



Shelley Lake Estates Homeowners' Association
MINUTES – Regular Board Meeting
Thursday, March 10, 2011 7:00 p.m.
Bill Martin's Home

Board Attendees:

Sharon McHugo	Director	Zone 1
Steve Watilo	Director	Zone 2
Dave Syrcle	Director	Zone 3
Bill Martin	Director and Vice President	Zone 4
Bob Harris	Director and President	Zone 5
Dan Pfeiffer	Director	Zone 6
Diana Wilhite	Director	Zone 7
Claudia Hersey	Secretary	Non-voting

Absent:

Norene Green	Treasurer	Non-voting
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Guests:

Sue Watilo	Homeowner
Steve Huck	Homeowner
Fred Samuelson	Homeowner
Rick Diffley	Homeowner

#	TOPIC	DISCUSSION	ACTION AND/OR FOLLOW-UP INFORMATION CONTACT PERSON
1	Call to Order and Agenda review	President Bob Harris acted as Chairman and Claudia Hersey as Secretary of the meeting. Bob Harris reviewed the agenda requirements of the meeting.	The Chairman declared the members present constituted the quorum necessary for the transaction of business at the meeting.
2	Meeting Minutes	1. Board of Directors Special Meeting and Annual Meeting of January 10, 2011 2. Board of Directors Special Meeting of March 1, 2011	Upon a motion made, seconded and carried, the minutes of the Special and Annual Meeting of January 10, 2011 were unanimously approved. Upon a motion made, seconded and carried, the minutes of the Special Meeting of March 1, 2011 were unanimously approved.

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3	Financial Report	<p>February 2011 Financial Report Bob Harris reported on the financial results: operating fund \$77,559, shoreline fund \$11,595, replacement (reserve) fund \$36,487. This month we will transfer first ½ 2011 funding into the replacement fund – not reflected in the current financial reports (will be in March report).</p>	
4	Old Business	<p>Speed Limit/Traffic Control: Bob Harris reported that an informal traffic study in our SL neighborhood was conducted by the Spokane Valley police; results confirmed that most residents follow the posted speed limits, but too many speeders were observed. We will continue to explore options for police enforcement short of raising our speed limits; normally they will not patrol private roads with a speed limit under 20 MPH.</p>	The Board may initiate “courtesy speed limit monitoring” using the HOA’s radar gun.
		<p>Lakeside Commons / Proposed Procedure 6-1 The Committee reviewed the proposed procedure that would allow homeowners to landscape small patches of “orphan” common ground between their property line and the health trail. For those areas homeowners did not choose to landscape or otherwise maintain, the Association would, at a minimum, maintain by spraying for weeds.</p> <p>One Director disagreed with amending the CC&R’s with these types of policy revisions (such as 6-1 above), feeling this was a way to “bypass” formal homeowner approval of changes to the CC&R’s. Other Directors disagreed and felt a more formal legal process of changing CC&R’s for such minor changes was cost prohibitive and that such procedures were within the rule making authority of the Board.</p>	Upon a motion made, seconded and carried, with 1 dissention (Steve Watilo), Procedure 6-1 was approved.
		<p>Sign Display Policy / Proposed Procedure 11-1 CC&R Art 11.7 conflicts with overriding State law. To bring our sign policy into compliance with State law, the Board reviewed the proposed procedure that would include reasonable rules and regulations regarding the placement and manner of displaying of political yard signs while conforming to Washington State law.</p>	Upon a motion made, seconded and carried, with 1 dissention (Steve Watilo) Procedure 11-1 was approved.
5	New Business	<p>Committee Volunteers: Bob reported Sarena Solomon is considering volunteering for Communications Committee Chair; Rick Diffley stated his wife, Lisa, is interested in volunteering for the position.</p>	Sharon McHugo volunteered to be a Board representative for both the Communications and Maintenance Committees.
		<p>Shoreline Advisory Group Report: Sharon McHugo is our representative to the City of Spokane Valley’s Shoreline Advisory Group focused on regulations that govern the Spokane River and other shorelines, including Shelley Lake; their role is to provide feedback on a process that will culminate in a revised municipal Shoreline Master Plan by 2014. The group (22 members) is aware of our shoreline and water improvement efforts that are supported by the Dept. of Ecology. Acreage at Saltese Flats is #5 on the county’s list of 10 conservation futures acquisitions (land and water rights tied to the land) for proposed wetlands restoration; this would have a beneficial impact on Shelley Lake water flows.</p>	

