

West Hill Estates Homeowners' Association

P.O. Box 5892

Salem, Oregon 97304

Minutes of Homeowners' Annual Meeting - May 28, 2015

Meeting Call to Order: By President Wautlet at 7:02 P.M. President Wautlet stated that a Quorum was present and that the meeting would be recorded for accuracy in preparing the minutes of the meeting.

Board Members Present: Larry Wautlet, Kim Snider, Blair Grames, Hamid Behmard, Lorre Euen, Mary Ayala

Members Absent: None

Location: Meeting Room of Annette's Westgate Restaurant, 1311 Edgewater Street, NW, Salem Oregon

Calling the Role and Certification of Proxies:

- Calling the role waived. (Sign-In sheet attached)
- President Wautlet requested that anyone who brought proxies for the election of directors to the Board should present them to Cindy Lane (volunteer homeowner) who would certify them.
- No proxies were presented to Cindy Lane at this time or during the meeting.

Proof of Notice of Meeting: President Wautlet presented the written notice of the Meeting that was sent by first class mail to all homeowners on May 1st 2015 (Notice attached).

President's Comments:

President Wautlet introduced the directors and our volunteer who is the Chair of the WHEHA's Welcome Committee. He presented their qualifications; and stated that the directors' knowledge, skills and experiences have produced a cohesive organized Board. President Wautlet presented some of the Board's accomplishments:

- Improved Communication- All Board meetings are now recorded for accuracy of minutes .
- Improved Financial Situation-Reduction in the number of delinquent accounts, due in part to establishing a policy of more personal visits with homeowners.
- Eliminated Inefficient Services- Terminated contract with Management Trust NW.
- Improved Legal Representation - Retained the law firm of Vial-Forthingham, widely respected for its expertise in representing HOAs.
- Reduced the annual assessment from \$130 to \$120.

Speaking about one of the Board's challenges, President Wautlet stated that the West Hill Estates is a mature development with 5 different sets of CC&R. He commented that the language in the 5 sets of CC&R is similar, but homeowners who are governed a particular set of CC&R have the ability to either amend, repeal or add to the set that governs them by a 75 percent vote of approval. Therefore, although uniform enforcement of all 5 sets of CC&R is seemingly problematic, President Wautlet stated that the Board's Vision is to work in harmony as a Board, and as neighbors, in order to ensure that its decisions will benefit the entire community.

Reading of the Minutes of Preceding Annual Homeowners' Meeting:

President Wautlet asked Secretary Ayala to address the minutes.

- Secretary Ayala made a motion to correct the minutes by replacing the phrase " the Minutes of March 29th 2012 General Meeting" with the phrase "the Minutes of the 2013 Annual Homeowners' Meeting". The motion was seconded and adopted unanimously by the homeowners.

The WHEHA's Bylaws permit the acceptance of proxies for the election of directors to the Board at Annual Homeowners' Meetings. Secretary Ayala stated that at the previous Annual Homeowners' Meeting, during the certification of proxies, the former Board mistook 80 proxies for absentee ballots and they were disqualified for this reason from being counted during the election of directors to the Board. Secretary Ayala stated that these proxies were verified as proxies by a reputable source of parliamentary procedures, the Homeowners' Association World Press, and the Florida Department of Business and Professional Regulations. Therefore,

- Secretary Ayala made a motion to amend the minutes by replacing the sentence "The Secretary held to his ruling", with the following sentence: "Although the Secretary held to his ruling, the homeowners' objections were based on the following information: (a) limited proxies have a distinguishing feature that ballots do not have, namely the person's name who has been granted the power of attorney to represent a homeowner who cannot attend the annual meeting, (b) names listed on the proxies were required information for "limited" proxies, and (c) ORS 94.660 (2) states that the Board is not permitted to require a proxy to be in a format prescribed by the Board. The motion was seconded; and a discussion followed.

Former Secretary Reed asked to address the Board; and he stated that he did not recall being given this information when the proxies were submitted to him for certification at the last annual meeting. Director Ayala disagreed because in Mr. Reed's own words when he wrote the minutes last Annual Meeting, he referred to a 'slate of names' listed on the forms that were handed to him to certify. These forms had other printed information on them which stated the homeowner's name and another person's name (a.k.a. the proxy) who would have the homeowner's power of attorney to vote on behalf of the homeowner who was unable to attend the Annual Meeting. Therefore, he did have access to sufficient information to certify the forms as proxies. However, he ignored this information.

