

SUDDEN VALLEY COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS SPECIAL MEETING  
THURSDAY, AUGUST 21, 2014  
ADULT CENTER  
7:00 PM

	<b>PAGE</b>
I. CALL TO ORDER	
II. ROLL CALL	
III. ADOPTION OF AGENDA	
IV. ANNOUNCEMENTS	
V. CONTINUING BUSINESS AND VOTING AS NECESSARY	
A. FINAL AUTHORIZATION FOR AGM MEASURES AND AGENDA	
1. Budget and Dues Measure	<b>1 - 10</b>
2. AGM Agenda	<b>11 - 12</b>
VI. NEW BUSINESS AND VOTING AS NECESSARY	
A. Shortened Pool Fees (LB)	<b>13</b>
B. Gate 1, Curb Appeal & Home Values (LB)	<b>14 - 15</b>
C. Nominations and Elections Committee Membership (LM)	
D. Communications Committee Membership (DN)	
E. Emergency Preparedness Committee Membership (CH)	
F. Audio Recording of the Finance Committee	<b>16</b>
VII. CLOSED SESSION – LEGAL/PERSONNEL	
VIII. VOTING (IF NEEDED)	
IX. ADJOURNMENT	

# Summary Explanation of Measure Number 1

**Ballot:**

**Shall the SVCA's 2015 Annual Consolidated Budget of \$3,930,157 be approved or rejected?**

**Explanation:** This measure presents the annual consolidated budget for Operations and Capital Reserves, including the Roads Reserve and the Capital Repair and Replacement Reserve Fund (CRRRF).

Last year's Consolidated Budget proposal was \$4,329,807. In comparison, the total consolidated budget for 2015 is \$399,650 *less* than the budget proposed in 2014.

Dues and assessments for the Annual Budget can be found in Measure 2.

**The result of the vote on this measure will be determined by Washington State Law (RCW 64.38.025), which provides that the budget is ratified if it is not rejected by owners holding a majority of votes in the association.**

**Recommendation:** The Board of Directors recommends approval of this measure.

## **Addendum: Detailed Explanation of the 2015 Annual Consolidated Budget**

This year's budget was difficult to put together, largely because of future uncertainties relating to the reconstruction of Barn 7 and possibly Barns 6 and 8. It was necessary, therefore, to give the next Board enough money and flexibility to manage an uncertain year, but without asking—if at all possible—for another Special Assessment.

In the final accounting, every budget depends upon its assumptions. The 2015 consolidated budget was based on the following:

- 1) No increase in staff, but a 3.5% increase in annual dues and assessments (in line with the expected increase in payroll costs for 2015). See Measure 2.
- 2) Because the engineering research and claims process is expected to take up to 18 months, no work on any of the barns in 2015 unless funded by insurance.
- 3) If necessary, use of Emergency Cash to fund the housing of the Library (and the YMCA, also if necessary) in trailers through the year. (According to expert counsel, these funds will be recoverable from the insurance company, at least in part.)
- 4) Extensive continuing work on "D" culverts, including engineering and design of four newly identified "D+" culverts, but no paving except for repairs.
- 5) Continued revitalization of the Administration Building, to include the first of three phases (the latter two to come in 2016 and 2017).
- 6) The beginning of a three-year program to upgrade our buildings with modern fire alarm and suppression systems.
- 7) Protection of the Board-approved \$500,000 Threshold for Roads and \$750,000 for the CRRRF, plus a minimum EOY (end-of-year) balance of \$300,000 in Operating Cash.

