

Villages of Garrison Creek HOA
PO Box 694
College Place WA 99324
Annual Meeting Minutes
12/10/2017
Lions Park Community Meeting Room

Board Members Present: Dick Cook, Dave Gullo, Daryl Schreiner, Scott Towslee, Doug Botimer (declarant); Allan Fisher (declarant).

Board Members Absent: Ron Hines

Board Accountant: Jim Hall

Guests: Richard Winnette, Parliamentarian

Call to Order: Dick Cook called the meeting to order at 2:09 pm.

1. Welcome and Remarks: Past Master Board Presidents Tom Emmerson and Roger Williams welcomed the homeowners in attendance and shared some personal historical perspectives of living in the Villages and the rewards of living here and serving on the Board.
2. Parliamentarian Introduction: Dick Cook introduced the meeting's parliamentarian, Richard Winnette.
3. Quorum Call: Jim Hall verified that a quorum was established.
4. Acknowledgements, Outcomes, Challenges: Dick Cook discussed the water study for the Villages, and expenses incurred by the reserve fund – asphalt repair, seal coats, major irrigation repairs. Thus far no special assessments have been necessary. He further acknowledged Michele Wollert and Dave Gullo for their work in the area of communication. Michele has been responsible for the newsletter and Dave for updates to the web site. Establishment of a neighborhood watch committee, a Finance Committee, and the landscape cleanup work being done in the "south of the creek area" by Ray Goff and many other homeowner volunteers were also acknowledged as major accomplishments in 2017.
5. 2018 Board Candidates & Nominations: Daryl Schreiner removed his name from the list of 2018 Master Board candidates and nominated Mark Benzel, Phase 10 homeowner, to replace his candidacy. Daryl's removal and Mark's addition to the list of candidates was seconded and unanimously approved by the homeowners by vocal vote. Mark gave a brief introduction about himself, as did Dick Cook, Scott Towslee, and John Cress. Jim Murphy was out of town and therefore not in attendance, but Dick Cook provided a short summary of his written introduction. Dick Cook asked for additional nominations. When no other names were offered, Dick moved that the Master Board nominations be closed. That motion was seconded and approval to close nominations passed unanimously. The final list of Master Board candidates were the following: Mark Benzel, Dick Cook, John Cress, Jim Murphy, and Scott Towslee.
6. Approval of 2016 Annual Meeting Minutes: Minutes of the 2016 Annual Meeting were submitted for review. It was moved and seconded to approve the minutes, which were then unanimously passed.
7. Other Business: Dick Cook called for homeowners to add any other business of interest.
 - (A). Ray Goff was acknowledged and offered the following motion: that all the actions of the Villages Master Board since the last annual meeting in December of 2016 be approved. Ray's motion was seconded and carried by verbal "aye" votes in the majority. No "nay" votes were voiced.

(B). Jack Gisler was acknowledged and spoke about short-term vacation rentals by owner (VRBOs) as commercial operations that must be approved by the Master Board and specific Phase leaders, as outlined in the current Architectural Review Committee's Land Use Standards. He stated that Phase 8 has already created prohibitions of any new VRBO or long-term rentals among its homes.

(C). Tom Emmerson reminded homeowners to remove their garden hoses from the spigots to prevent copper pipe freezing as winter approaches.

(D). Mark Minne said he believes that, unlike Walla Walla, College Place has not yet defined what a commercial operation is and that we should be cautious about assuming that VRBOs are commercial operations until that is clarified.

(E). Doug Botimer reported that when Phase 8 approached ARC with their VRBO rental prohibitions, he advised them that ARC would not approve such restrictions for the entire Villages, but that each Phase leadership team could make that decision for themselves.

(F). Don Vohries clarified that short-term rentals were 30 days or less.

(G). Rich Wollert pointed out that Walla Walla had recently passed an ordinance restricting the operation of VRBOs that was comprehensive and detailed. He stated that those who wanted to start a VRBO would likely turn their attention to College Place and the Villages to obtain properties for this purpose. He recommended that the Board consider how it wanted to deal with this issue as quickly as possible so that the Villages would not be exploited by the economic situation.

8. Ballot Discussion & Vote:

(A). Approval of 2018 Budget and Reserve Fund: Dick Cook referred homeowners to the 2018 Budget and Reserve fund charts and asked if there were any questions about either. No questions were posed by the homeowners. Dick then made a motion, which was seconded, to pass the 2018 budget. It was unanimously approved by verbal vote. He then made a motion to approve the Reserve Fund budget, which was seconded and unanimously approved by verbal vote. **NOTE: It was later determined this verbal vote was not necessary. It is listed in the paper ballot and requires a written vote.**

(B). Waiving of Annual Audit: Dick opened discussion on the question to waive the 2017 annual audit requirement, which is on the ballot. He confirmed with Jim Hall that our 2016 audit cost about \$2000, that it takes a great deal of Jim Hall's time, that it was conducted by an independent certified public accountant, and that we passed the audit. A copy of the audit is on the Villages website. A homeowner asked if this was a full audit or simply a financial review. Dick confirmed that the HOA passed a full audit.

