Holly Heights Homeowner's Association

Annual Meeting

6/10/2023 – 9:00 A.M. To 2:00 P.M.

Attending in Person: Andy Singer (4783), Kenia & Jared Goodman (4789) & Lots 13/14, Shannon & Mark Farrier (4849), LoreLei Reid (4823), Rhonda & Ron Walker (4813), Maryann & Ken Potter (4839), Beatrice & Brady Duncan (4803), Shelia Burke (4843)

Phoned in Connection: Mark Rife (4833), Craig Nevin (L19AP1 / L19AP2 / L19AP3), Lynn & Dennis Maloney (4829), Marti Frank (4809), James Sale (L19B)

Lisa Molini from Commonwealth/Appleton Property Management Company was in attendance via Phone Connection

Proxies: Jamie & Scott Simmons (4819), Thelma & Dale Westrom (4859)

Not in attendance or represented: Lots 17/18 Pearson and Lot 20 Davies/Olsen

Based on this participation, a quorum was established

Following a short potluck, including introductions, the following items were presented and discussed:

The meeting was called to order by President Shannon Farrier

The 2022 HOA minutes were presented and approved.

1. Reviewed the attorney’s and committee’s suggested changes to the Bylaws (see posted Bylaws on HOA website):
	1. Changes that were approved are as follows:
		1. Removed all language referring to the Declarant and language regarding turnover meeting.
		2. Added language to allow electronic voting
		3. Changed from a three -member to a five-member board
		4. Board members will hold a term of three years
		5. Board will appoint officers at each annual meeting (President, Treasurer, Secretary)
	2. Added language to allow for Board executive sessions (non-voting)
	3. Bylaws were approved by a vote of 90% 18/20 100% represented or in attendance
2. Reviewed the attorney’s and committee’s suggested changes to the CC&Rs (see posted CC&Rs on HOA website):
	1. Some of the major changes in the CC&Rs are as follows:
		1. Removed all language referring to Declarant
		2. Added provision allowing pets off leash only on Tract A (common area) if the pet is in sight of, under the voice control of, and actively engages with its owner and no other people of animals are present in the area.
		3. Added language that the HOA Board has the authority to adopt rules regarding minimum maintenance standards for lots and homes.
		4. Changed the language under Short-term rentals to allow for service animals used by disabled persons.
		5. Added Section 15 - Incorporated the 2004 Amended CC&R
		6. Added Section 16 – Giving the HOA the authority to levy assessments, adopt an annual budget, power to impose interest and late fees, and pursue litigation and other collection actions.
		7. Added Section 17-22 – Set procedures and complaint process for violations of the CC&Rs, Bylaws, and Rules and Regulations.
	2. CC&Rs were approved by a vote of 90% 18/20 100% represented or in attendance
3. **Treasurers Report**
	1. **Current Status – Our budget has been fairly accurate. We took on a couple non budgeted projects as approved in the July minutes to acquire the mowing easement, to get water timers installed and to get the legal review of the bylaws and CCR’s.**
	2. **We are experiencing a high level of delinquent receivables. Almost half of the receivable is well over 6 months late. To date cash flow has not been a problem as the reserves are high as we approach the time to draw them down heavily for roof replacement and road resurfacing.**
	3. **Projected Reserves at 6/30/2023**
		1. **Road $8,338.42(Paid into by all owners except lot 20 at a rate of $70/biannually) Road is owned by the Krasner’s and maintained by the HOA. The easement requires resurfacing every 5-6 years. It was last completed in August 2019 at a cost of $8,640 by Tony Lee.**
		2. **Roof $84,853.50 (Paid into only by Lots 3-12, structures with a shared roof at a rate of $340/biannually) The roofs are original and had a 30 year stated life at construction. The goal was to have 50-75% of the funds available at the time a new roof was required. Last estimate of cost was $140,000 for all 5 buildings and it is expected that the work will be needed in 2 years. Owners should check their attics regularly for leaks.**
		3. **Paint $11,244.50 (Paid into by all structure owners Lots 3-12 plus 1/2, 15, and 16 at a rate of $150/biannually)**