Homeowner, Pam Whitman asked permission to speak, and she asked if the outcome of the election changed as a consequence of this error. Director Ayala replied that the outcome did not change; but she explained that the purpose of correcting the minutes is to ensure that they are accurate. Ms. Whitman disagreed, stating that the homeowners should decide at an Annual Meeting what to vote on, not the Board. Therefore, she suggested that the Board take up the issue of drafting a policy to define a proxy at a general meeting. Director Ayala rejected the homeowner's reasoning because the Board has a responsibility to ensure that the minutes are accurate; but the Board agreed that the Annual Meeting had to proceed in order to address the other issues on the Agenda. Therefore,

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- Director Ayala agreed to rescind her motion if the Board would agree to adopt a policy to ensure that homeowners' proxies will be certified and counted during the election of Directors to the Board at the Annual Homeowners' Meeting in accordance with the WHEHA's Bylaws.
- Former Secretary Reed made a motion to amend the minutes, as corrected for only the error in the dates listed in the minutes which was seconded and adopted unanimously. [*The motion was unnecessary, however, because it restated the first motion to correct the minutes that Secretary Ayala made and that homeowners adopted unanimously.*]

Reports from Officers:

- President (see President's Comments above)
- Treasurer Grames presented the FY1516 Budget of \$37,885 which is \$4,635 less than the FY1415 budget because the Board anticipates the cost of management services and landscaping services will be closer to the projected 12-month expenses for FY1415. Homeowner.
 - Terry Witt, asked the President for permission to speak, which was granted, and he asked if the Board intended to have an audit performed on the Association's financial records. President Wautlet replied that the current (FY1415) Board voted in July 2014 to have an audit performed; but the former (FY1314) Board has not turned over any financial records to the current (FY1415) Board that was required in June 2014 in accordance with state law.
 - A second homeowner asked if the FY 1516 Budget would cover replacement of a number of dying trees planted in the Common Area. President Wautlet stated that Russells Landscaping Services will stand behind these trees for another year, and the Board is waiting to see if the trees will survive.
 - Former Treasurer McClain asked if the Board intended to rely on management services in the future. Director Grames replied that the Board has discussed using some services for accounting and accounts receivables. President Wautlet added that the Board agreed that it wanted to perform these services until it is ready to decide exactly what it wants to hand off to service providers.
- Secretary Ayala summarized her major responsibilities: (1) preparation of the minutes. Director Ayala stated that a number of controversial issues were addressed during the year that carried over from one meeting to the next. Therefore, it was important to prepare minutes that described the discussions. Absent the controversial issues, however, Secretary Ayala stated that a motion is made, followed by a reference to how the Board members voted on it, (2) safeguarding the WHEHA's non-financial records, but very few records have been turned over to the Board as required by state law, (3) drafts or helps other directors draft policy resolutions, and (4) monitors state laws periodically in order to ensure that the WHEHA's CC&R are consistent with them. She also mentioned that the Secretary assists with the preparation of the Agenda for the Board's meetings. She indicated that if a homeowner would add an item to the Board's Agenda, the homeowner should submit a request in writing to the Secretary at least 2 weeks before a general meeting. Director Ayala stated that if the issue has not been addressed previously, the item will be added to the Agenda; but she explained that it is not always possible to respond immediately to a homeowner's request if doing so will lengthen the meeting beyond 90 minutes.
 - A homeowner asked how he would know when the meeting is scheduled so that he would be able to submit a request 2 weeks before the meeting is held. Director Ayala replied that the best approach for this situation would be to submit the written request (with contact information other than address) to the Secretary after which the Secretary would let homeowner know in advance when the item can be scheduled on the agenda.
 - President Wautlet commented that the Board could schedule meetings for the 3rd Wednesday of every month, but he reminded the homeowners that the Board's members are all volunteers with other responsibilities that cannot be anticipated 2-3 months in the future. Therefore, an announcement in the newsletter about future meeting dates is no guarantee that it will be possible to hold the meetings on these dates because meetings cannot be held unless a quorum is present at each meeting.
 - Director Euen asked to address the homeowners. She stated that over the past 8 years, the current Board has done the best job of notifying homeowners of its regular meetings by placing signage at the entrances of the WHEHA 3 days prior to the date of a regular meeting. She added that in the past, homeowners were notified in the newsletters about the dates of future meeting, but not necessarily the

locations. The newsletters instructed the homeowners to contact the President if they wanted to find out where a regular meeting was being held. *[Someone in the audience suggested that this information was not true; but newsletters dated as far back as 2009 show that Director Euen's description was correct]*

- One Homeowner remarked that he has noticed that signs were placed at the entrances of the WHEHA to announce 3 days in advance where and when a regular meeting would be held. However, another homeowner interjected that the 3-day notice would not always give homeowners the time needed to present material about an item that has been added to an agenda for that meeting. The Board agreed that it should try to find better ways of communicating with all of the homeowners about the time and location the Board's meetings. President Wautlet stated that he has asked in our newsletter for homeowners to send their email addresses to the Board, but few have responded. He also stated that homeowners have been mailed contact information for every Board member in case they have questions to ask.
- Former Treasurer McClain asked permission to address the Board which President Wautlet granted; and she asked why the Board's two emergency meetings covered issues that should have been covered at regular meetings. Secretary Ayala replied that the Board did digress from discussing emergencies at the two emergency meetings, and President Wautlet stated that the Board has to be mindful of the limitations imposed on the subject matter that can be discussed when such meetings must be called. Secretary Ayala clarified the nature of the two emergencies. At the November emergency meeting, Director Ayala stated that the Board was given a 24-hour notice to reply to a settlement offer for a proposed short sale; and at the January emergency meeting, the Board had been under duress for two months from homeowners who felt that the WHEHA's attorney was taking too much time preparing an opinion about the validity of the 2014 Amendment. Therefore, when the WHEHA's attorney sent his opinion to the Board, the Board called an emergency meeting so that this opinion could be forwarded to these homeowners as quickly as possible.

