



# Kala Point News & Views

March 2012

*Serving our Community with Information*

## what is wrong with us?

When I talk with friends who don't live in Kala Point about the governance here, their comments are pretty consistent. It generally goes along the line of "What is wrong with you people?" Most of the emphasis is on the word "wrong." They genuinely don't understand why so many people are so passive under the heavy hand of the board. One of them suggested that we should be compared to the "Stepford Wives" in that we should be seen but not heard. I suppose there are 50 different answers to the question, but I think that apathy, age and apolitical are at the top of the list. Webster's first two definitions of apathy are 1. "absence or suppression of passion, emotion or excitement," and 2. "lack of interest in or concern for things that others find moving or exciting."

Some people have also suggested that members are afraid to speak out against the board and committees for fear of retribution. That was an explanation for 16 members submitting their ballots for the budget but removing their names which resulted in the ballots being invalid. If people are truly afraid to criticize the board because they fear retribution, we should all be ashamed for allowing that culture to exist.

If apathy can be called endemic in Kala Point, the recent budget vote certainly illustrates that. In spite of the 14% increase in our annual dues, only 330 votes were cast out of the approximately 600 members. Ignoring the 16 votes mentioned previously, why did so many members not vote? Incidentally, I was told that at a board session in December, one of the board members said something about stupidity when referring to members who removed their names from the ballot. Does anyone believe this is proper behavior? Would that board member please identify himself?

Most people in power do not relinquish their power voluntarily. The steps put in place by the board for member submitted resolutions illustrate that. In the President's Message in the February issue of the Kala Pointer, the new process was outlined. The major reason given for the new, and extensive process, was that "HUNDREDS OF MAN HOURS" went into evaluating and addressing prior submitted resolutions, and it cost significant legal fees for their review. Most of the resolutions were simply worded and

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not very long. I cannot imagine that “hundreds of man hours” were spent on them. The president says in his message that “I am expecting that this and future boards will be inclined to approve member submitted resolutions for inclusion on the annual ballot unless they are clearly not legal, not allowed under our governing documents or not administratively implementable as written.” Notice the phrase “will be inclined.” The board can still reject resolutions for any reason. Also, the message states that the “author will be expected to present and explain their resolution and answer questions from the board members and from the general membership in attendance” at a board working session. Most of the prior member submitted resolutions were so clearly worded that a 12 year old could understand them. Is it possible that this process was put in place to discourage resolutions?

As you may remember, two of the resolutions submitted in 2010 received over 40% of the vote and a third received slightly under 40%. That illustrated that a significant portion of the membership wanted some changes to the CC&R's, but the KPOA president ignored that fact. He could have reached out to the 40% by showing some flexibility in his thinking, but he didn't. Instead, when the next round of resolutions were submitted, he stonewalled them so you couldn't vote, and has now put in place more hoops for members to jump through. Is this the type of governance you want and deserve? I am on record as not trusting this board to work for the members' interest, and for every month that goes by, my mistrust grows.

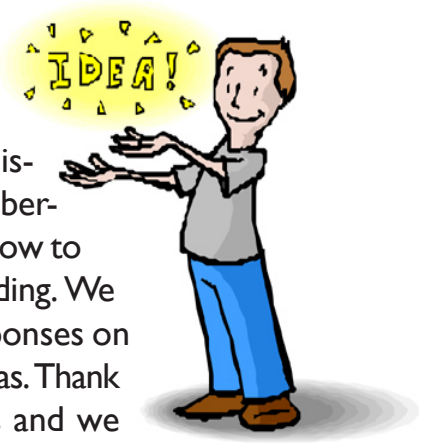
If you're as disgusted with the actions and attitude of the board as I am, please let me know and/or let this newsletter know. If you're afraid to speak out against the board because of possible retribution, I would like to know that as well, and I would not disclose your name to anyone

including this newsletter. In prior articles, I've encouraged you to write to the board. If you do, please send a copy of your letter to this newsletter or to me. Speaking of this newsletter, it has been fighting for you for a long time. There is a cost to publish it each month and a small check to the newsletter would be appreciated. No major change to the culture of governance in Kala Point is going to occur until people decide to stand up for their rights. I'd like to see some of the spirit that Peter Finch displayed in “Network” when he said “I'm as mad as hell, and I'm not going to take it anymore.”

Whether you recognize it or not, we are living in a “Big Brother” micro society, and only you can change it. All these rules and regulations exist because the board doesn't trust us to do the right thing. There is no other reason for them. If you continue to support the current culture, you will pay for it both monetarily (the bluff study, for example) and in the loss of your personal liberty. It's your choice!

Hank Krist

## ideas from our members



In our December 2011 issue we asked the membership to submit ideas on how to reduce Kala Point's spending. We have received a few responses on suggested cost savings ideas. Thank you for your submittals and we encourage members to submit more ideas.