 **$1,256 (lot 1/2 paint is original)**

 **$6,576.50 (lots 3-12 painted August 2021 at a cost of $25,500 by N Peterson)**

 **$1,706 (lot 15 last painted 2017)**

 **$1,706 (lot 16 last painted 2017)**

* 1. **Dues as billed 1/1/2023**
		1. **Vacant Lots $455 ($384 operating, $70 road reserve) 6 lots**
		2. **Stand Alone Structures $660 ($384 operating, $70 road reserve, $206 paint reserve) 3 homes**
		3. **Townhouses $1000 ($384 operating, $70 road reserve, $206 paint reserve, $340 roof reserve) 10 townhouses**
		4. **Lot 20 ($197 portion of the operating) 1 lot with no access to the road or common area**
	2. **The 2024 Budget will be determined by the board. An increase for 7/1/23 is anticipated and will be discussed at the end of the meeting and voted. The increase is driven primarily by having to secure road maintenance previously provided by Walt Krasner along with normal cost escalation of other services and fees.**

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1. **New Business**
	1. **A Trail on Tract B was brought forward by Marti Frank. The governing documents mention that Tract B should remain in a natural state for uses such as a trail. Marti had investigated the cost of having a trail cut in from the street and the common area down to the creek. It was decided that she could poll the members via email to see the level of interest and if individuals wished to contribute towards the cost.**
	2. **Tree topping and trimming of trees on the HOA property for view enhancement was brought forward by LoreLei Reid. LoreLei informed the members that in the early 2000s the HOA was very active in working to improve the views with the HOA spending about $3,000 per year removing alders and topping spruce and hemlocks growing into views of the bay and ocean. LoreLei had identified 5 trees that were previously topped and had Dave Walker investigate to be sure they were on HOA property and that fish and game would not have any issue with topping these trees. The cost is approximately $2,000/per tree. At this time the HOA does not have the funds to participate in this activity, but it was decided that trees impacting views could be trimmed and topped at individual owner’s expense. Costs can be shared if others agree to join.**
2. Approval of Fee Schedule: (fee schedule is posted on HOA website)
	1. Lorelei Reid made the motion to approve the fee schedule as presented.
	2. Rhonda Walker seconded the motion
	3. Motion passed unanimously
3. Approval of Annual Budget:
	1. Lorelei Reid made the motion to approve the annual budget in the amount of $20,600.
	2. Rhonda Walker seconded the motion.
	3. Motion passed unanimously

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| Annual Budget (General Fund) | Yearly |
| Management Fee | $3,600.00 |
| Mowing | $5,000.00 |
| Sprinkler - repairs etc. | $1,500.00 |
| Misc. other Common area | $1,000.00 |
| Tax Prep | $250.00 |
| Office Exp. | $1,200.00 |
| Web site | $600.00 |
| Zoom meets | $150.00 |
| Insurance | $500.00 |
| Legal/Collection fees | $1,000.00 |
| **Regular Road Maintenance** | **$4,800.00** |
|   | **$19,600.00** |
| Unanticipated /contingency | $1,000.00 |
|  | **$20,600.00** |

1. HOA Annual Assessment
	1. Lorelei Reid made the motion to adopted the fee schedule as proposed
	2. Rhonda Walker seconded the motion
	3. The motion passed unanimously

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| **Category** | **Yearly** | **Billed twice yearly** |
| General Operations |  $1,032 | $516.00 |
| Roof Reserve | $680.00  | $340.00  |
| Paint Reserve | $412.00  | $206.00  |
| Road Reserve | $140.00  | $70.00  |
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1. Election of Board Members:
	1. Two new board members were elected, Jared Goodman and Ken Potter
	2. To facilitate the new 3 year terms and avoid all members being reelected in the same year the following schedule was determined.

LoreLei Reid term expires 2024

Shannon Farrier and Rhonda Walker term would expires 2025

Ken Potter and Jared Goodman term would expires 2026

1. Meeting was adjourned by President Shannon Farrier at 2:00 p.m.