

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

January 9, 2019 - ****DRAFT****

1 **1. MEETING CONVENED**

- 2 a. At the Clearwood Office

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4 **2. QUORUM**

- 5 a. The quorum for the meetings of the Board of Directors is four. Six
6 Directors were in attendance throughout the meeting, therefore the
7 quorum was met.

8
9 **3. IN ATTENDANCE**

- 10 a. Directors: Andrew Eubanks (President), Tom Jones (Vice President), Emily
11 Martin (Secretary), John Moore (Treasurer), Aaron Lang (AL) and Brian
12 Gerrish (BG)
- 13 b. Member(s) and/or Guests: Patrick Drinkard, LaDonna Hockaday, Racheal
14 Paige, Linda Azzarella, Sooze Fitsik, Deborah Baker, Jason Lane, Malinda
15 Poirier and Syndi Martin

16
17 **4. REGULAR PRESIDING OFFICER AND SECRETARY**

- 18 a. President Andrew Eubanks and Secretary Emily Martin

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20 **5. MEETING CALLED TO ORDER** at 7:01pm

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22 **6. INTRODUCTIONS**

- 23 a. The Board, Staff, Members and Guests introduced themselves.

24
25 **7. APPROVE THE AGENDA**

- 26 a. Director Lang asked to add the following discussion to the agenda:
27 Executive Session items regarding personnel issues or liability of owners to
28 the association, and clarification on what those cover. Specifically-in
29 context to committee volunteers and if that constitutes personnel, or if they
30 have to be employees; and what liability is covered in executive session,
31 whether it be financial or if there has been any precedent set by any other
32 board that outlines this. President Eubanks stated that there are a few
33 operating resolutions that apply similar policies to both staff and volunteers,
34 but from his experience, personnel issues are regarding staff. Director Lang
35 stated that at this time, he would hold off on this agenda item, but would
36 like to discuss consulting the association attorney once in executive session.
- 37 b. A motion is made by President Eubanks and seconded by Vice President
38 Jones to approve the agenda. Motion passed unanimously.

39
40 **8. NEW BUSINESS**

- 41 a. Signatories
- 42 i. President Eubanks addressed that we currently only have two
43 signatories and need to have more to cover our needs when some
44 directors may not be available. President Eubanks was voted to be
45 added as signatory at a previous board meeting, but a coordinated
46 meeting with the bank has not happened. In addition, our Office
47 Manager was only removed from the checking account, but there are
48 an additional six bank accounts that were never changed, and our

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49 Office Manager is the only person on and to remove her, we have to
50 have someone else on them. Treasurer Moore suggested that the
51 bank be required to have both of those Directors sign to do anything
52 with any of those accounts, including signing of checks or withdraws
53 as a matter of security and safety. Secretary Martin asked why there
54 are six additional accounts and what are they for. President Eubanks
55 stated they are savings / money market accounts. Secretary Martin
56 asked why there is a need for six separate accounts. Treasurer Moore
57 stated this needs to be addressed, but that now is not the time for
58 that, but stated that our past bookkeeper set them up and each one
59 is marked for our reserves (water, futures, etc.) and when a US Bank
60 CD matures and is reinvested, the liquid asset is moved to one of
61 the corresponding Key Bank accounts. Secretary Martin asked for
62 clarification on previous minutes stating "all Key Bank accounts"
63 which would have covered all the accounts. President Eubanks stated
64 the minutes he had only specifically stated the checking account so
65 need to clarify and clean it up. President Eubanks and Treasurer
66 Moore discussed a possible operating resolution requiring two
67 signatures on ACH payments. Director Lang asked to clarify if
68 operating resolutions override our bylaws because, as of now, our
69 bylaws state that we cannot do ACH payments and the only
70 disposition of funds is by check with two signatures and is there any
71 other authority stating we can do this. Member Baker that there
72 shouldn't be any ACH payments unless approved by the entire board
73 and Treasurer Moore stated that he would like to go back to that
74 procedure with the approved form. President Eubanks stated that we
75 currently have a vendor that does not accept anything other than
76 ACH payments and that may be something we rectify in the future,
77 but we have to pay people who are providing us a service and we
78 have agreements with or have to let them go. President Eubanks
79 went on to state that he does not condone any blanket authorization
80 for anything, but this case in an exception. Member Martin asked
81 which vendor does not accept anything other than ACH payments.
82 Member Poirier states this goes against what our bylaws state.

