

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

April 2, 2019 - **APPROVED**

- 1 **1. MEETING CONVENED**
- 2 a. At the Clearwood Office
- 3 **2. QUORUM**
- 4 a. The quorum for the meetings of the Board of Directors is four. Seven Directors
- 5 were in attendance throughout the meeting; therefore, the quorum was met.
- 6 **3. IN ATTENDANCE**
- 7 a. Directors: Tom Jones, President (TJ); Aaron Lang, Vice President (AL); Emily Martin,
- 8 Secretary (EM); John Moore, Treasurer (JM); Brian Gerrish, Director (BG); Malinda
- 9 Poirier, Director (MP); Lonny Bays, Director (LB)
- 10 b. Staff: Rebecca Kyser
- 11 c. Member(s) and/or Guests: Syndi Martin, Jason Lane, Linda Azzarella, Valerie
- 12 Cawley and Bob Owen
- 13 **4. REGULAR PRESIDING OFFICER AND SECRETARY**
- 14 a. President Tom Jones and Secretary Emily Martin
- 15 **5. MEETING CALLED TO ORDER**
- 16 a. At 7:03pm
- 17 **6. INTRODUCTIONS**
- 18 a. The Board, Staff, Members and Guests introduced themselves.
- 19 **7. APPROVE THE AGENDA**
- 20 a. A Motion is made by TJ and seconded by AL to approve the agenda. Motion passed
- 21 unanimously.
- 22 **8. NEW BUSINESS**
- 23 a. Finance Committee Needs
- 24 i. Legal Fees Concerning Burnett Issue
- 25 1. Does Eric expect the Burnett legal issues to extend in to 2020? If so, what
- 26 does he anticipate the costs will be for just this issue?
- 27 a. JM stated it is difficult to anticipate how long the cases will take
- 28 especially with there being two cases, one civil and one criminal.
- 29 JM confirmed the civil case should be resolved this coming
- 30 summer and then comes the criminal case which it is unknown
- 31 how long that will take. MP asked to clarify if that is a personal
- 32 opinion or coming from the sheriff's office. JM clarified this is
- 33 coming from the sheriff. AL asked what we should anticipate in
- 34 the forensic auditor cost. JM stated he is not sure what to
- 35 expect.
- 36 ii. Accounting Expense
- 37 1. What is the long-term plan for fulfilling the accounting function? Will it be
- 38 contracted or handled in-house?
- 39 a. TJ stated he would like to see this handled in house, specifically
- 40 because of the insurance coverage and visibility of what the
- 41 bookkeeper is doing and all that is needed is CPA assistance from
- 42 McSwain and believes this is already contracted for. JM stated this
- 43 was a done deal. AL asked for clarification on the done deal. TJ and
- 44 JM confirmed no contract had been signed, but we should be able
- 45 to get their assistance for CPA services.
- 46 JM further explained that McSwain would still be able to handle
- 47 our annual audit as well as advisory CPA services.

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

April 2, 2019 - **APPROVED**

48 AL stated that seemed like a conflict of interest. JM clarified that
49 no contract had been drafted or signed, but he had spoken with
50 McSwain and they are willing and able to take on both services.
51 BG asked if this would be an hourly cost and JM assumes so, but
52 unsure and would need to go through the Finance Committee. AL
53 stated he appreciates the good relationship we have with them
54 but advises keeping them as our auditor and not jeopardize our
55 relationship by creating a possible conflict and Summit is a great
56 choice and does quality work. TJ stated he will contact Summit and
57 inquire about CPA services.

58 b. MP stated her understanding was that Elaine was asked to come
59 in for a temporary position and asked if anything had changed with
60 that. TJ stated that Elaine has offered to take a permanent position
61 and has done a lot of straightening out for us. JM clarified her
62 position is only a part time position of 12 hours a week. MP stated
63 this was not brought to the Finance Committee and asked if there
64 was plans for it to be brought to them. TJ stated yes. MP asked
65 what the process was for hiring and if the paperwork signed was
66 the employee handbook or letter of appointment as previously
67 discussed by the Board. TJ stated this was provided by Allie. MP
68 stated that the Finance Committee has major concerns about
69 where we are financially and recommends the bookkeeper
70 duties/responsibilities along with the CPA needs be sent to
71 Finance. EM asked for a yes or no answer on if Elaine was
72 promised permanent employment for the next three years? TJ
73 stated he had that conversation and told Elaine she could work
74 here as long as she wanted to. EM asked what changed from the
75 time the Board discussed and voted on twice that this position was
76 a temporary one and her being promised a permanent position for
77 as long as she liked. TJ stated he was impressed with her work. EM
78 stated she had concerns with the fact the Board decided she was
79 temporary, and the call was made by an individual to hire her
80 permanently without full knowledge of our budget, where the
81 money would come from or even going to Finance.

82 c. Member Azzarella entered the room, stating someone had
83 damaged the gate. TJ excused himself to assist.