(C). Ratification of Pahlisch Phase 9 Assessment Renegotiations: Dick opened discussion on the ratification of the Pahlisch Phase 9 renegotiation of its unfinished lot assessment.

(i). Ray Goff explained the history and financial impacts in a summary of a multi-page "white paper" he produced and distributed at the November 5, 2017 Homeowners Information Meeting. He summarized that the 2015 VGC Board allowed Pahlisch Homes Phase 9 to be assessed at \$10 per undeveloped lot vs. full assessments on finished units. That assessment practice was continued throughout 2016, when the then newly-elected 2017 Board renegotiated with Pahlisch so that the assessment reverted to \$82, the same as was being charged for completed units, beginning 1/1/2017. The 2017 Board also "reached back" and adjusted 2015 per lot assessments from \$10 to \$56 per month and 2016 per lot assessments from \$10 to \$67 per month. Ray explained further that the Board and Pahlisch agreed that, since Pahlisch had now paid full assessments for undeveloped lots, VGC would refund to Pahlisch \$28,000 in common area expenses paid by Pahlisch in the September 2015-2016 timeframe and would pay Phase 9 common area

expenses in 2017 forward. Ray further explained that the higher undeveloped lot assessments minus the assumed common area expenses resulted in a net favorable variance of approximately \$35,000, which Jim Hall booked in the VGC 2016 and 2017 Operating and Reserve Funds. Ray expressed the Board's gratitude to Jason Spence of Pahlisch Homes for his agreement to these renegotiated assessments and common area reimbursements. **NOTE: Ray Goff's motion on ballot item C is attached to the minutes.**

(ii). Mark Benzel spoke on behalf of Phase 10 homeowners and described their rationale behind their threatened lawsuit.

(iii). Paul Storey spoke and expressed his support of the Board for the actions they took on the Pahlisch renegotiation.

(iv). Daryl Schreiner explained to the homeowners that the Board members are volunteers who acted in good faith.

(v). Norma Sewell presented an historical example of a prior precedent set by a previous Board in 2005 where lower assessments were given to developers on undeveloped lots.

(vi). New homeowner Don Bohlman explained that he had many questions about this action. Doug Botimer offered to meet with him outside the meeting to answer his questions from a declarant/developer's experience because the history was long and involved and would take too much meeting time to explain immediately.

(D). Myra Road Commercial's removal from VGC-MPMA was discussed. Dick Cook explained that this action essentially would provide "clearer boundaries" for the Villages of Garrison Creek.

(E). Phase 3/Nursing Home's removal from VGC-MPMA was discussed and explained. Dick Cook reported that due to a verbal agreement with the developers the Nursing Home has never paid assessments to the HOA. Legal counsel has advised that requiring them to do so in order to be in compliance with the governing documents would most likely not be legally defensible due to the precedent established and in effect for years. The nursing home has indicated to the board that although they will not pay assessments they do want to be good neighbors after withdrawal from the HOA. They have offered their maintenance crew as they are available to assist the villages. This action is required to address a threatened lawsuit.

(F). Phase 4/WW Housing Authority Cottages removal from VGC-MPMA: Dick Cook indicated a similar agreement between the developers and the WWHA regarding assessments. The Housing Authority has also never paid assessments to the HOA. They too wish to remain good neighbors subsequent to their removal from the HOA. They stated to board members that they use our roads and walking trails and wish to contribute towards maintenance. They recently paid for bridge repair. This action too is required to address a threatened lawsuit.

(i). Doug Botimer commented that a previous vote by homeowners on this issue 9 years ago failed by only one vote. He urged homeowners to approve.

(G). Declarant/Developer/Phase 14 Doug Botimer's removal from the VGC-MPMA:

(i). Daryl Schreiner addressed this motion. He explained that Doug Botimer is requesting to resign from his role as VGC Declarant, to resign his role as a member of the VGC Architectural Review Committee (ARC); and under terms satisfactory to the MPMA Board, to be allowed to remove his undeveloped 14 acres surrounding the overflow parking area north of Garrison Village Way from the MPMA.

(ii). Doug spoke of his long history with the Villages of Garrison Creek and his future plans for Phase 14, which includes passive solar and xeriscape design and is tentative named "Passerelle del Sol" or "Bridge to the Sun." He asked for homeowner support to vote in favor of his exit.

