

April 23, 2024 | Useless Bay Colony Board Meeting | Minutes

Attendees: Debbie Nordstrom, Bob Stewart, Diana Smyth (arrives 5:22), Jake Mast, Lailla Petersen, Patty Sievers, Anne Preston, and Bob Bagshaw

Absent: Susanne Hollyfield

The meeting was opened by Pres. Debbie Nordstrom at 5:02 PM

First item of business was the annual budget.

Our representative from the Windermere Property Management Team was invited to share perspectives on Useless Bay Colony budgeting practices and help amend the 2024-2025 budget draft that their firm helped prepare in conjunction with the board finance committee.

The attending Board Members were informed by Windermere Property Management that there are 525 lots in Useless Bay Colony. Twenty are owned by the Colony and 505 are owned by individual purchasers. It was asserted that based on the Windermere Property Management review and the attorney review from the Community Law Association, that each individual lot in the Colony should be considered equal to one Colony Membership and that each Colony Membership should have one vote per lot billed, on all future voting matters.

The Management Team also asserted that according to the UBC bylaws, the dues, fees, and assessment for Colony Membership should have been charged per lot. According to them, this is required by RCW 64.90 Common Interest Communities laws. They also stated that now that we are informed, the Board of Directors is required to change Colony billing practices.

The implication is that if a Colony member owns more than one lot, they will be billed for Colony dues, fees and assessments for each lot they own.

Accordingly, the Windermere Property Management team worked with the Treasurer to help create a revised budget draft based on the possibility that the 2024-2025 dues for Colony Membership could be billed per lot owned (505) or per Colony family (412).

There was discussion of this new information which represents a significant change to how the governing documents have historically been interpreted and implemented. Board members expressed deep concern about this change.

The above information as reviewed by legal counsel from the Community Law Association was presented orally and the board is waiting for a confirmation letter of the review from the attorney.

The Board was also informed that originally, H & H Properties Inc., as the developers, were allowed one membership charge for all of their development lots. This was an exception only for H & H. Properties, Inc. for development purposes. H & H Properties, Inc. no longer owns development lots within the Colony.

Colony membership and membership for the purposes of the Useless Bay Golf & Country Club are two different memberships.

Golf Club and Colony members currently total 412, leaving 93 lots total that are multiply owned within the Colony.

In light of this new information, the Board agreed to continue to work with the 1st draft of a new budget that was presented to help create an amended version of the current 2024-2025 budget which will be consistent with the RCW methodology presented as this methodology may be used in budgeting going forward.

The Board also supported changing current processes so that Colony owners vote on a budget for the coming year, 2024-2025 and continue in this manner in the future.

Per RCW 64.90.525, the Board will take a final recommended budget to the Colony owners for acceptance prior to the annual meeting. A notice will go out giving the owners 14 days to review the budget. Currently the Board is targeting May 10th for a 2nd budget Meeting, pending Golf Club Availability.

Petersen made a motion for the Board to accept and work with the 2024-2025 drafted budget as amended and presented. Sievers second the motion. Motion passed unanimously.

This could mean dues may be billed at \$650.00 per lot, which will include (1) the previous separate assessment for the \$75.00 Road Reserve Fund, (2) current dues and usage fees for Useless Bay Golf & Country Club per our 2016 Agreement, (3) a fee for the survey that must be completed by the Colony within the year to stay within RCW Washington State Compliance, (4) the Puget Sound Energy bills for street lights that were previously billed back to lot owners (streetlights are a safety and security priority as a part of our shared roads), (5) reimbursement towards the loan from the General Reserve Fund borrowed to pay the Golf Club for pool and tennis capital improvements per our 2016 Agreement and (6) repair and paving for Captain Vancouver Drive.

Mast made a motion to pay the \$31,529.28 usage fees portion of the Golf Club February bill. Bagshaw seconded the motion. Motion passed unanimously. Funds will be transferred to cover this expense.

Cerny property owner request:

The board was informed that it does not have authority to sell Colony land without Colony member approval. The board will be willing to entertain a shared use agreement for the subject property if it is under mutually beneficial terms and this will be communicated to the Cerny attorney, should they want to pursue.

Meeting adjourned at 6:31PM

Respectfully submitted with corrections and additions by Bob Stewart, Lailla Petersen, Patty Sievers and Ann Preston. There are no corrections or additions from Diana Smyth, Jake Mast and Bob Bagshaw. Susanne Hollyfield has abstained do to her absence.

Debbie Nordstrom, Secretary Pro Tem. as Board Secretary Susanne Hollyfield was absent.