The proposed budget (detailed below), meets all of the above, but it produces a consolidated deficit of slightly less than \$600,000, as follows:

### **Revenues:**

Revenue from Dues (Note 1)	\$2,595,883
Bad Debts	(\$ 233,629)
Revenue from Operations (Note 2)	<u>\$ 975,000</u>
<b>Total Revenue</b>	<b>\$3,337,254</b>

### **Consolidated Operating Expense and Capital Expenditures:**

Administrative Expense	\$ 394,211
Member Communications Expense	\$ 109,226
Payroll & Benefit Expense (Note 3)	\$1,592,154
Maintenance & Landscape Expense	\$ 280,475
Professional Services Expense	\$ 200,785
Emergency Cash Expense	\$ 144,000
Capital Expenditures: Roads	\$ 551,000
Capital Expenditures: CRRRF	\$ 499,806
Capital Expenditures: MR&R (Note 4)	<u>\$ 158,500</u>
<b>Total Operations &amp; Capital Expenditures</b>	<b>(\$3,930,157)</b>
<b>Net Consolidated <u>Deficit</u></b> (Note 5):	<b>(\$ 592,903)</b>

**Notes:**

- 1) Assumes a 91% collections rate in 2015.
- 2) Assumes continuation of the recreation agreement with YMCA.
- 3) Assumes continuation of fixed price management contract with EMB/Associa or equivalent.
- 4) Assumes that \$51,500 of MR&R funds will be spent on Roads projects in 2015 and \$107,000 will be spent on CRRRF projects.
- 5) The consolidated deficit includes both forecasted operations expense and capital expenditures, but it excludes depreciation (which is a noncash expense).

At the time of this writing, the **Pro Forma Balance Sheets** for 2014 and 2015 were as follows:

<b>Assets:</b>	<b>EOY 2014</b>	<b>EOY 2015</b>	<b>Net Change</b>
Operating Cash	\$ 200,000	\$ 349,793	\$ 149,793
Emergency Operating Cash	\$ 262,801	\$ 118,801	(\$ 144,000)
Other Cash and Equivalents	\$ 33,000	\$ 25,000	(\$ 8,000)
Capital Repair & Replacement Fund	\$ 833,659	\$ 873,919	\$ 40,260
Roads Reserve Fund	\$ 509,856	\$ 542,930	\$ 33,074
Non-Strategic Reserves	\$ 903,594	\$ 745,094	(\$ 158,500)
Accounts Receivable	\$ 416,000	\$ 333,629	(\$ 82,371)
Prepaid Expenses	\$ 75,000	\$ 30,000	(\$ 45,000)
Fixed Assets	\$8,586,951	\$9,106,257	\$ 519,306
<b>Total Assets</b>	<b>\$11,765,602</b>	<b>\$12,130,423</b>	<b>\$ 364,821</b>

**Liabilities:**

Accounts Payable	\$ 0	\$ 0	\$ 0
Deposits Held	\$ 33,000	\$ 25,000	(\$ 8,000)
Other Current Assets	\$ 5,000	\$ 5,000	\$ 0
Prepaid Assessments	\$ 70,000	\$ 70,000	\$ 0
Other Liabilities	\$ 70,000	\$ 70,000	\$ 0
Debt-Funded Projects	\$ 0	\$ 72,800	\$ 72,800
<b>Total Liabilities</b>	<b>\$ 173,000</b>	<b>\$ 237,800</b>	<b>\$ 64,800</b>

**Owner's Equity:**

Total Owner's Equity-Prior Years	\$ 0	\$ 0	\$ 0
Total Capital Reserves-Prior Years	\$11,592,602	\$11,892,623	\$ 300,021
Net Surplus/Deficit	\$ 0	\$ 0	\$ 0
<b>Total Liabilities &amp; Owner's Equity</b>	<b>\$11,765,602</b>	<b>\$12,130,423</b>	<b>\$ 364,821</b>

In order to create the 2015 budget, 2015 monthly dues and assessments were allocated 55% to Operations, 25% to Roads, and 20% to the CRRRF. (See Measure 2.) In comparison, 62% of monthly dues and assessments were allocated to Operations in 2014, which means that the percentage of monthly dues allocated to Operations actually *drops* in 2015. As you might expect, the net reduction adversely affects the **2015 Operations Pro Forma Profit and Loss**, as follows (compared to the 2014 Pro Forma P&L as of August 18, 2014):

