

CREEK AT CHESTER HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
December 10, 2020

Minutes of the Board of Directors Meeting of the Creek at Chester Homeowners Association, Spokane Valley, Washington, held at residence of Dr. James & Amy Pappas, Spokane Valley, Washington at 6:00 PM on the 10th day of December 2020.

I. CALL TO ORDER

Board Member James Pappas called the meeting to order at 6:00 PM.

II. ROLL CALL OF OFFICERS

Present: Jay Hallowell, President

Willie Hardin, Secretary

Dr. James Pappas, President-elect

Vicki Inks, Secretary-elect

Steve Tripp, Treasurer-elect

Absent: Mick Busch, Vice President-elect (Resignation tendered by email 12/09.2020)

Also Present: N/A

III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING.

Motion by James Pappas, seconded by Vicki Inks to approve the minutes of the Regular Meeting of October 26, 2020, Motion Carried.

IV. Current Financial Condition.

No financial report given or discussed

V. Management Report

No Management Report was given or discussed.

VI. New business

Special meeting was called in response to concerns James had for issues of which he was made aware within the last two weeks as well as to ratify the election of a new board now that ballots have been collected. James mentioned and elaborate on the following concerns:

1. Accounting issues (QB needs reconciled for CY 2020)
2. Potential tax liabilities (2019 tax filing documents not found)
3. Pending and latent legal challenges (10% of members are set for collections or lien)
4. Possible fiduciary malfeasance (concerning the previous Board Treasurer)

There was much discussion as James detailed his concerns that continuing to act as our own property management company was perhaps to our detriment. He encouraged the board to consider hiring a professional management company for several reasons:

1. About 10% of homeowners may face legal action due to not having paid dues, some for up to three years. Whereas a 'mechanical lien' process is needed for handling these issues, a management company would handle collections up to lien filing and facilitate sourcing an attorney to proceed with legal filings.
2. A professional management company would handle all bookkeeping, invoices, and state requirements, such as reports and profit and loss statements (which is required to be done regularly and given to homeowners) reducing our liability for many of the issues mentioned above.

3. A professional management company would provide new homeowners the required packet of information upon purchase of the house as well as manage all property closing actions including fees and dues.
4. Self-managing could put the board and its members into tenuous positions with neighbors.
5. Professional management would create business continuity for which and from which historical documentation, policies and procedures can be consistently maintained and no longer dependent upon the professional experience of individual Board members.

Although previous boards contracted property management services, there had been a decision by the previous board to self-manage in order to keep cost down. James has researched and found a company, HOA Management Services, Inc. which charges only \$5.00 a month per home. At approximately \$250.00 per month, this expense could be subsidized the first year out of reserves, if needed, with no need to raise dues for CY 2021. There is a one-time set-up fee of \$200.00.

Motion by Jay Hallowell, seconded by Willie Hardin, to ratify the new board, Motion Carried.

Motion by Jay Hallowell, seconded by Steve Tripp to hire HOA Management Services, Inc. to manage the Chester Creek Homeowners Association, Motion Carried.

The new board consisting of James Pappas, President; Steve Tripp, Treasurer; and Vicki Inks, Secretary, was ratified by unanimous vote, as was the decision to hire HOA Management Services, Inc.

Willie asked that James send out a newsletter to homeowners detailing this decision to which James agreed.

James invited Willie to continue providing guidance and assistance to the board as needed. James also moved to let Jaimie know that our arrangement with her would be terminated due to hiring the management company, giving her until the end of the year to finish any necessary matters.

Motion by James Pappas, seconded by Steve Tripp to terminate working relationship with Jaimie Pendergrass by year's end for accounting research, Motion Carried.

James has looked into changing our insurance from Farmers to Liberty Mutual in order to find a policy which more correctly covering the Association's liability needs.

Motion by James Pappas, seconded by Steve Tripp to approve the change to Liberty Mutual insurance policy, Motion Carried.

James will investigate setting up a website with a possible payment system linked to the Association account, which would further simplify bookkeeping and records. James proposed acquiring a new, simplified email system also. All details of any changes will be communicated to the homeowners at the beginning of the year in a newsletter from James.

James Pappas made a motion to adjourn the meeting at 8:55 PM, seconded by Vicki Inks, Motion Carried.