed submission of expenses results in the financial statements being inaccurate.
- Annual assessment statements are now mailed in January of the year they are for, per the outside auditors’ recommendation [contrary to this year’s Internal Audit Committee’s recommendation and Lorrie’s preference].
- We operate on a fiscal calendar year and produce monthly standard financial reports, complying with GAAP (generally accepted accounting principles).
- Lorrie explained depreciation, depreciable property, and contributed capital write-offs versus reserve account replacement costs. Depreciation is a non-cash expense used to match the cost of a productive asset to the revenues earned from using the asset. It is not the same as preparing for future expenses involved in maintaining the property and is not the same as reserve fund calculations. It is required for our audited financial statements.
- Tom Shipler gave the LS HOA contributed capital (such as the common areas, boat house, etc.) with a cost basis of \$265,100.
- Reserve funds are funds set aside by the governing HOA Board to pay for the replacement or repair of community property and are intended to prevent the need for special assessments. They are determined by the dividing the replacement value by the number of useful years for each capital item (boat dock, basketball court, BBQ grill, etc.), then accumulating that cost each year for each item. This effectively spreads that expense out so when it is time to replace the item, the money is already there. These calculations are completed by a reserve study specialist. No special assessments have been levied during the life of the HOA.
- Retained earnings represent the cumulative earnings over the past 20+ years since our corporation was formed and are in two line items (restricted and unrestricted). Both unrestricted and restricted retained earnings continue to increase over time and do not affect our cash flow nor our reserve needs.

- Lorrie works with the Treasurer on a line item operating budget that is presented to the HOA each year. The operating budget covers normal operating expenses and is reported throughout the year to the board. The Treasurer has access to review monthly bank statements, a Balance Sheet, and an Income Statement
- The determination of non-standard budget amounts is at the discretion of the board (i.e. reserve allocation).
- All expenses are for the good and benefit of the HOA. Outside of the ordinary and regular expenses, all expense requests are approved by the treasurer before payment is issued. If a manual check is issued, two signatures are required.
- Our P&L looks the same pretty much the same year after year. Our expenses and income are stable.
- Lorrie works hard to ensure that we do not have to pay corporate taxes. The accounts receivable low and are from 5 lots, two of which are liened and are assessments, late fees, and fines. Lorrie suggested revisiting the Fee Policy considering bad debts write-off and related interest incomes/finance charges for tax purposes.
- Lorrie stated that she has worked with many HOAs and our annual assessments are not unreasonable annual assessments. Many others charge our annual amount on a quarterly basis.
- We close FY2016 with \$12,266.53 in net income from operating expenses. There may be a few corrections due to the accrual-based accounting.
- Lorrie has used our finances as an example of a well-run HOA.

Reserve Fund Contribution Discussion – Reserve fund contributions were budgeted since before 2007 until 2011 for \$20,000/year. Since then, there have been no budgeted contributions, though carried-over cash may have been added when the Corus account was defunded and merged into our current accounts. The FY 2016 year ended with approximately \$37,000 in carry-over cash [It is \$33,000]. The need for a FY2016 contribution to the reserve fund was discussed with Ron proposing \$16,000. Further discussion included the previous amounts, the amount listed for FY2016 in the reserve study, the component funding model, and the P&L net income of \$12,200. Lorrie and Dan Foster both recommended a contribution of \$12,000, noting that it will zero out the P&L. After discussion, Tom moved to move \$12,000 to the Reserve Account in the FY 2016. The motion was seconded and passed unanimously.

There was discussion of the investing some of our reserve account funds, which will be addressed at another time. Lorrie was thanked for coming and her time and dedication to the Lacamas Shores HOA.

FY 2017 Budget Discussions – The Board discussed line items in Ron’s draft of a proposed budget for both the operating accounts and the reserve account. One line item discussed was the hiring of security, which was not spent in FY2016 due to Homeowner mail-in ballots used to poll the HOA. However, it was noted that during the holidays, there were car break-ins and possible attempts to case certain houses in our neighborhood. Considering safety concerns and the Board’s purpose as stated in the Articles and Bylaws, the Board decided to budget funds for holiday security again.

Ron will create a revised proposal to be refined at the next meeting. Marie requested the Board approve a budget for 2018 as well as 2017.

REPORT OF COMMITTEES:

Architectural and Landscape Control Committee (“ALCC”) – There was nothing unusual. The Committee continues to process Homeowners’ requests and have received many tree removal requests. Other items will be reported in Executive session.

Members Communications Committee (“MCC”) – The Committee is looking forward to collecting the surveys. No further update.

Internal Audit Committee - Regarding the Committee’s suggestion to close a \$5 account, Ron stated that the account is needed to qualify for the other accounts that we have.

