

Cormorant Passage Homeowner's Association (CPHA) Meeting

Date: November 5, 2023

Attendees:

TJ Rajcevich	Suzanne Broach	Judy Bittenbender
Pauline Swiger	Fred Crumley	Bill Wilson
Jennifer Broach	Roger Neal	Francine Peltier
Eric Swiger	Judy Foster	

Agenda

Financial

CPHA Dues

- Treasurer's Report - Posted on our website at:
<https://cormorantpassage.com/wp-content/uploads/2023/11/Cormorant-Passage-HOA-Financial-Projections-flyer-Adjusted2023.pdf>
- Status on collection of current dues, and those in arrears
 - Only a few houses with unpaid dues. One that was in arrears for some years recently paid outstanding dues. Most often, reason for non-payment is not receiving the notice.
 - Recommendation for a phone call to those who did not submit payment. If no response, then draft a follow-up letter.
 - HOA finance concerns are not primarily associated with unpaid dues (more about rising costs)
 - Lack of consistent process for updating contacts when people move may impact people receiving notices. Some progress last year in contacting non-resident owners (check of tax records / updates to owners address listing for mailing dues notices).
 - Discussion re possible late fees for non-payment
 - Recommendation – suspend consideration until other initiatives resolved, then can revisit in the future if needed
- Treasurer's recommendation: Upcoming, would be helpful to set a consistent schedule for dues / billing notices.
 - Affects communications regarding dues owed for escrow notices
 - Currently – paying for calendar year
 - 2023 - \$50
 - 2024 - \$100

CPHA Expenses

- Utilities
 - Research on HOA utility expenses (Pauline Swinger – Treasurer)
 - Usage has remained fairly steady, while costs have risen substantially
 - Board review of water and electric usage, how the town charges, findings from inquiry about possible overcharges per electric usage due to increases in that cost, and look for cost savings.
 - Costs for maintaining watering of front entrance is fairly minimal & has positive feedback from residents – Decision: Maintain
 - Costs for holiday lights at front entrance is fairly minimal & has positive feedback from residents – Decision: Maintain
 - Recommendation: replace old lights with all new LEDs
 - Suggestion – after holiday, shop sales to get new lights at lowest cost
- Lawn service needs
 - Lawn Ranger – treasurer / board has been unable to locate contract
 - Current cost – approx \$198/mo.
 - Uncertainty regarding all included services in current contract
 - End date of current contract?
 - Pauline Swinger – will contact Lawn Ranger to get details of current contract
 - Plan to request new bids (once current contract is clear to ensure bids cover equivalent services)
 - Upcoming - compare bids on the equivalent services.
 - Question – possible seasonal adjustments
- Insurance policy quote: provided by Alfonzo Riconosciuto (Sheridan Place)
 - Current Coverage (State Farm)
 - Directors' and officers' liability (1M)
 - Current contract covers ARC also
 - Business liability (1M)
 - Entryway signs (\$30,000 + extensions)
 - Property Damage: \$1000 deductible
 - Policy through May 2024
 - New quote: (American Family Insurance)
 - \$500 total savings
 - Increase liability limit (general liability up to 2M per occurrence)
 - Replacement costs – same (\$30,000)
 - Cormorant Passage HOA insurance quote is listed at the end of this document.
 - Board Recommendations:
 - Obtain additional quotes
 - Roger Neal will f/u
 - Identify cost savings based on additional quotes & will plan to change insurance carriers depending on updated quotes

Review of CPHA CCRs and Bylaws

Background Research

- Research provided by: Judy Bittenbender
- Purpose: Background research to address questions raised regarding last meeting's vote to increase dues to address budget shortfalls
- Summary (sent to CPHOA Board via email on 11/1/23):

I have noted Association members mentioning Bylaws, and interchangeably using the terms Bylaws and CCR's. They are not one in the same.

Having never received or seen Bylaws for the Association, in July I met with a Title/Escrow Officer from Fidelity National Title to see if there were any Bylaws recorded by or for the Association in the Pierce County records. None were found. Only the CCR's are recorded in the Pierce County records encumbering Division 2 and Division 3 titles. I then asked Fred, an original owner, past President and Treasurer, if he had ever seen any Bylaws, he said no, just the CCR's. I recently asked TJ if I could review the CPHOA box of information that is passed from President to President to look for Bylaws. Upon my review, I found no Bylaws for the Association in the box. I am of the belief that the Association members may have never written Bylaws for the Association after it was turned over from the developer to the members in January 1992. The Association has followed the recorded CCR's.

