

**APPROVED MINUTES
KALA POINT OWNERS'
ASSOCIATION
REGULAR BOARD MEETING**

**Tuesday, October 11, 2022 @ 1:00 PM (Hybrid) followed by
a 3:00PM Budget Presentation to the Board (Hybrid)**

The Kala Point community is a common-interest residential homeowner association (HOA). When purchasing or building within Kala Point, homeowners agree to follow the HOA's governing documents, which include: Conditions, Covenants and Restrictions of Record (CC&Rs); Rules and Regulations; By-Laws; and detailed Administrative Policies and Procedures (APPs). APPs are Board-enacted rules. The protective umbrella of these governing documents works in the best interest of all homeowners ensuring higher standards of neighborhood appearance and enhancing the collective value of the homes.

SUPPORTING DOCUMENTS FOR BOARD MEETINGS ARE ON THE KPOA WEBSITE.

All speakers must be recognized by the Chair and should identify themselves for the record. Please mute your phones unless you are speaking. This meeting is being recorded.

We follow the general directions of Robert's "Rules of Order" in order to assure the right of the majority to decide and the right of the minority to be heard; to the honor the rights of individual members and the rights of absentees; and, to fundamentally show respect for each other.

Establishment of a Quorum (Quorum is currently 4 Directors)

Board Members in Attendance: D. Kimball, President; M. Lannon, Vice President, D. Nordlund, Secretary, D. Colwell, CFO; S. Rovanpera, J. Erreca. S. Moss absent. Also, in attendance: Keith Larson, General Manager & Felice Thompson Administrative Assistant II; 5 other self-identified Zoom attendees

Approval of the Agenda

1. Call for KPOA member comments on the agenda
2. Call for Board member comments on the agenda

Note: Member comments on individual agenda items are taken just prior to the Board discussion of each agenda item.

Announcements

1. Article submission deadline for November Kala Pointer: October 19
2. We have five declared candidates for the November election of three new Directors.
3. This meeting will be followed at 3:00 p.m. for the annual Presentation of the Budget to the Board. This meeting will be in a Hybrid format. All members invited to attend.
4. A detailed review of the changes to Article X (Personnel) was requested by Director Moss. This review has been set for 25 October at 12:00 p.m. on Zoom.

5. Call for KPOA volunteers to fill the Unexpired Board Seat Positions. This is to serve notice of a 30 day call out to solicit for the three current vacant seats. An email will go out today and notices will be posted at the mail stations and at the front gatehouse.
6. Welcome Candace Bjur Administrative Assistant and Chris Stevens Maintenance Tech.

Approval of September 13, 2022, draft minutes

Motion to approve September 13, 2022 draft minutes as amended by D. Kimball

seconded by S. Rovanpera

Motion approved by unanimous consent. Res. 22_10_01

Inquires and Correspondence

**KPOA Board Correspondence
2022/09/13 to 2022/10/11**

Name	Date	Subject	Addressed to	Response Date	By
Alisann Smookler	9/14/22	Conflict: Art Walk v. Bike Trek	GM and Board	9/14/22	D. Nordlund
Patsy Mathys	9/14/22	Conflict: Art Walk v. Bike Trek	GM and Board	9/14/22	D. Nordlund
Charlene Quandt	9/14/22	Conflict: Art Walk v. Bike Trek	GM and Board	9/14/22	D. Nordlund
Margaret Woodcock	9/14/22	Conflict: Art Walk v. Bike Trek	Board	9/14/22	D. Nordlund
Frances Loubere	9/15/22	Art Walk and board resignations	Board and GM	9/16/22	D. Nordlund
Tammy Ridgway	9/15/22	Notification of concern	Board	9/26/22	D. Kimball
William Krause	9/19/22	Pickle Ball Court	Board	9/19/22	D. Nordlund
Keith White	9/30/22	Beach sign proposal	Board and GM	10/1/22	D. Nordlund
Janice Templin-Weller	10/1/22	Changes to APP Article III	Board	10/1/22	M. Lannon, M. Machette
Suzanne Eggleston	10/3/22	Request to add new Publications member	Board	10/10/22	S. Rovanpera, D. Kimball
Patsy Mathys	10/9/22	Comment on budget and APP X	Board	10/10/22	D. Nordlund
Cindy Griffin	10/10/22	Pool closing extension	Board	10/10/22	D. Nordlund
Frances Loubere	10/11/22	Board resignations / lawyer opinion	Board	10/11/22	D. Nordlund

9/13/22 – 10/11/22

October 2022

Dan Nordlund

10/11/22 – 11/8/22

November 2022

Sean Moss

Consent Calendar-

Alisann Smookler to the Publications Committee

General Manager/Grounds Report presented by Keith Larson, General Manager

Administration Office

Please welcome Candace Bjur, Admin Support and Christopher Stevens, Maintenance Tech. as our newly hired team.