84 d. AL asked to go around the table and share opinions on whether
85 our bookkeeping service should be handled in house or externally.
86 AL, LB, EM and JM all felt this should not be handled in house. MP
87 did not have a specific opinion as long as the Board followed the
88 bid process fully with either option. AL asked to table this
89 discussion until a later time.

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

April 2, 2019 - **APPROVED**

- 90 Member Martin stated with what was budgeted for 2019 and
91 what we have paid so far to Allie, we are going to be more than
92 \$10k over on the accounting line item with the hourly rate we are
93 paying Elaine and this amount does not include the additional cost
94 for CPA services that we will need.
- 95 e. A Motion is made by AL and seconded by EM to table the
96 discussion regarding accounting expenses. Motion passed
97 unanimously.
- 98 f. TJ stated he was putting in his resignation. EM asked to take a 5-
99 minute recess. Returned to meeting to further discuss what took
100 place. BG stated he was frustrated with what happened and when
101 you try to do the right thing and get attacked for it, it's just not
102 right. EM stated she felt TJ resigned specifically because she
103 addressed concerns over Elaine being promised a permanent
104 position for however long she liked when we could potentially be
105 over budget by more than 10k. EM stated that she was not the
106 only one who had these same concerns, but had no issue being
107 the one to address them. While this was a difficult conversation to
108 have and it's unfortunate that TJ resigned due to the conversation,
109 EM feels the Board has a responsibility to have these difficult
110 conversations and follow the guidelines outlined in the
111 Administrative Manual and that's not what was being done. LB
112 asked if we are considering bringing in PPM why don't we just
113 move forward with that now versus hiring temporary staff. MP
114 stated we still need to follow the bid process regardless and that
115 takes time. In the meantime, we still need to function.
- 116 g. A Motion is made by BG and seconded by JM to hire Property
117 Management. Opened for discussion. MP stated this Motion
118 should be reworded to hold another meeting to discuss
119 implementing management as this is something we are
120 working towards. EM agreed and stated that this should not
121 be discussed right now as this special meeting was specific
122 to the Finance Committee's questions. EM further stated her
123 opinion in that while this is a topic that needs to be discussed,
124 sneaking this vote into a special meeting, not listed on the
125 agenda and the community not being aware is extremely
126 inappropriate and we will end up right where the previous
127 board was this past summer. A Motion is made by AL and
128 seconded by EM to table this conversation until the April 20,
129 2019 Board Meeting. Motion passed unanimously.
- 130
- 131

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

April 2, 2019 - **APPROVED**

- 132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
- iii. Tax Preparation
 - 1. That used to be done by Steve as a part of his cost. Who are we planning to use this year, and how much do we need to budget for that?
 - a. JM stated this is contracted under McSwain and the cost is roughly \$5,400.
 - iv. Shared-Expenses
 - 1. Can our auditor or CPA provide us with a formula or advice on how to calculate the billing of expenses that are shared by General Operations and Water?
 - a. JM stated this is being worked on by McSwain.
 - v. Reviewing Cancelled Checks & Bank Statements
 - 1. Can they be reviewed by one member of the Finance Committee or is it the job of the Committee as a whole? Must the envelope the checks arrive in be left sealed until it is in the hands of a FINCOM member or can it be opened by the office staff? Clarification requested on current operational policy.
 - a. MP read section from the Admin Manual that outlines how statements and cancelled checks should be reviewed where no staff or those who can sign checks shall be the ones opening these envelopes. EM stated this could be a board member who does not sign checks and the finance committee chair and those selected must understand what they are looking at and what they are looking for.
 - b. A Motion is made by AL and seconded by LB to reinstate this policy regarding unopened cancelled checks and bank statements. Motion passed unanimously.
 - vi. Recommendations
 - 1. The Finance Committee recommends to the Board that no increases to staffing levels be made until the Finance Committee has reviewed the financial implications.
 - a. A Motion is made by AL and seconded by MP to accept the recommendation of finance that no increases be made to staffing be made until the finance committee has reviewed the financial implications. LB asked if this means we will be keeping temporary employees and if they would remain temporary. AL stated he had no intention of changing that and if that were to change, that is a board decision. Motion passed unanimously.

9. EXECUTIVE SESSION

- 170
171
172
173
174
- a. A Motion is made by AL and seconded by EM to enter Executive Session to discuss Personnel Issues. Motion passed unanimously.
 - b. A Motion is made by EM and seconded by AL to exit Executive Session at 10:20pm. Motion passed unanimously.

10. RECONVENE IN OPEN MEETING

- 175
176
177
178
179
- a. A Motion is made by JM and seconded by BG to assign AL as acting Operations Manager until April 20, 2019. AL abstained. Motion passed.
 - b. Board discussed scheduling a Special Board Meeting to specifically discuss the 2020 Budget. Meeting scheduled for Wednesday, April 10, 2019.

Clearwood Community Association

Minutes of the Board of Directors Special Meeting

April 2, 2019 - ****APPROVED****

180

181 **11. ADJOURNMENT**

182 a. A Motion is made by AL and seconded by EM to adjourn at 10:31pm. Motion
183 passed unanimously.

184 **Minutes Prepared by:**

185 Secretary Emily Martin

APPROVED