Another discovery in the box was that the initial dues when the Association was turned over in January 1992 was \$10.00 per lot/home per year. That the Board increased the dues to \$20.00 per year in January 1997 by a sole vote of the Board, not the Association members. That the Board increased the dues to \$50.00 per year in January 2000, again by a sole vote of the Board, not the Association members. The dues have remained \$50.00 per year for 23 years. The Board voted at the 4/30/2023 Annual Meeting to increase the dues to \$100.00 per year, again by a sole vote of the Board, not the Association members, following the CCR's.

5.5 of the CCR's states:

Authority of the Association

The Association acting by and through the Board of Directors, its officers, manager or other duly authorized agents or representatives, shall have the following powers:

5.5.3 To determine the amount of assessments to be collected from the owners for the common expenses of Cormorant Passage, to establish reserves, to collect the assessments and enforce the collection thereof...

In July, TJ forwarded to us an email from Bill Wilson (205 Casey Ct.) where Bill shared two notices written in January 1992 after the developer turned over the Association to the members. In the notice/invoice, it states that the initial dues would be \$10.00 per year, and that the dues would not be increased without a vote of the membership. In response to that email, I indicated that I believed that was a mistaken statement by the member who authored the

notice/invoice. Completing this research, I believe that to be true. The current Board's actions to increase the dues are in alignment with past Board's actions that followed the recorded CCR's.

Thanks for listening,

Judy Bittenbender

Process Discussion

- Discussion of homeowners vote versus board vote (Bill)
- Discussion of history & precedent (see Background Research above)
- Expenses Research – provided by treasurer
- Transparency – explanation for homeowners of why dues are going up

CPHA Website

- CPHA website needs to be re-designed
 - GoDaddy – hosts CPHA website
 - Current website access issue
 - Update - Jennifer worked with Maureen VanVleck to obtain Jim's website info (user name, password, pin)
 - \$315 / 2-year; paid through November 2024
 - Additional website security charge (on different billing cycle – Jim paid & did not charge CPHA)
 - Judy will be working with Keith Snyder, as Keith helped re-design SHMA and Kiwanis websites. Judy will work with him to re-design CPHA website
 - Motion passed
 - Will need to have a website administrator (TBD)

CPHA Outreach

- Newsletter
 - Updated mailing addresses prior to last mailing cycle
 - Included separate letter to Division 1
- Cleaning up email list:
 - Mass email only for major announcements (e.g., disseminating info about break-ins)
- Welcome Committee
 - Suzanne has been covering welcome committee since Sherri moved (when receives notice of new residents)
 - Welcome plant, copy of covenants, introduction of CPHA
- Social Committee
 - Suggestion - inclusive of whole neighborhood, not just CPHA divisions
 - Suggestion – piggy back with National Night Out (1st Tuesday of August each year)
 - Encourage organizing small block parties also

CPHA Annual Meeting Schedule

- Recommend holding earlier in the year / sending notices earlier in the year

Additional Questions

- Ability to enforce covenants
 - Prior discussion re: ARC / ability to enforce covenants
 - Only option is legal – concerns re: would need to be egregious to warrant suing neighbor
- Are we ever going to update the covenants?
 - Historically, difficult / time consuming to try to change covenants because of the requirement for participation
 - Costs associated with legal services
 - Multi-year project
 - Requires attorney
 - Must be recorded



Prepared for:

CORMORANT PASSAGE DIVISIONS 2 & 3
PO BOX 88704
STEILACOOM WA 98388-0704

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

Confidential Proposal

Prepared by:
Alfonzo Saverio Riconosciuto
(23015)
Preparer's Phone: 1-253-472-7707
Preparer's email:
ariconos@amfam.com

Businessowners Policy Quote

Quote Reference Number: C010657571

Quote Date: 07/13/2023

Total Premium Amount: \$741.54

for coverage from 7/15/2023 to 7/15/2024

Business and Operations Information

Year Started: 2000

Description of Business and Operations: Home Owners Association

Form of Business: Corporation

Discounts Applied	
<input type="checkbox"/> Affinity Discount	<input type="checkbox"/> Lightning Protection Discount
<input type="checkbox"/> Age Of Building Discount	<input type="checkbox"/> Multi-Product Discount
<input type="checkbox"/> Anniversary Discount	<input type="checkbox"/> Property Oversight Discount
<input type="checkbox"/> Auto Pay Discount	<input type="checkbox"/> Renovated System Discount
<input type="checkbox"/> Backup Generator Discount	<input checked="" type="checkbox"/> Responsible Shopper Discount
<input type="checkbox"/> Burglar Alarm Discount	<input type="checkbox"/> Seismic Shut-Off Valve Discount
<input type="checkbox"/> Cooking Suppression Discount	<input type="checkbox"/> Temperature Alarm Discount
<input type="checkbox"/> Fire Alarm Discount	<input type="checkbox"/> Water Leakage Protection Discount

1-800-MY AMFAM (1-800-692-6326) | amfam.com

You may be required to take additional action and/or provide additional documentation to qualify for certain discounts and coverage. These amounts are only an estimate and subject to final determination by the company. This is not a policy and no coverage is bound.