We are currently STILL soliciting for a Clubhouse Attendant Employee.

Board Approval of Resolution 2022-2 (Revenue Ruling 70-604 for the upcoming Annual Membership Meeting).

Resolved that any excess of membership income over expenses for the year ending December 31, 2022 shall be applied to the following year's assessment as provided by IRS Revenue Ruling 70-604.

Motion to approve Resolution 2022-2 Revenue Ruling 70-604 for the upcoming Annual Membership Meeting by S. Rovanpera seconded by D. Kimball

Motion approved by unanimous consent. Res. 22_10_03

Mangers Report

Clubhouse

- Last day of operation for the Swimming Pool is Friday October 14, 2022.
- Fall/Winter hours will be in effect beginning Saturday, October 15, 2022
 - Monday – Tuesday (9am – 4pm)
 - Wednesday – Friday (9am – 8pm)
 - Saturday – Sunday (1pm – 8pm)

The carpet replacement in the exercise room will be scheduled in mid-November. The exercise equipment, tables and chairs will be stored in the main room while this work is being conducted. Office staff will be contacting the event coordinators advising them of the closure when exact dates have been scheduled.

Finance

2022 Reserve Projects

- CH – Carpeting, Exercise Room – **Budget \$5,381**
 - Total Project Cost –
- CH – Shower Replacement x 4 – **Budget \$22,806**
 - Total Project Cost – **\$26,796 (Over Budget \$3,990)**
- Equipment – Replacement Truck, Ford F-250 4x4
 - ❖ **Budget \$41,000 (Budget Amended to \$56,650)**
 - 2018 Ram 4x4 2500 Truck - \$44,886
 - Myers Snowplow & Attachment - \$8,868

❖ **Total Project Cost – \$53,754**

Grounds

- Trail Maintenance:
 - Windship Dr. Trail – Evaluating handrails for replacements
 - Bluff Trail – Evaluating remaining handrails for replacements
- Snowplows and Sanding Units have all been tested and ready for operation.
- All mowing and Weed eating will conclude as of 10/31.

Finance Committee Report CFO: Donna Colwell

KPOA 2022 Financials & 2023 Budget Review:

The Kala Point Owners' Association will end 2022 in a secure and well-funded position.

As of the end of September, with three months to go until the close of our fiscal year, we project a budget surplus of roughly \$50k. Approximately \$40k of this is primarily due to our continued problems finding and retaining employees. Our reserves continue to be very healthy, and although 2022 reserve projects were minimal, we were somewhat affected by inflation especially regarding replacement of our F250 truck. We spent a total of \$88,711 on reserve items but only budgeted \$69,188, approximately 22% over budget.

Operating Budget For 2023:

We project an increase in operating expenses of only 3.86% over the 2022 budget. With projected COLA at 6.2% and CPI overall at 8.3% this is significantly lower than expected and primarily due to the excellent work of our staff to streamline processes and curtail overall cost increases.

Impacts of Inflation:

1. KPOA is seeing a significant increase in goods, services, and utilities as indicated in a 12.4% increase for Common Area expenses, 8.1% increase in Pool and Spa expenses, and a 6.2% increase in Admin products. These increases are based on current rates and may, in fact, continue to rise. Energy costs are still rising even over 2021 rates and expected to continue that trend.
2. All employees were approved raises in 2023 based on a Wage Study Survey conducted by Western Washington State University. Although direct payroll increased by 4.01% full payroll related expenses were only increased by 2.15%

Assessments:

Assessments for Lots Homes and Condos are increasing by 9.77%, and 6.51% for Timeshares reflective to our 2023 'draft' budget.

The main factors for the larger increase to assessments is 1) the 3.86% increase in budget, 2) the loss of 30% of our Non-Member income. American Tower notified us mid-2022 that the Clearwire lease which represents approximately \$15,000 per year of KPOA income has cancelled; and 3) a 15% increase to our Reserves as recommended by our Reserve Specialist and accepted by our Board of Directors.