- 83 ii. A motion is made by President Eubanks and seconded by Treasurer
84 Moore to remove Rebecca Kyser, Office Manager, from ALL Key Bank
85 Accounts, with the exception of the credit card account. Motion
86 passed unanimously.
- 87 iii. A motion is made by President Eubanks and seconded by Treasurer
88 Moore to add Vice President Jones and Director Lang to ALL Key Bank
89 savings and money market accounts. Vice President Jones and
90 Director Lang abstained. Motion passed.
- 91 iv. Office Manager, Rebecca Kyser, stated that herself and previous Vice
92 President Fitsik was supposed to be added to the US Bank CD
93 Account and remove Dolanna Burnett, but that meeting never took
94 place which meant Dolanna was still on the US Bank CD Account and
95 needed to be addressed.

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- 96 v. Member Martin stated that if Dolanna was never removed from the
97 CD Account, was this being monitored to ensure everything was in
98 order. Treasurer Moore stated he put a stop order on these accounts,
99 but it was mentioned that if someone is on an account this wouldn't
100 matter, and we need to ensure this account is secure.
- 101 vi. A motion was made by Treasurer Moore and seconded by President
102 Eubanks to add Director Lang and Director Gerrish to ALL US Bank
103 CD Accounts. Director Lang and Director Gerrish abstained. Motion
104 passed.
- 105 b. New Bank Accounts
- 106 i. President Eubanks stated that with the new system, the water
107 account is going to be separate from assessments for billing and
108 accounting purposes to better track everything. The
109 recommendation from our accounting services is to set up two
110 separate bank accounts that correlate with the two separate
111 accounts in the system. Director Gerrish asked how it was previously
112 done. President Eubanks stated everything would go into one
113 account and was a mess which caused some of the issues we've ran
114 into recently. Member Martin stated that having Water Operations
115 and General Operations should have separate accounts which
116 President Eubanks stated was what was being referred to. Director
117 Lang asked if there was anything that limits the board authority or
118 ability to make this decision which was determined there is not.
119 Secretary Martin stated that her concern is not with having two
120 separate accounts, but the process in general. Secretary Martin
121 stated she has asked questions of our bookkeeper and has not
122 received answers that make sense in regard to the billing process in
123 general so it's not a matter of the number accounts, it's the process.
124 Treasurer Moore stated we should have the bookkeeper come down
125 and meet with the board. Secretary Martin stated the issue is not the
126 two accounts, but the confusion on the billing process. Secretary
127 Martin stated that members are receiving invoices via email and
128 asking questions as they have received the total amount due, less
129 the water which makes it appear they owe less than what is actually
130 due. Treasurer Moore suggested we have Allie come out to answer
131 all these questions as nobody at the table probably could. Secretary
132 Martin stated that questions are being asked now and waiting until
133 after the mailing goes out is not helpful in limiting the confusion.
134 President Eubanks stated the kinks are still being worked out and is
135 not established just yet. Secretary Martin agreed with there being
136 kinks in any new system, but how the process is going to go has
137 nothing to do with that and should already be in mind when
138 implementing. Member Martin and Member Baker discussed the
139 reasoning behind having separate accounts and separate bank
140 accounts instead of transferring money from one account to another.
141 Secretary Martin explained there is still confusion because members
142 are only receiving their annual assessment dues, not water so
143 wanted to know where that invoice is. Director Lang referenced RCW