<b>Revenues</b>	<b>2014 Pro Forma</b>	<b>2015 Pro Forma</b>	<b>Net Change</b>
Revenue from Dues	\$1,533,637	\$1,427,735	(\$ 105,502)
Bad Debt Expense	(\$ 138,027)	(\$ 128,496)	\$ 9,531
Revenue from Special Assessment	\$ 0	N/A	N/A
Golf Revenue (Note 6)	\$ 750,000	\$ 775,000	\$ 25,000
Marina Revenue	\$ 115,000	\$ 100,000	(\$ 15,000)
Other Revenue (Note 7)	\$ 200,000	\$ 100,000	(\$ 100,000)
<b>Total Forecast Operating Revenue</b>	<b>\$2,460,610</b>	<b>\$2,274,239</b>	<b>(\$ 186,371)</b>
<b>Operating Expenses</b>			
Administrative Expense	\$ 354,790	\$ 394,211	(\$ 39,421)
Member Communications Expense	\$ 100,000	\$ 109,226	(\$ 9,226)
Payroll & Benefits Expense	\$1,557,101	\$1,592,154	\$ 35,053
Maintenance Expense (Note 7)	\$ 320,475	\$ 280,475	(\$ 40,000)
Professional Services	\$ 196,848	\$ 200,785	\$ 3,937
<b>Total Forecast Expenses</b>	<b>\$2,529,314</b>	<b>\$2,576,851</b>	<b>(\$ 11,010)</b>
<b>Forecast Net Surplus/Deficit</b>	<b>(\$ 68,604)</b>	<b>(\$ 302,612)</b>	<b>(\$ 175,631)</b>

**Notes:**

6) Golf revenue was \$381K at midyear.

7) The reductions in Other Revenue and Maintenance Expense reflect the transfer of the Health Club and the Pool to the YMCA.

It would, of course, have been possible to cut the Operating Deficit by transferring a larger percent of monthly dues and assessments to Operations, but that would have reduced the capital funds available to Roads and the CRRRF. Regardless, the *consolidated* forecast deficit of \$593,000 would remain. It's just that our capital funds would bear more of the burden.

The Board, of course, did have other options. They included:

- 1) Postponing more CRRRF and Roads projects to 2016 and beyond;
- 2) Extracting more funds from other reserves, including Emergency Cash, the Maintenance and Repair Reserve, and the Undesignated Reserve;
- 3) Funding more 2015 capital projects with debt;
- 4) Levying another Special Assessment; and/or
- 5) Asking the membership for a much larger dues increase.

In the end, the above budget was, for all the Board save one, the most rational financial strategy for 2015. We hope you agree.

## Summary Explanation of Measure Number 2

### Ballot:

**Shall the SVCA's Annual Dues for 2015 be set at \$832.80 per developed lot and \$720.82 per undeveloped lot? For developed lots, this amount includes a contribution of \$458.04 for SVCA Operations, plus reserve contributions of \$208.20 for Roads and \$166.56 for the CRRRF. For undeveloped lots, this amount includes a contribution of \$396.33 for SVCA Operations, plus reserve contributions of \$180.15 for Roads and \$144.12 for the CRRRF.**

**Explanation:** For developed lots, this measure will raise annual dues from \$804.77 to \$832.80 per year, an increase of \$28.03, or approximately \$2.34 per month. For undeveloped lots, this measure will raise annual dues from \$696.43 to \$720.60, an increase of \$24.17, or \$2.01 per month (rounded).

The SVCA Operations Budget has been increased only once since 2008 (by 3.5% last year), although the CPI (Consumer Price Index) has increased by more than 10% since then. (Source: US Department of Labor Statistics.) The same 3.5% increase is built into the association's management services contract with Associa/EMB.

In addition to keeping up with payroll costs and closing the inflation gap, the 3.5% increase will: help fund crucially important Roads and CRRRF projects while keeping both funds above their target Thresholds of \$500,000 and \$750,000 respectively; fund Parks and Trails, which generates no revenue; and assist in keeping the association's cash reserves at healthy levels.

If this measure does not pass, then the Board may reduce operating costs, but they were cut repeatedly in the years leading up to 2013. At its discretion, the Board may instead postpone important capital projects into 2016 and beyond, it may decide to extract more capital funds from nonstrategic reserves, or it may decide to take on more debt (which will increase future costs).