Common Area Land Use Committee (“CALU”) –

Picnic Area Project – The Committee hopes to create some proposals for the Board for approval at the next meeting.

Leadbetter Entrance Improvement Project – The project has been divided into three phases.

Phase 1 – Marie bought the solar lights for installation for the “Lacamas Shores” signs. Most of the plants marked in the pictures have been removed. The Committee will mark the others that need to be removed.

Phase 2 (behind Patitucci’s land) – See below under Old Business.

Phase 3 (the North side of Walden) – See below under Old Business.

East Entrance Improvement Project – Tabled for now due to high priorities.

West Entrance Signage – The Committee is still discussing a possible joint project with Camas Meadows. Until then the project is tabled for now due to logistical issues with the prior placement suggested.

New Project – Common Area by the 14th Green – Camas Meadows is willing to help us take care of that [the removal of debris once collected].

Meadowlands Park Jurisdictional Determination Contract – John McConnaughey from ETC went through boxes at the City and found some interesting documents.

OLD BUSINESS:

Trimming Bushes along Walden Drive revisit (see above under CALU). Over the last few months, the Board voted to trim the bushes down to 24”, but the work has not been started yet. The northside of Walden from Leadbetter down to Barlow has four different kinds of plants and two cavities and is not the best first impression for the neighborhood. The Committee would like to do a comprehensive project there since 10 feet from the curb belongs to the HOA. The Committee will contact all homeowners potentially impacted. The Committee will continue to move forward on this, communicating with affected Homeowners and getting their feedback.

Boat Ramp Maintenance and Committee Charter Approval – After discussion, Marie moved to approve Tom’s draft of the Committee charter and the formation of the Committee. The motion was seconded and passed unanimously. Marie noted that she and her son went into the water with dry suits and threw berm rocks back into the hole in October. They were able to lower the middle of the berm by a little over a foot.

Traffic Committee – Tom added the word “Safety” to the title. Marie moved to approve Tom’s draft of the Committee charter with the addition. The motion was seconded and passed unanimously. It was noted that the Committee had not been active recently and may need new volunteers.

Maintenance Committee Charter - Tom will add the words “and Capital Replacement” to the title. It was noted that the focus of this Committee is the handling of maintenance outside the routine annual operating maintenance and that the Committee will reference the reserve study. Ron moved to approve Tom’s draft of the Committee charter with the addition. The motion was seconded and passed unanimously.

Homeowner Complaint Form Update – The form is posted on the website and was emailed out. The project is completed.

Heritage Trail Beautification Project – No update.

Amended Tree Policy – There was discussion about what should be in an amended tree policy. Both Tom’s draft and the prior policy has good points. It should be precise with maybe an appendix for any background and reasoning. The issue is awareness and allowing dialogue. The loss of value to properties and the effect of the controversy on property value was discussed. This may require a working meeting. The issue was tabled.

NEW BUSINESS:

Amendment to the Articles of Incorporation – Tom proposed an amendment to the Articles. There was discussion about the proposed change to allow only the members to change the bylaws and not just the Board, thereby giving the Membership control over the Bylaws. It was noted that any change to the Articles to would take 75% of a quorumed meeting. The Board will do some research and table the issue until next month.

Annual Meeting Preparation - The Board set the date for the Annual Homeowners’ Meeting for Saturday, March 18th. The Board will send a save-the-date notice along with a request for candidates via email. The Board will allow people to submit bios. Matt will find the location. Lorrie (as the Inspector of the Election) will be able to open the mail before the meeting this year. Marie will develop the Proxy Form. The Board agreed to hold a Meet & Greet social for members to meet the current and potential candidates on March 4th . Janine suggested having committee sign-up sheets.

The need to create the 2016 Annual Meeting Minutes was discussed, as the prior secretary declined to complete them and then resigned. Janine volunteered to draft them. Marie will get the video recordings from Linda Harnish.

EXECUTIVE SESSION – Matt stated that new business was concluded and thanked everyone for coming at approximately 9:55 pm. All audience members left. The Board went into executive session. The Board came out of executive session at approximately 10:40pm.

Pat moved to approve the Ontkean Settlement documents. The motion was seconded and passed unanimously. Matt will take care of the paperwork and release the documents once it is finalized by the courts.

Marie moved to have the superficial trimming completed for the non-compliant lots that have received notice letters. The motion was seconded and passed (5 ayes, 1 abstention by Matt).

Pat moved to adjourn the meeting at 10:55pm. The motion passed unanimously.

Marie Tabata-Callerame, Secretary

Date

Matthew McCants
President

Date

Tom Kelly
Vice President/ALCC Liaison

Date

Ronald Boyce
Interim Treasurer/City Liaison

Date

Kalani Davis
At-Large

Date

Patrick Lambert
At-Large

Date

Janine Smith
At-Large

Date