- (iii). Mark Minne requested that homeowners let the Board govern, as they were elected to do, and asked voters to support all ballot questions with a yes vote.
- (H). Advisory vote to continue negotiations with Phase 10 on their MPMA exit proposal:
- (i). Daryl Schreiner explained that this ballot question is advisory only and therefore non-binding, but will provide the Board with important homeowner feedback.
 - (ii). Jack Gisler asked if the negotiated agreement would be available for review by members and if it would be voted upon. The answer was yes, that a two-thirds majority of homeowners would need to approve the proposal.
 - (iii). A question was raised by Jan Gisler regarding the fact that two potential board members for 2018 are Phase 10 residents and, if Phase 10 exits from the MPMA, would the Phase 10 Board members continue to be eligible for board positions?
 - (iv). Mark Benzel indicated that he would want to continue to serve.
 - (v). John Cress said that he would not support Phase 10's request to exit unless its impact was revenue neutral and also indicated that he most likely would not continue on the Board if Phase 10's request to exit the Villages' MPMA were to be successfully negotiated and ratified.
 - (vi). Dick Cook clarified that the governing documents state that VGC Board members do not have to be residents of the Villages.

9. Additional Items: Dick Cook asked if there were any other items homeowners wished to discuss. No one had any to offer.

Adjournment: The meeting was adjourned by Dick Cook at 3:55 PM.

Respectfully submitted,



Michele Wollert
Phase 7 homeowner

Attachments:

1. Balloting Results
2. Ray Goff's Motion: Pahlisch Phase 9 Undeveloped Lots Assessment Renegotiation

**Villages of Garrison Creek
Annual Meeting - December 10, 2017
Balloting Results**

A. COUNTS

Quorum	<u>75</u>
Total Authorized Votes	<u>242</u>
Member Counts	
Present In Person	99
Present By Proxy	<u>103</u>
Members Present	202
Members Absent	<u>40</u>
Total	<u>242</u>
Ballots Cast	<u>201</u>

B. APPROVAL CRITERIA

To . . .	Requires . . .	Votes . . .
Amend the Declaration	2/3 of the Total Authorized Votes to Approve	162
Amend the Bylaws	66% of the Total Authorized Votes to Approve	160
Amend the Articles of Incorporation	66% of the Total Authorized Votes to Approve	160
Reject the Proposed Budget	A majority of the Total Authorized Votes to Reject*	122
Waive Audit	67% of the Ballots Cast to Approve**	135
Approve other Actions	A majority of the Ballots Cast to Approve	101

*Unless the proposed budget is rejected by a majority of the Authorized Votes, it is ratified.
A quorum is not required to ratify the proposed budget. See RCW 64.38.025 (3).

**The audit requirement may be waived if 67% of the Ballots Cast each year approve to waive the audit. A quorum is required to waive the audit. See RCW 64.38.045 (3).

C. BALLOTING RESULTS

ISSUES	YES	NO	Yes - To Pass No - To Reject	Yes %	Yes % Base	Status
Approve 2018 Budget	181	19	No 122	74.8%	242	Approved
Waive 2017 Audit	161	40	Yes 135	80.1%	201	Approved
Ratify Pahlisch Negotiations	176	23	Yes 101	87.6%	201	Approved
Approve Myra Road Commercial Exit	200	1	Yes 162	82.6%	242	Approved
Approve Nursing Home Exit	184	15	Yes 162	76.0%	242	Approved
Approve WW Housing Authority Exit	186	15	Yes 162	76.9%	242	Approved
Approve Botimer/Phase 14 PFD Exit	197	4	Yes 162	81.4%	242	Approved
Advisory: Resume Phase 10 Negotiations	150	49	Yes 101	74.6%	201	Approved

BOARD MEMBERS (5 Highest)

	✓	Status
Dick Cook	185	Elected
Scott Towslee	185	Elected
Jim Murphy	176	Elected
John Cress	165	Elected
Mark Benzel	99	Elected
Ray Goff	4	-
Roger Williams	3	-

Annual Homeowners Meeting Dec 10, 2017

Motion Re: Pahlisch Phase 9 Undeveloped Lots Assessment Renegotiation

I move that the Homeowners approve:

1) All actions of the 2015, 2016 and 2017 Boards in their handling of the Pahlisch "lower assessment on undeveloped lots" agreement and in the "Renegotiation with Pahlisch to charge undeveloped lots equal to finished units" agreement, including the allocation of approximately \$35,000 of favorable variances generated by the "Renegotiation" to the MPMA Reserve and Operating Funds. Approval of this motion ends any contention that any aspects of these agreements were not properly authorized, recorded and transacted, and;

2) For future negotiations with Developers, that the MPMA Board pursue the amendment of the VGC Governing Documents to allow unequal assessments for undeveloped lots and finished units within a Phase at the Board's discretion, and to submit the proposed amendments for approval at a future Homeowners meeting.

**Ray Goff, Homeowner,
960 SE Creekside and 805 SE Creekside**