**The result of the vote on this measure will be determined by SVCA bylaws, which provide that a dues increase is passed if 60% or more of voting members in good standing approve the measure.**

**Recommendation:** The Board of Directors recommends approval of this measure.

# Summary Explanation of Measure Number 1

**Ballot:**

**Shall the SVCA's 2015 Annual Consolidated Budget of \$3,786,157 be approved or rejected?**

**Explanation:** This measure presents the annual consolidated budget for Operations and Capital Reserves, including the Roads Reserve and the Capital Repair and Replacement Reserve Fund (CRRRF).

The proposed consolidated budget for 2015 is \$543,650 *less* than the budget proposed and approved in 2014. If this measure does not pass, then the annual budget will revert to last year's budget, which was \$4,329,807.

Dues and assessments for the Annual Budget can be found in Measure 2.

**The result of the vote on this measure will be determined by Washington State Law (RCW 64.38.025), which provides that the budget is ratified if it is not rejected by owners holding a majority of votes in the association.**

**Recommendation:** The Board of Directors recommends approval of this measure.

## **Addendum: Detailed Explanation of the 2015 Annual Consolidated Budget**

This year's budget was difficult to put together, largely because of future uncertainties relating to the reconstruction of Barn 7 and possibly Barns 6 and 8. It was necessary, therefore, to give the next Board enough money and flexibility to manage an uncertain year, but without asking—if at all possible—for another Special Assessment.

In the final accounting, every budget depends upon its assumptions. The 2015 consolidated budget was based on the following:

- 1) No increase in staff, but a 3.5% increase in annual dues and assessments (in line with the expected increase in payroll costs for 2015). See Measure 2.
- 2) Because the engineering research and claims process is expected to take up to 18 months, no work on any of the barns in 2015 unless funded by insurance.
- 3) No budgeted funding for the temporary housing of the Library or the YMCA. (As of this writing, the need for temporary housing was not certain, and, according to expert counsel, these funds would be recoverable from the insurance company, at least in part.)
- 4) Extensive continuing work on “D” culverts, including engineering and design of four newly identified “D+” culverts, but no paving except for repairs.
- 5) Continued revitalization of the Administration Building, to include the first of three phases (the latter two to come in 2016 and 2017).
- 6) The beginning of a three-year program to upgrade our buildings with modern fire alarm and suppression systems.
- 7) Protection of the Board-approved \$500,000 Threshold for Roads and \$750,000 for the CRRRF, plus a minimum EOY (end-of-year) balance of \$300,000 in Operating Cash.

The proposed budget (detailed below), meets all of the above, but it produces a consolidated deficit of nearly \$450,000, as follows:

### **2015 Revenue Forecast:**

Revenue from Dues (Note 1)	\$2,595,396
Bad Debts	(\$ 233,586)
Revenue from Operations (Note 2)	<u>\$ 975,000</u>
<b>Total Revenue</b>	<b>\$3,336,810</b>

### **The 2015 Budget - Consolidated Operating Expense and Capital Expenditures:**

Administrative Expense	\$ 394,211
Member Communications Expense	\$ 109,226
Payroll & Benefit Expense (Note 3)	\$1,592,154
Maintenance & Landscape Expense	\$ 280,475
Professional Services Expense	\$ 200,785
Capital Expenditures: Roads	\$ 551,000
Capital Expenditures: CRRRF	\$ 499,806
Capital Expenditures: MR&R (Note 4)	<u>\$ 158,500</u>
<b>Total Operations &amp; Capital Expenditures</b>	<b>(\$3,786,157)</b>
<b>Net Consolidated <u>Deficit</u></b> (Note 5):	<b>(\$ 449,347)</b>

**Notes:**

- 1) Assumes a 91% collections rate in 2015. All figures in this measure are rounded to the nearest dollar.
- 2) Assumes continuation of the recreation agreement with YMCA. For a revenue breakdown, see the Operations Budget.
- 3) Assumes continuation of fixed price management contract with EMB/Associa or equivalent.
- 4) Assumes that \$51,500 of MR&R funds will be spent on Roads projects in 2015 and \$107,000 will be spent on CRRRF projects.
- 5) The consolidated deficit includes both forecasted operations expense and capital expenditures, but it excludes depreciation (which is a noncash expense).

