

Minutes of Annual Board of Directors Meeting  
February 23, 2018  
**CORDATA BUSINESS PARK ASSOCIATION**

The annual meeting of the Board of Directors, was held on **Thursday, February 22, 2018** in the WCC Auxiliary Services Building on Kellogg road.

Board

<u>Present:</u>	<u>Name</u>	<u>Entity</u>
	John Getchell	Cordata Park Place Condo Assoc.
	Julie Guy	El Dorado
	Nancy Taylor	Parkway Professional Bldg
	Carrie Veldman	RJ Group
	Brian Keeley	Whatcom Community College
	Ken Reinschmidt	Saratoga Commercial Real Estate, Manager

**1. Call to order**

The meeting was called to order at 3:10 p.m. by Association President, John Getchell. John welcomed everyone and thanked them for making time to meet. The Board confirmed a quorum.

**2. Review Agenda** The Board reviewed the agenda. A presentation by Brian Keeley to inform the Board on WCC near future development plans was added to the Agenda.

**3. 2018 Budget** The Board acknowledged that the 2018 budget was approved in December 2017 and dues were calculated and sent to members. The 2018 dues represent a decrease from the 2017 dues. Ken R. communicated to the Board that current forecast is that expense spending for the Association will be slightly under budget.

**4. Review draft audit report** The draft audit report was issued to Saratoga and the Association President. They asked that a letter of representation be signed by the Association President and Treasurer. John G. desired a quick summary with the Board before signing the letter. Ken discussed the findings in the draft audit report and communicated that all the findings have been satisfied or are currently being addressed and will be satisfied. A quick summary:

- Recommendation to obtain some documentation that current reserve funds (\$100,000) are adequate for Associations future repairs- Saratoga has provided RAM construction of list and map of storm water control systems and is awaiting their estimate for cost to replace these structures.
- Saratoga expects to collect on all accounts receivable and has worked diligently to achieve AR balance of approximately \$1,900 at 2017 year end.
- Scot Swanson has provided legal opinion that the Association has very minor liability risk that the Bellingham Housing Authority would qualify for refund of their past dues payments prior to 2015. They have claimed City Governments status to be exempt from paying dues since 2015.
- Scot Swanson has provided legal opinion that State Law does not require commercial owner's associations to commission formal reserve study for replacement of common area assets.

- The Board, and Association now follow Revenue Ruling 70-604 and requires a majority vote of members to transfer extra income from operating to reserve each year. This covers collection for budgeted reserves and under spending compared to budget. These funds are segregated in a separate account (CD).
- Improvements that the declarant had entered on the balance sheet over 20 years ago were not documented and were guessed to be installation of irrigation system. This was removed from the balance sheet since it has been fully depreciated.
- Saratoga and Admin contractor are actively working to monitor the cost of the DRC and collect these costs from the members using the DRC so that the DRC is self-funding.
- Cordata Investments was invoiced for pro-rata share of dues assessment Jan-March 2015 before they closed on their sale of land to the City for a park.
- Accounting error has been corrected and Corona Court HOA has been invoiced \$1,026 for under billing of their dues in 2016.
- Saratoga is currently performing audit and verification of size and ownership of all parcels in the Cordata Business Park Association.

##### **5. Review and discuss resolution to donate open space parcel to the city**

Ken led a discussion regarding status of process to donate open space parcel to the City.

A bullet point summary follows:

- In 2017 Board approved donating open space parcel to the City to be incorporated in their Park.
- City would be required to maintain parcel and accept all liabilities.
- Resolution was drafted, Board reviewed and required legal review.
- RJ representative disclosed that Association members (including RJ Group) have certain rights to storm water flow to this parcel and these were part of their development permit submittal to the city. RJ Group representative on the Board recuses themselves from voting an all matter related to transfer.
- Belcher Swanson discloses that Chet Lackey (firm attorney) is working with RJ Group and the City to negotiate shared storm water development of subject parcel, while Scot Swanson (firms attorney) represents CBOA and is reviewing the transfer documentation.
- Board voted upon and approved John G. to sign conflict waiver document on behalf of the Association. The Association is protected in that at any time they can require Chet Lackey to cease representation of RJ Group in this matter.
- Scot Swanson has determined that Members do have certain rights for use of the parcel, most notably regarding storm water flow onto the parcel and the Resolution needs to be adjusted to make sure these rights are protected. Scot reviewed and adjusted the draft resolution. Draft resolution was provided to the Board.
- Scot also determined the resolution will need to be voted on and approved by majority of members at a members meeting.

- The Board instructed Ken to enlist services of Scot S. to prepare a draft deed and final draft Resolution for Board review, and insure City will cover legal cost related to the transfer.
- General discussion by Board on matters involving City, RJ Group, Consultants, in the matter of design and use of the open space parcel. Board concluded that they can accept findings subject to legal review of the matter. Board can always change mind.
- The Board instructed Ken to ask Scot S. for opinion on voting rights of small home lots, less than 0.5 acres that are property of private homeowners within the Park. The Board discussed possible action to rectify the possible current situation where small home owners are disenfranchised and have no representation on Association voting matters.
- Board agreed that the Resolution and the actual draft deed (transfer of ownership instrument) need to be completed and reviewed by the Board before holding the general members meeting where the owners will vote to approve or not approve the Resolution.

#### **6. Review WCC near future development plans**

Brian Keeley discussed WCC two projects currently under development. First, construction has commenced on a new learning center being built next to their Library. It will be multi-functional, and the Library will be moved into this new building. The building should be completed by end of 2018. Second, WCC will be developing apartment style student housing on their parcel at the SE corner of Kellogg and Cordata Parkway. A contractor has been selected, final plans are being edited, and the project is almost through the permitting process

#### **10. General Member Mtg (planning).**

The Board agreed that three to four weeks' notice is proper before a general members meeting. The members will need to vote to approve or disapprove the resolution to donate open space to the City and the Board desires that the final version of the Resolution and a draft of the proposed Deed be presented for review. Ken will instruct Scot S. work to this end.

#### **10. THE MEETING WAS ADJOURNED AT 4:50 PM**