Reports from Committee Chairs:

- CC&R Enforcement Committee (Larry Wautlet) Director Wautlet read a list of CC&R violations that homeowners cleared voluntarily. He listed the addresses for violations that will be cited if they are not cleared and he listed the violations that the City of Salem will handle (attached).
 - One homeowner expressed his concern that the the CC&R Enforcement Committee should be more aggressive about citing the violations because he did not want to declare to a neighbor that he filed a complaint with the Board.
- Architectural Control Committee (Hamid Behmard/Lorre Euen) Director Behmard cited several applications that were approved during the year that dealt with CC&R related to coices or exterior paint color. He also stated that applications were approved for 2 roof replacements, 1 roof repair, and 2 fence replacements. Director Euen stated that the application process has been simplified; but many owners start their exterior projects without reading the CC&Rs and/or without knowing that they must submit applications to the Architectural Control Committee (ACC) for approval before they begin certain projects. Directors Behmard and Euen stated that they have each taken applications to many homeowners who did not know about the application process; and Director Behmard stated it has been an ongoing effort to familiarize homeowners about it. Director Euen stated that it

would be very helpful if homeowners could mention the application process to a neighbor if they notice that the neighbor is starting a project that requires the ACC's pre-approval.

- Common Area Maintenance Committee (Lorre Euen). Director Euen remarked that the Board reviewed bids from several landscaping companies, and decided to continue to rely on Russells' Landscaping Services because the Board was satisfied with the quality and competitive pricing of this company's services. She stated that we now have a month-to-month contract with Russells' Landscaping Services that we did not have previously. The common area had mole problem that has been corrected. Director Euen commented that some of dry areas in the common area, attributable to watering problems. Director Behnard spoke with Russell's Landscaping and it appears that some of the sprinkler heads have malfunctioned. Russells Landscaping can replace the sprinkler heads but they are expensive (\$20 to \$30/per sprinkler head). Director Euen stated that WHEHA 1-year remaining on three-year warranty that may cover the replacement cost of any sprinkler heads that are not functioning correctly.
- Communications Committee (Kim Snider) Director Snider stated that it was evident that communication between the Board and homeowners could improve. Subject to Board approval, Director Snider stated that he will recommend to the Board that 4 quarterly newsletters should be mailed to homeowners, each of which will list the dates for scheduled meeting during each quarter. *[Note: the WHEHA's Bylaws do not require monthly meetings. They are called by a majority vote of the Board from "time to time" on an as needed basis]*. Director Snider stated that he was pleased to be a member of the Board and a former homeowner in the WHEHA. He spoke about his neighbors who welcomed him when he moved into the West Hill Estates; and he suggested that it is time for homeowners to reach to other homeowners in order to focus on becoming neighbors. He realizes that some people do not have email addresses. Therefore, he promised to hand-deliver the next newsletter to homeowners on July 10th. Director Snider also stated that between July 1 and July 10th, he will be collecting information from the Board about what they might like to submit to the newsletter; and he asked homeowners to submit content for the newsletter also.
- Welcome Committee (Sami Wright) Sami Wright stated that she has enjoyed being the Welcome Committee because she has met some wonderful people, some of whom attended the meeting that evening. She asked these homeowners to stand and introduce themselves.

Election of Officers:

President Wautlet announced that Director Ayala has agreed to remain on the Board for one more year and that the Board has approved it. Homeowner, Vickie McClain asked the President for permission to speak, which was granted; and she indicated that the term would have to be for 3 years. Homeowner, Terry Witt, requested and was granted permission to speak. Mr. Witt asked if the Board's members would have staggered terms of office, and President Wautlet replied they would.

- President Wautlet made a motion to retain Director Ayala on the Board for a 3-year term which was seconded and adopted unanimously by the homeowners.

President Wautlet stated that in accordance with the Association's Bylaws, the Board voted to set the FY1516 Board at seven members. He asked Secretary Ayala to Open the Floor to nominations for the Board's seventh director.

Director Ayala summarized how the nomination, certification and voting process would proceed in accordance with Roberts rules that govern the Board's meetings. Among the 23 voters present at the meeting, one nominee, Brian Whitehead, was put forward to the Board. Mr. Whitehead accepted the nomination, after which no other nominations were put forth and Director Ayala closed the nominations.

- President Wautlet made a motion to elect Brian Whitehead, 1723 Snowbird Court, as a director to the Board for the FY1516 term . The motion was seconded and the homeowners voted unanimously to elect Mr. Whitehead to the Board for the FY1516 term.

New Business: None

With no other issues presented by homeowners for discussion, President Wautlet made a motion to adjourn, which was seconded and approved unanimously by the homeowners.

Adjournment : 9:00P.M.

Submitted by Mary Ayala, Secretary

Attachments:

Sign-In Sheet

Proof of Notice

C&R Report.