At the time of this writing, the **Pro Forma Balance Sheets** for EOY (end-of-year) 2014 and 2015 were as follows:

<b>Assets:</b>	<b>EOY 2014</b>	<b>EOY 2015</b>	<b>Net Change</b>
Operating Cash	\$ 200,000	\$ 371,521	\$ 171,521
Emergency Operating Cash	\$ 350,000	\$ 350,000	\$ 0
Other Cash and Equivalents	\$ 33,000	\$ 25,000	(\$ 8,000)
Capital Repair & Replacement Fund	\$ 833,659	\$ 833,053	(\$ 606)
Roads Reserve Fund	\$ 509,856	\$ 558,472	\$ 48,616
Non-Strategic Reserves	\$ 903,594	\$ 745,094	(\$ 158,500)
Accounts Receivable	\$ 416,000	\$ 333,629	(\$ 82,371)
Prepaid Expenses	\$ 75,000	\$ 30,000	(\$ 45,000)
Other Current Assets	\$ 5,000	\$ 5,000	\$ 0
Fixed Assets	\$8,586,951	\$9,106,257	\$ 519,306
<b>Total Assets</b>	<b>\$11,765,602</b>	<b>\$12,358,026</b>	<b>\$ 592,424</b>

**Liabilities:**

Accounts Payable	\$ 0	\$ 0	\$ 0
Deposits Held	\$ 33,000	\$ 25,000	(\$ 8,000)
Prepaid Assessments	\$ 70,000	\$ 70,000	\$ 0
Other Liabilities	\$ 70,000	\$ 70,000	\$ 0
Debt-Funded Projects	\$ 0	\$ 72,800	\$ 72,800
<b>Total Liabilities</b>	<b>\$ 173,000</b>	<b>\$ 237,800</b>	<b>\$ 64,800</b>

**Owner's Equity:**

Total Owner's Equity-Prior Years	\$ 0	\$ 0	\$ 0
Total Capital Reserves-Prior Years	\$11,592,602	\$12,120,226	\$ 527,624
Total Owner's Equity	\$11,592,602	\$12,120,226	\$ 527,624
Net Surplus/Deficit	\$ 0	\$ 0	\$ 0
<b>Total Liabilities &amp; Owner's Equity</b>	<b>\$11,765,602</b>	<b>\$12,358,026</b>	<b>\$ 592,424</b>

In order to create the 2015 budget, homeowner dues and assessments were allocated 57% to Operations, 25% to Roads, and 18% to the CRRRF. (See Measure 2.) In comparison, more than 62% of monthly homeowner dues and assessments were allocated to Operations in 2014, which means that the percentage of monthly dues allocated to Operations actually *drops* in 2015. As you might expect, the net reduction adversely affects the **2015 Operations Pro Forma Profit and Loss**, as follows (compared to the 2014 Pro Forma P&L as of August 21, 2014):

<b>Revenues:</b>	<b>2014 Pro Forma</b>	<b>2015 Pro Forma</b>	<b>Net Change</b>
Revenue from Dues	\$1,533,637	\$1,449,463	(\$ 84,174)
Bad Debt Expense	(\$ 138,027)	(\$ 130,452)	\$ 7,576
Golf Revenue (Note 6)	\$ 750,000	\$ 775,000	\$ 25,000
Marina Revenue	\$ 115,000	\$ 100,000	(\$ 15,000)
Other Revenue (Note 7)	\$ 200,000	\$ 100,000	(\$ 100,000)
<b>Total Forecast Operating Revenue</b>	<b>\$2,460,610</b>	<b>\$2,294,012</b>	<b>(\$ 166,598)</b>

**Operating Expenses:**

Administrative Expense	\$ 354,790	\$ 394,211	\$ 39,421
Member Communications Expense	\$ 100,000	\$ 109,226	\$ 9,226
Payroll & Benefits Expense	\$1,557,101	\$1,592,154	\$ 35,053
Maintenance Expense (Note 7)	\$ 320,475	\$ 280,475	(\$ 40,000)
Professional Services	\$ 196,848	\$ 200,785	\$ 3,937
<b>Total Forecast Expenses</b>	<b>\$2,529,314</b>	<b>\$2,576,851</b>	<b>\$ 47,637</b>

**Forecast Net Surplus/Deficit**                    **(\$ 68,604)**                    **(\$ 282,839)**                    **(\$ 214,235)**

**Notes:**

6) Golf revenue was \$381K at midyear.

