



Shelley Lake Estates Homeowners' Association
P.O. Box 1872, Veradale, WA 99037
www.shelleylake.org

Minutes of the Annual Meeting, January 12, 2009

Time and Place

The 2009 Annual Meeting for the Shelley Lake Estates Homeowners' Association was held January 12, 2009 at Adams Elementary School, at 7 p.m.

Present

The following Officers were present:

Scotty Smith, President
Mike Syrcle, Vice President
Norene Green, Treasurer
Christy Smith, Secretary

The following Directors were also present:

Doug Wollan, representing Zone 1
Sue Watilo, representing Zone 2
Bill Martin, representing Zone 4
Bob Harris, representing Zone 5
Dan Pfeiffer, representing Zone 6

Scotty Smith also represents Zone 7 and Mike Syrcle also represents Zone 3. Mike Syrcle is chairman of the Architectural Committee and Sue Watilo is a member of this committee. Davianne Buckley, Communications Committee chairman, was also present.

Scotty Smith acted as the Chairman of the meeting and Christy Smith acted as Secretary.

2008 Report

Bob Harris provided an overview our 2008 accomplishments. He highlighted the improvements along the lake shoreline and the walking trail. He noted the placement of benches and picnic tables. Specifically, a suggestion had been made to add landscaping/improvements to Reflections common areas. A call was made for volunteers, especially from Reflections, who would be needed to recommend and help implement such improvements. The Board also continues to monitor the 5th Addition. He explained the upgrade to vinyl fencing for the 5th Addition. The upgrade cost was less than the cost of staining the wood fence and vinyl fencing is expected to last longer. Overall, the choice for vinyl fencing should prove to be a good investment. Also, he noted 3 completed items that are included in the 5th Addition agreement. They are the large swale and trail access improvement, along with finishing the entry gate landscaping. Bob also addressed homeowner concerns about snowplowing. He welcomed volunteers to help with this problem.

Bob shared the Board's goals for 2009. They include continuing the shoreline/habitat improvements with the planting of grass and other vegetation, monitoring lake health and making any needed fence and road repairs. The Maintenance Committee is exploring other common area improvements. And the Communications Committee will host community events (Socials, BBQ's, community garage sale, work days, etc.) to provide homeowners an opportunity to meet each other along with the Board and Committee members in a less formal setting.

The Board currently has 3 committees that report to them. The Architectural Committee, Mike Syrcle, Chairman; the Communications Committee, Davianne Buckley, Chairman; and the Maintenance Committee, Bob Harris, Chairman. The volunteers who participate in these committees were thanked. More volunteers are always welcome. Homeowners can contact the committee chairman to volunteer.

Financial Report

Scotty Smith presented the 2008 Financial Report. He detailed our major expenditures and provided a breakdown of the shoreline expenses. He cited a projected reserve of \$9,000. He presented the 2009 Budget and outlined the changes noting increased expenses as the HOA becomes responsible for the 5th Addition.

A short break was taken to allow time for finalizing the quorum. Before the break, Davianne Buckley did the door prize drawing. Donna Grogan won a gift certificate to Clunkerdagger's. Davianne also presented the coveted Golden Reindeer award for the Christmas lights contest. Heavy snowfall put a damper on this year's contest but the winners are.... Ken and Lynne Quimby, 317 S. Shelley Lake Lane and the homeowner's at 921 S. Shelley Lake Lane.

Quorum Established

The Chairman, Scotty Smith, declared that a quorum was present so we can conduct official Association business. The quorum (40% of 248 homeowners = 100) consisted of:

Homeowners Present - 59

Homeowner Proxies - 62

Total Present and Proxies - 121

New Business

New Washington State Homeowner Association Rules

Scotty gave an overview of legislation that affected our Bylaws and/or CC&R's. The new RCW's override some of our CC&R's and/or add additional requirements. The changes included having 2 Directors on each committee, meeting notifications, budget approval/rejection, audit requirements and Director removal process.