Discounts Applied (continued)

Gas Leakage Detector Discount

Years in Business Discount

Gated Community Discount

You may be required to take additional action and/or provide additional documentation to qualify for these discounts.

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You may be required to take additional action and/or provide additional documentation to qualify for certain discounts and coverage. These amounts are only an estimate and subject to final determination by the company. This is not a policy and no coverage is bound.

Premium Information	
Total Advance Premium Per Term (Excluding Surcharges and Terrorism):	\$695.73
Certified Acts of Terrorism Premium:	\$45.81
Total Advance Premium Per Term:	\$741.54
Premium with Customer Full Pay Discount (not available on policies billed to a Third Party):	\$704.47

This premium may be subject to adjustment. You may be charged a fee when: (a) you pay less than the full amount due; (b) your payment is late; and/or (c) when your bank does not honor your check or electronic payment. Refer to your Billing Notice for fee amounts.

Policy Level Coverages	
Property Causes Of Loss	
Causes Of Loss	Risks of Direct Physical Loss
General Liability	
Liability And Medical Expense Limit	\$2,000,000 Per Occurrence
Medical Expense Limit	\$5,000
Other Than Products/Completed Operations Aggregate	\$4,000,000
Products/Completed Operations Aggregate	\$4,000,000
Crime Enhancement	
Directors And Officers Liability	
Level	Silver
Named Association	Cormorant Passage Divisions 2 & 3
Directors And Officers Liability Annual Aggregate Limit Of Insurance	\$1,000,000
Deductible	\$1,000
Retroactive Date	04/12/2021
Extended Reporting Period	No
Homeowners Association Enhancement	

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Location 1 - Location Details

Program: Homeowners Associations

Location Address: 401 SHERIDAN PL STEILACOOM WA 98388-3034

Location Description:

Location 1 - Location Level Coverages

Per Location Property Deductible (Apply Per Location, Per Occurrence)

Deductible \$1,000

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Location 1 Structures

Location 1 - Structure Level Coverages

Valuation Method Replacement Cost

Unscheduled Structures

Limit Of Insurance \$30,000

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OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM



American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

APPLICANT (First Named Insured): Cormorant Passage Divisions 2 & 3	
DOING BUSINESS AS NAME (dba) Check if None <input checked="" type="checkbox"/>	
PRODUCER CODE: Alfonzo Saverio Riconosciuto (23015)	POLICY NUMBER: 91003-92026-64

American Family Insurance Company

POLICY TYPE
Businessowners Policy

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2019. Please read the information below about the Act and notify American Family of your decision to accept or reject the coverage for "certified acts of terrorism".

Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This Act has been reauthorized since then, and the latest reauthorization occurred in December of 2019 when President Trump signed the Terrorism Risk Insurance Program Reauthorization Act of 2019 into law. The most recent reauthorization extends the current program through December 31, 2027.

As an American Family customer, you have the right, under the recently reauthorized Act, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of \$5 million; and
- The act is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Further Explanation

Where coverage is provided under the Act for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the United States Government as established by the Act. You should also understand that your policy may contain exclusions (not part of the Act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the Act.

You should also be aware that the reauthorized Act contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to \$100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds \$100 billion, your

coverage may be reduced due to the cap.

Per the Act, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

Disclosure Of Premium

Location	Premium Charge for Certified Acts of Terrorism		*Fire Following Exposure charge of the total property premium
	charge of the total property premium	charge of the total liability premium	
1	2.2%	15.0%	101.4%

TERRORISM INSURANCE COVERAGE OPTIONS (Please indicate your choice by checking the appropriate box.)	
<input checked="" type="checkbox"/> I accept coverage for "certified acts of terrorism". I understand that I will be charged an additional premium for this coverage as shown in the previous section.	
<input type="checkbox"/> I do not wish to purchase coverage for "certified acts of terrorism". I understand that as a result, an exclusion for losses caused by acts of terrorism will be made part of this policy.	
Your decision to accept or reject coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the act.	
APPLICANT (First Named Insured)	
APPLICANT'S SIGNATURE	DATE
PRODUCER CODE	POLICY NUMBER