7) The reductions in Other Revenue and Maintenance Expense reflect the transfer of the Health Club and the Pool to the YMCA.

It would, of course, have been possible to cut the Operating Deficit by transferring a larger percent of monthly dues and assessments to Operations, but that would have reduced the capital funds available to Roads and the CRRRF. Regardless, the *consolidated* forecast deficit of circa \$450,000 would remain. It's just that our capital funds would bear more of the burden.

The Board, of course, did have other options. They included:

- 1) Postponing more CRRRF and Roads projects to 2016 and beyond;
- 2) Extracting more funds from other reserves, including Emergency Cash, the Maintenance and Repair Reserve, and the Undesignated Reserve;
- 3) Funding more 2015 capital projects with debt;
- 4) Levying another Special Assessment; and/or
- 5) Asking the membership for a much larger dues increase.

In the end, and given the uncertainties surrounding the barns, the Board agreed that the above was the most rational financial strategy for 2015. We hope you concur.

## Summary Explanation of Measure Number 2

### **Ballot:**

**Shall the SVCA's Annual Dues for 2015 be set at \$832.80 per developed lot and \$720.82 per undeveloped lot? For developed lots, this amount includes a contribution of \$474.70 for SVCA Operations, plus reserve contributions of \$208.20 for Roads and \$149.90 for the CRRRF. For undeveloped lots, this amount includes a contribution of \$362.50 for SVCA Operations, plus reserve contributions of \$208.20 for Roads and \$149.90 for the CRRRF.**

**Explanation:** For developed lots, this measure will raise annual dues from \$804.77 to \$832.80 per year, an increase of \$28.03, or approximately \$2.34 per month. For undeveloped lots, this measure will raise annual dues from \$696.43 to \$720.60, an increase of \$24.17, or \$2.01 per month (rounded).

The SVCA Operations Budget has been increased only once since 2008 (by 3.5% last year), although the CPI (Consumer Price Index) has increased by more than 10% since then. (Source: US Department of Labor Statistics.) The same 3.5% increase is built into the association's management services contract with Associa/EMB.

In addition to keeping up with payroll costs and closing the inflation gap, the 3.5% increase will: help fund crucially important Roads and CRRRF projects while keeping both funds above their target Thresholds of \$500,000 and \$750,000 respectively; fund Parks and Trails, which generates no revenue; and assist in keeping the association's cash reserves at healthy levels.

If this measure does not pass, then the Board may reduce operating costs, but they were cut repeatedly in the years leading up to 2013. At its discretion, the Board may instead postpone important capital projects into 2016 and beyond, it may decide to extract more capital funds from nonstrategic reserves, or it may decide to take on more debt (which will increase future costs).

**The result of the vote on this measure will be determined by SVCA bylaws, which provide that a dues increase is passed if 60% or more of voting members in good standing approve the measure.**

**Recommendation:** The Board of Directors recommends approval of this measure.



**Sudden Valley Community Association  
NOTICE OF ANNUAL GENERAL MEETING  
November 1, 2014 - 1:00 PM - Dance Barn**

Notice is hereby given that the Annual General Meeting of the Sudden Valley Community Association hereinafter referred to as the SVCA, will be held at the Dance Barn located within Sudden Valley on Saturday, the 1<sup>st</sup> of November, 2014 at 1:00 PM, the purpose of which shall be to conduct Association business.