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		<p>Reference Materials: Bob Harris distributed reference material to Board members: <i>Community Association Journal's April 2010 article on 'Legal Obligations.'</i></p>	
"		<p>Submission of Proposed CC&R Changes: Sue Watilo addressed the Board presenting a new set of proposed amendments to Articles 9.3 and 9.4, plus a new Article 9.14 to the CC&Rs. In addition, an amendment to By-Laws Article II, Section 3 was submitted. Sue reported a group of homeowners had petitioned homeowners over the previous weekend and had obtained 50 signatures of homeowners who agreed with the concept of mail ballots on certain issues.</p> <p>The proposed amendments generally include:</p> <ul style="list-style-type: none"> • Proposed Bylaw amendment would require mail balloting, with certain exceptions. • Proposed CC&R Art 9.3 would require a majority of homeowners set the annual dues and the Board would then develop a budget based on that amount. • Proposed CC&R Art 9.4 would effectively reduce the amount of an Extraordinary Assessment (for unanticipated or underestimated capital expenses) the Board could approve, from an amount equal to 40% of the total budget, to only 10% of the budget. • Proposed CC&R Art 9.14 would prohibit any capital expenditures until the reserve fund equaled the current year's total revenue; then only the amount in excess could be expended for capital expenditures. <p>A homeowner asked the Directors to consider the impact of mail ballots including added administrative costs and logistics (who is going to open and count ballots; who will authenticate signatures; who will author the pro/con statements and how does information get distributed to homeowners and who shall have the burden of preparing the mail ballot forms prior to distribution of the ballot vote).</p> <p>There was some concern the proposed amendment(s) could significantly increase administrative efforts required to comply with mail balloting.</p> <p>There was concern the proposed amendments could potentially halt the fence replacement project for a number of years (risking the current 11% discount and current good price point). On top of that we would spend money to repair the old wood fencing that is falling down, over a number of years until such time the fence project was green-lighted again. Vinyl fencing costs are estimated to increase at a rate of 3% per year.</p> <p>At this time Phase II of the fence replacement project will proceed as planned in late March for replacement between Gates 1 and 3 per the approved 2011 budget. If we complete the fence replacement as planned, in 2016 we would still have a reserve account balance of approx. \$141,000 (without increasing dues); halting replacement</p>	<p>After discussion between the Board and Sue Watilo (on behalf of "her group"), regarding the proposed CC&R and By-law changes, the Board accepted the proposed amendments, per CC&Rs Article 17.2. The Board will conduct a review of the proposed changes and applicable laws and governing documents.</p> <p>Discussion of the proposals is deferred to the next Board Meeting, scheduled for May 19.</p> <p>Bob Harris will distribute via email a revised cost analysis of fence replacement costs and estimated reserve fund balance to Board members for their reference.</p> <p>The Board agreed to review the timing of the proposed Phase III fence replacement (along 4th Avenue), at the next regular Board meeting to determine if it would be prudent to hold that phase in abeyance in light of the proposed amendments.</p> <p>Sue Watilo requested the Board write possible alternatives to their proposed amendments in order to reach a mutually agreeable reserve fund / capital expenditures policy/guideline and that she would take them back to "the group" for their consideration.</p>

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		<p>would decrease that balance by approximately \$11,000 plus repair and maintenance costs.</p> <p>The Board also discussed probability that in the future there may be a need to consider what efforts should be taken to extend the life of our roads. Therefore it was recommended to stay on track with the current plan to replace fencing in phases at this time and continue to maintain a healthy reserve fund for future repair/maintenance needs in the future, as outlined to homeowners at the Annual Meeting.</p>	
		<p>Revise FAQ's: The Board proposed two updates to the revised FAQ's page on the HOA's website. However, before changes could be made a formal vote was required as follows:</p> <ol style="list-style-type: none"> 1) Affirm the HOA set speed limit of 15 MPH 2) Agree to the 9 month timeline for builders to complete landscaping (the current CC&R's only relate to completion of the construction of the home, not landscaping). 	<p>Upon a motion made, seconded and carried, the Board unanimously affirmed the HOA speed limit at 15 MPH.</p> <p>Upon a motion made, seconded and carried, the Board unanimously agreed to establish the timeline to complete landscaping within 9 months of the sale of a new house.</p>
		<p>Home Based Businesses / Proposed Procedure 11-2 Board members received a draft proposal from Bob Harris for guidelines to help regulate home-based businesses in accordance with our covenants and bylaws.</p>	Deferred consideration until the next regular meeting.
		<p>Architectural Committee Charter Supplemental Procedures The proposed supplement was distributed for review and awaits Architectural Committee input.</p>	Deferred consideration until the next regular meeting.
		<p>Fifth Addition - Mail Box Cluster Unit: The Fifth Addition area is shy several mail boxes for potential lots - the concrete pads were poured and drilled, but the cluster box was not installed (approximate cost is \$1200). This has caused inconvenience for new homeowners and for the Post Office – homeowners are randomly assigned to an existing mail box which has caused (and will continue to cause) problems for both the mail carrier and new homeowners. The Developer is reluctant to install the additional mail box cluster due to the slow real estate market. In an effort to avoid further disorder for new residents and the postal service, it was proposed the HOA agree to purchase/install the missing mailbox cluster, provided the Developer will agree in writing to pay the HOA back over time (as lots are sold), at a rate of \$100 for each lot until the HOA's costs have been fully recovered.</p>	Upon a motion made, seconded and carried, the Board voted to proceed with the purchase and installation of a cluster mailbox unit for the Fifth Addition, provided the Developer agrees (in writing) to fully reimburse the HOA at the rate of \$100 for each lost subsequently sold.
	Executive Session	The Board convened in Executive Session to discuss an attorney-client privileged communication.	Upon a motion made, seconded and carried, the Board voted to convene in executive session.
	Adjournment	There being no further business to come before the Board, the meeting was adjourned.	

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	MINUTES ACCEPTANCE	Respectfully submitted by: Bob Harris, President Claudia Hersey, Secretary	