Reserves Budget:

Our reserve position continues to be healthy. The enclosed Reserves Cash Flow Budget sheet shows reserve expenditures during 2022 and those planned for 2023. The reserve contribution for 2023 is \$205,505. KPOA engaged Bach and Associates in 2022 to review our reserve plan (required every 3 years) and provide a recommendation for a fresh 30-year plan. The 'Plan' was voted on and accepted by the Board of Directors

at our September meeting. A copy of the 2022 Reserve Study, which states that our process is in compliance with the applicable statute (RCW 64.38 and RCW 64.90.545), is on our website under Board of Directors.

Summary:

As always, members are given the opportunity to vote for or against Ratification of the 2023 budget attached to this letter. Please note, per the requirements of RCW64.38.025 section 3, KPOA members must have a total of 301 members voting to reject the budget for it to not be passed.

As a community we again faced challenges in 2022 and continue to see fallout from COVID-19, specifically in areas of employee turnover and significant increases in inflation. The General Manager, Finance Committee, and your Board of Directors have worked diligently to create a budget that serves your needs and is in accord with State regulations for Reserve Funding plans. I think we would all agree, it is important to continue investing in and maintaining Kala Point as a premier Owners' Association to support the value of your homes and properties.

We should all take pride in the fact that KPOA continues to be financially stable and has never needed to apply a special assessment.

Old Business

1. APP Article X (Personnel) discussion deferred to October 25, 2022 at noon via Zoom.
2. Article II update Committee Chair meeting (Architectural, Tree, Grounds) Deferred to November 21, 2022
3. RCW 24.03A.575 impact deferred until November 8, 2022 Board of Directors meeting.
4. Legal response on Sean Moss proposal to issue a temporary waiver

According to Article 20 Sect 1 the Board of Directors does not have the authority to issue or approve changes to the CC&Rs. These can only be amended by the membership.

New Business

1. 2023 Budget Presentation to the Board (Note: No comments were received on the draft 2023 budget.)
2. Elections Update – Board Candidates
 - a. Possible Meet the Candidates tentative date: November 10, 2022, 6:30 p.m.-8 p.m.
 - b. Gina Holme is the Elections Committee Chair
3. Discussion on new RCW 24.03A.575 – impact and way forward' deferred to the November Board of Directors meeting.
 - a. Committee requests for status, either Committee of the Board or Advisory
 - b. Requests due prior to November Board meeting
4. Limiting the size of the Board – proposal by Sean Moss (absent) deferred to the November Board of Directors meeting.

5. Reduction in the number of Committees – proposal by Sean Moss (absent) deferred to the November Board of Directors meeting.
6. Michael Machette proposed the erection of a historical sign marking the site of Southern Chief wreckage on KPOA beach.

The Board of Directors has tasked the Grounds Committee to review this proposal of posting a historical sign in tribute to the Southern Chief and report their findings to the Board in November.

Motion to task the Grounds Committee to review this proposal of posting a historical sign in tribute to the Southern Chief by D. Kimball seconded by S. Rovanpera

Motion approved by unanimous consent. Res. 22_10_04

Committee Reports – Posted on the KPOA Website under MEMBERS/"Board Meeting Files"
Reminder that all Board representative's committee meeting summaries are due to the Publications Committee not later than the 19th of each month. Similarly, these summaries shall be sent to the Office for posting on the appropriate landing page of the committee as well as the KPOA website.

Board Goals

1. Plan and execute a survey of KPOA members & residents – completed.
2. Establish an oversight mechanism for the new website – in progress.
3. Achieve 50% re-registration on the new website within 60 days of launch – completed.
4. Increase the number of volunteers on Board & Committees – in progress.
5. Conduct a comprehensive review of the CC&Rs and Rules & Regulations beginning with rules related to parking – in progress.

Member Comments in Closing

Next Meeting – Tuesday, November 8, 2022 at 3:00 p.m.– Regular Board Meeting

Motion to recess Regular Board Meeting and reconvene at 3:00 PM for Budget Presentation by D. Nordlund seconded by S. Rovanpera

Motion approved by unanimous consent. Res. 22_10_05

Prepared by Felice Thompson
Administrative Assistant II



Dan Nordlund, Corporate Secretary
Kala Point Owners Association