**AGENDA**

- I. Call to Order
- II. Introduction of Parliamentarian
- III. Certificate of Quorum
- IV. Proof of Notice of Annual Meeting
- V. Election of the Board of Directors:
  - a. Introduction of Candidates with Two-Minute Presentations
  - b. Voting Process
- VI. Election of the N&E Committee Members:
  - a. Introduction of Candidates with Two-Minute Presentations
  - b. Voting Process
- VII. New Business:
  1. Shall the proposed SVCA 2015 Annual Consolidated Budget of \$3,930,157, as fully set forth in the Explanation and Summary, be approved?
    - a. Presentation of Budget by the Treasurer
    - b. Discussion\*
    - c. Voting Process
  2. Shall the proposed SVCA 2015 Annual Dues and Assessments, as fully set forth in the Explanation and Summary, be approved?
    - a. Discussion\*
    - b. Voting Process
  3. Shall the Bylaws be amended at Article III, Part A, Section 3 Subsection (a) as fully described by the proposal for "*Clarification of Candidate Solicitation*" as fully set forth in the Explanation and Summary?
    - a. Discussion\*
    - b. Voting Process

4. Shall the Bylaws be amended at Article III, Part A, Section 3 Subsection (b) as fully described by the proposal for "*Clarification of AGM Candidate Application*" as fully set forth in the Explanation and Summary?
  - a. Discussion\*
  - b. Voting Process
  
5. Shall the Bylaws be amended at Article V, Section 2 and Other Sections to conform to the proposed changes as fully described by the proposal for "*Member Election of ACC Committee*" as fully set forth in the Explanation and Summary?
  - a. Discussion\*
  - b. Voting Process
  
6. Shall the Bylaws be amended by adding a new Section 6. C. at the end of Article VI, Section 6. B. as fully described by the proposal for "*Lot Joinder Fee Waiver*" as fully set forth in the Explanation and Summary?
  - a. Discussion\*
  - b. Voting Process

- VIII. Committee Reports
- IX. President's Report
- X. Treasurer's Report
- XI. General Manager's Report
- XII. Property Owner's Comments
- XIII. Election Results/Announcements
- XIV. Adjournment

\*In order to give all members who wish to speak an opportunity to do so, individual comments may be limited by the Presiding Officer to 2-3 minutes in duration.

#### Adult use of the Pool

Recently we moved to Sudden Valley, in one of the Condo's

We inquired about using the Adult Pool, which is \$45 for the Season.

However, we moved here and after getting our house in order, we finally had time to use the Facilities, starting this August.

When I was told the rate is still \$45 for 1 month of usage I was surprised.

I think, as a nice jester, for the Sudden Valley Association, **for New Owners**, during this Season - June through September 2, the rate should be for the months you are able to use the facility (ie, \$15 /month - if you moved here after June).

I can understand for those owners - that have been here since June - charging the full rate. But, if you have just moved in, this would be like a welcome package, which would encourage us of the facilities the following years

I would like to have this concept brought up to the board.

Neil Massoud

Yes we bought the Condo in May, but were in Mexico, till the Middle of July, and finally got our Condo in order (Paint, Screens, Lights, approval by the board to put in lower windows, etc), yesterday - August 4th.

Larry,

I am in receipt of your email about the landscaping at Gate 1. I also now have a copy of the PowerPoint presentation. That's pretty bad – those photos are VERY telling and damning. Since joining the Garden Club in 2005, I have never been made aware that the Club was meant to or is supposed to maintain Gate 1. In fact, I thought for ages that it was an area maintained by SVCA just because of its sheer size and being on the main road. Not having read all the recent *Views* yet, I see from the slide presentation that the area is reported as maintained by Garden Club volunteers. I do know that several former members have been doing it in the past, and they also live at Gate 1.

I do know, however, that this area was planted with all the now mature rhododendrons by a former member's donation to the Club years ago, probably because it would always be beautiful in the Spring. It's clear there ought to be something else to bring more color to the site.

Most of the little planted "boxes" at the entry of gates other than 1 or 2 have also had a resident of those gates who, through the years has taken it upon herself/himself to beautify those boxes. When that individual either moves or quits putting in the effort, nothing else happens. Personally, I think they should definitely be maintained by us. Unfortunately, the vast number of women who once graced our membership has declined over the past few years, and we currently have a pitifully small membership. Many of the great ladies who have served this Club throughout the years have simply gotten older, no longer attend, and have "been there-done that."