Budget Vote

Washington State RCW 68.38.025 calls for the Board to hold a meeting for homeowners to consider ratifying a proposed budget. Unless at the meeting, a majority of homeowners reject the proposed budget, the budget is ratified. To reject the budget would have required 125 votes. Since there were only 114 votes represented, the 2009 proposed budget is approved.

Audit Vote

RCW 68.38.025 allows for an HOA to waive an audit if 67 percent of the homeowners vote to do so. That would have required 166 votes. With only 114 votes represented, we will be required to conduct an audit. (Note: After further review, it was noted to waive an audit required only 67 percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present.)

Election of Directors

Prior to the elections beginning, Sue Watilo, Zone 2 Director, asked to speak to the membership. Sue Watilo stated that, without the approval of any of the candidates, one Director called a number of homeowners, reminding them of the meeting and requesting that they complete a proxy if they were unable to attend. [In conjunction with the Communications Committee, this has been standard practice.]

Sue, however, objected that during the same calls that Director Bill Martin, Zone 4, also campaigned for a particular candidate, using the HOA roster, which could include unlisted phone numbers and felt that the roster should be used only for official HOA matters. She further stated that she felt he had violated homeowner trust and confidence.

Scotty Smith, the out-going President, responded that he had been notified the day before the Annual Meeting of this concern. He stated that he had conducted some initial research and provided a summary of his advice to the Directors on this issue. He noted that he could not find any prohibition of homeowners or Directors campaigning. He also mentioned that during our Presidential elections, candidates are allowed to campaign as are others. He did acknowledge that the use of unlisted phone numbers is a potential problem area; however, all directors have access to the same data. Scotty recommended that the Board discuss and resolve these issues prior to future elections.

A homeowner, Fred Samuelson, stated that someone should investigate, possibly leading to dismissal of the offending Board member. Several homeowners who had been so contacted as part of the annual meeting reminder task stated that they did not think the Director in question had done anything wrong or behaved inappropriately. As the Chair did not believe that the phrase "someone should" constituted a formal motion, a second was not called for and none was offered.

(postscript: The Board of Directors will be researching the applicable laws to develop a policy to clarify these issues prior to the next election cycle. Further, it was noted that even had all of the proxies submitted by that Director been withheld, it would not have changed any voting outcome. In addition, there is no authority to withhold a properly executed proxy.)

Mike Syrcle conducted the Election of Directors. This year the following Director zones were up for election: Zone 5 – (currently Bob Harris) Bob Harris was nominated. He accepted and was elected.

Zone 7 – (currently Scotty Smith) Diana Wilhite was nominated. She accepted and was elected. All Director positions were unopposed and received unanimous approval.

Scotty Smith conducted elections for President. Bob Harris and Mike Syrcle were nominated for President of the Board. Both made presentations before the members. Bob Harris received 76 votes (41 present and 35 proxies.) Mike Syrcle received 23 votes (15 present and 8 proxies.) Bob Harris was elected President of the Board of Directors.

Mike Syrcle conducted elections for Treasurer and Secretary. Norene Green was nominated for Treasurer. She accepted and elected by an overwhelming majority. Claudia Hersey was nominated for Secretary. She accepted and was elected by a majority vote.

Shelley Lake Estates Homeowners' Association Board of Directors (as of 1/12/09)

Doug Wollan, Director, Zone 1	Sue Watilo, Director, Zone 2
Mike Syrcle, Director, Zone 3, Vice-President	Bill Martin, Director, Zone 4
Bob Harris, Director, Zone 5, President	Dan Pfeiffer, Director, Zone 6
Diana Wilhite, Director, Zone 7	
Claudia Hersey, Secretary	Norene Green, Treasurer

Q & A

An abbreviated question and answer time was held. Scotty was asked about the amount of the legal expenses. He replied that the Board is still working through some issues with the developer, receiving advice on the new RCW's and corrective actions.

There being no further business to come before the Board, the meeting was adjourned at 9:02 p.m.

Respectfully submitted,
Shelley Lake Estates Homeowner's Association



Scotty Smith
President

Christy Smith
Secretary