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144 24.03.127.3 and stated his opinion in taking the recommendation of
145 Allie is the best course and President Eubanks agreed.
146 ii. Member Hockaday stated that she was made aware no cash
147 payments would be accepted moving forward and was not
148 comfortable using their bank account and providing that information
149 and have always paid cash. President Eubanks stated a money order
150 was an option. Member Martin stated that by law, you cannot deny
151 cash in which President Eubanks stated airlines do this all the time.
152 Member Martin clarified that by law you cannot deny cash for a debt
153 and our water dues are a debt. Director Lang asked that this be
154 addressed at the monthly meeting. Member Baker stated there is no
155 option to pay anywhere other than online and the invoice she
156 received was not broken out by line item like it should be. President
157 Eubanks will work on getting clarification. Secretary Martin asked
158 while that is happening, if we can also figure out who the bookkeeper
159 even was now to which nobody could provide an answer. Member
160 Martin suggested the board not make decisions based on being in a
161 tough situation and they can help us for right now. President Eubanks
162 backed up Director Lang's previous statement on making decisions
163 based on the information provided by more qualified people. Member
164 Martin clarified these are people we no longer have a contract with
165 and no legal liability to us any longer. Member Fitsik stated that we
166 have a contract with Summit and has concerns if Allie has separated
167 herself from Summit. Member Azzarella stated that Member Martin
168 presented Summit to Finance Committee and they were vetted and
169 suggests we let them do their job. Secretary Martin stated that's the
170 problem because we are not currently doing business with Summit
171 any longer. President Eubanks stated that his understanding was
172 that Allie was a subsidiary of Summit that she is not her own entity
173 and Vice President Jones had a conversation with Tim from Summit.
174 President Eubanks stated that if the community is saying they don't
175 want us to have an accountant right now and want us to start over,
176 that can be addressed at the next monthly board meeting. Secretary
177 Martin stated that's drastic and not what anyone is saying. Director
178 Jones stated that he spoke with Tim from Summit and they are
179 affiliates now and he will overlook everything Allie is doing, but they
180 are two separate companies that are just affiliated now. Treasurer
181 Moore confirmed we have Allie's business licenses now and proper
182 insurance as well. Secretary Martin stated that while a verbal
183 statement from Tim means nothing when it comes to contracts and
184 there is nothing that protects us from anything with Allie if that's not
185 outlined in the contract. Secretary Martin stated that either a new
186 contract or contract addendum is needed. Vice President Jones
187 stated there is a new draft contract. Secretary Martin stated she had
188 not seen one. Treasurer Moore stated we can get all the answers
189 once we can schedule a time to meet with Allie. Member Martin
190 stated one of the requirements the Finance Committee has was not
191 to contract with a sole proprietor and if the board is going to redo a

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192 contract with Summit, there should be a clause as to who is liable
193 for bad advice and whether that is Summit or The Business Shoppe.
194 Member Martin also suggested there be a transfer clause because
195 we are contracted with Summit and they need to let us out of that.
196 Member Paige addressed her concerns that we still have a contract
197 with Summit, not Allie. Vice President Jones stated the new contract
198 drafted was just sent and not been reviewed yet. President Eubanks
199 agreed that we need to readdress our contract, but at the end of the
200 day, we need to decide if we are going to move forward with two
201 new bank accounts or payments received hang in limbo. Secretary
202 Martin stated there's already six accounts so adding two more
203 shouldn't be a problem and that's not the issue. Treasurer Moore
204 asked what is wanted and if Secretary Martin expected to just cancel
205 everything out. Secretary Martin suggested that Treasurer Moore
206 and President Eubanks calm down and stop thinking that because
207 there are questions, that anyone wants to just cancel everything.
208 President Eubanks stated that the contract does need to be
209 addressed and Secretary Martin stated that's her entire point.

- 210 iii. A motion is made by President Eubanks and seconded by Treasurer
211 Moore to add a water operations account and water reserves account
212 with Key Bank. Motion passed unanimously.
213

9. EXECUTIVE SESSION

- 214
215 a. A motion is made by President Eubanks and seconded by Treasurer Moore
216 to enter Executive Session at 8:03pm to discuss legal and personnel issues.
217 Motion passed unanimously.
218 b. A motion is made by President Eubanks and seconded by Treasurer Moore
219 to exit Executive Session at 9:20pm. Motion passes unanimously.
220

10. ADJOURNMENT

- 221 a. A motion is made by President Eubanks and seconded by Director Lang to
222 adjourn at 9:21pm. Motion passed unanimously.
223

224 **Minutes Prepared by:**
225 Secretary Emily Martin