I read the link to the IKO Management site that was provided by Maureen, and as her email so correctly quoted, we "will never get a second chance to make a first impression." I have to admit I haven't been through Gate 1 in some time, so hadn't seen how bad it has become. The Club now has a source and someone who can bring at least some beauty back to the Adult Garden, but we have less than \$3,000 in our bank, \$1,000 of which was donated by a current member specifically for our person to even begin. She is Diane Champaigne, of Fleurishing, who moved here late last year.

So I would respectfully suggest, if I may, that SVCA engage her to refresh and maintain Gates 1 first – at least until our membership and coffers have expanded to the point where the Garden Club can actively participate in the beautification of Gate 1 – and possibly other Valley locations. Diane charges \$25/hr. and she is now fully insured, with SVCA having been named as an additional insured. Diane's background includes a degree in Horticulture and Design, and she's been the best gift/addition acquired by the Club in a long time. She works independently, and since moving to SV, has acquired some new clients here as well. I think the Assn. could count on her to create "the shining examples" needed at both gates and could begin soon. - at least if it's only to get this process going at Gate 1.

Thank you for letting me know about this – I know there are other members still with us who would like for us to become more actively involved with SVCA on beautification issues as well.

Georgia

P.S. Incidentally, I have always thought a well designed Welcome sign at both entries to SV that boasts our being one of the largest HOAs in the State would look great, and perhaps alleviate some of the issues of people having alleged that they never knew it was an HOA - supported by dues. I was told we couldn't put a sign anyplace because the land belongs to the county. I thought simply asking for permission might clear it up, but it didn't ever seem important to anybody else. Nothing to do with the gardens, of course...

Georgia-

Can the Security area at Gate 1 get back on the Club's radar?

Just let me know...

-Larry

Good Morning Board of Directors:

First, I know you are working hard by everything that has been accomplished in the past few years. Many great steps forward. By your commitment of time and energy, I realize you all care deeply about Sudden Valley and where we are headed.

I respectfully submit this 7-slide Power point re: Curb Appeal and Gate 1. Now that I work in real estate, I know how important Gate 1 & 2 are to the community. It's where many people begin their Sudden Valley search to buy a home. My husband and I live in Gate 3. But a home search often begins in Gate 1 & 2. In my opinion, therefore, those gates should be shining examples that welcome residents, visitors and people who may want to buy/rent homes in Sudden Valley.

Right now, Gate 1 landscaping looks really run down. No blame just the facts. We are all busy with our own lives and drive by (or we live in another gate and don't drive by it) while the gateway to our community appears to be very under-loved. There is an excellent article on-line by an HOA firm on why curb appeal matters: <http://www.ikocommunitymanagement.com/tips-for-spring-curb-appeal-in-your-hoa/>.

If this is already on your radar, my apologies for bringing it up again.

Thank you for your consideration.

Maureen McCabe

## **No Town Halls Prior to AGM - Change of Process**

*This year, the town halls for the measures and the budget will not be conducted as they have usually been done in previous years. Instead, the measures will be presented to the membership during our normal series of meetings of the Board of Directors leading up to the AGM. Q&A will be a part of those meetings to ensure members can get the measures fully explained.*

*Likewise, the annual budget and dues will be presented to the membership during the regularly scheduled Finance Committee meetings. Q&A will be a part of those meetings as well to ensure members fully understand what the budget entails and how that budget is distributed among its various elements. They will also observe the discussions regarding determination of the dues proposal for the ballot.*

*All of those meetings are open to the membership and all members are encouraged to attend. The reason for conducting these meetings in this fashion is to provide an opportunity to more thoroughly present the information and data with participation of the full Board, in the case of the measures, and the full Finance Committee, in case of the budget and dues proposals. Members will be able to see and hear the process taken to arrive at the conclusions the Board and Finance Committee reach.*

*The members of both the Board of Directors and Finance Committee feel that this process will provide the best way to ensure the community has the fullest opportunity to hear and understand the key information and data that they will need to make informed decisions when they vote on their ballots for the AGM.*

*David Narsico  
Chair, Communications Committee*