### **Bluff Study Cost vs Community Benefit:**

Dear KPNV,

I am concerned about how high our assessments are increasing every year. A portion of our

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increased assessment is a result of a controversial bluff study that benefits only a small portion of our community. Should this study and its resulting assessment cost be shelved for now with possible reconsideration after a more in-depth study of cost verses community benefit is made? I think this should be considered.

- signed "Worried About Increasing Assessments"

**Ideas to Reduce Kala Point Maintenance Costs:**

Dear News & Views,

This is in response to the News & Views' article asking for ideas to reduce Kala Point's expenses. We, like many Kala Point residents, believe that we can reduce our Association's expenses and assessments while still providing necessary services.

Our understanding is that we have three full-sized Kala Point pickup trucks: a Dodge 4x4, a Ford F250 4x4 and a Chevy flatbed truck. Two of these trucks are relatively new. Are there any less costly options than replacing the third truck in 2012 for \$26,106 as budgeted? Ideas:

- Are three trucks necessary when we have two maintenance workers? Note that one of the full-sized 4x4 trucks is occasionally used by our General Manager such as attending Board meetings. Would it be less costly to pay him an employee mileage fee using his own rather than the Association's vehicle?
- This 4x4 truck has been used outside our subdivision by our GM including transporting KPOA lawn equipment. Does KPOA have procedures to document the purpose of any KPOA asset leaving our community and an audit procedure to assure that it is for KPOA tasks only?

- If a third vehicle is needed is there a less expensive option? For example our Kala Point water company uses a golf cart for its chores. At the very least have we considered a downsized truck?
- Is a mileage & maintenance report presented to the Board to justify this \$26,106 truck or any prior trucks? To date it has not appeared in the Board minutes. This report would document miles and hours per year used. How many miles have been on each of our trucks as they are replaced? Typically these trucks last well beyond 150,000 miles.
- Have we prepared a cost analysis comparing detaining a truck purchase for 1 or 2 years vs. buying in 2012?
- Since most new vehicles lose several thousand dollars just leaving the dealership are we purchasing a reputable used rather than a new truck?
- Since our hourly pickup operating cost is \$35 per hour why don't we reduce our costs by sporadically leasing rather than buying a third truck?

The above are just a few thoughts to help reduce our maintenance costs.

by two Kala Point Homeowners



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## homeowner associations creating leaner budgets

### Kala Point's Assessments Are Already Much Greater Than Other Jefferson County Homeowner Associations

Kala Point assessments have risen substantially over the last 10 years. 2012's annual assessment was \$811, a **14% INCREASE FROM 2011**. Our assessment actually was \$837 but we voted in a \$26 credit from prior year spending.

Per January's Kala Pointer article future assessments are forecasted to increase substantially even though they are **ALREADY MUCH GREATER THAN OTHER JEFFERSON COUNTY HOMEOWNER ASSOCIATIONS**. This has been an obstacle for Kala Point owners trying to sell their home as well as retired members on fixed incomes. In turn **THIS AFFECTS ALL KALA POINT OWNERS THRU FURTHER DEPRESSED HOUSE VALUES**.

Interestingly other neighboring associations' 2012 assessments have increased minimally, if at all. What steps have they taken?

For example Port Ludlow is closing the Beach Club for 30 Sundays in 2012. Per their newsletter "It is estimated that closing on these 30 Sundays, LMC will save approximately \$10,000 in wages and other measurable costs. In addition, there will be other savings in electricity, water, propane and pool chemicals. Like many small businesses LMC has strived to work leaner and more efficiently."

Also Port Ludlow's Finance Committee is **SEEKING COMMUNITY INPUT REGARDING COST-CUTTING AND REVENUE-GENERATING IDEAS**. Hopefully we will do the same.

Since September 2011 our Board, via the Communication Committee, has been formulating a community survey. Hopefully this

survey will focus on cost-cutting and fiscal conservatism ideas to ultimately reduce our assessments.

This could include topics such as clubhouse parking lot, bluff study, clubhouse enhancements as well as a variety of personnel, vendor and operating costs. Like many small businesses in these economic times may we **STRIVE TO BE LEANER AND MORE EFFICIENT**.

## from michelle at evergreen fitness center: I Got Sick



No really; I rarely get sick. Once in 2011 I stayed home for ½ a day because of a head cold, headache, & body aches.

Drink a bunch of ginger tea; drink plenty of water, take a nap and I'm good to go.

But on the morning of February 19<sup>th</sup>, 2012, I got sick. All I could do all day was lie in my arm chair and stare into space. I love to read; nope, my head hurt. Watch a video, no not that either. Nothing sounded good. I put my chair in front of the fire place and stayed there with a blanket. The cats loved it; so did my dog.

Even when we take the best care of ourselves as we know how, we're still vulnerable to attacks outside of our control. As I lay around, I looked for a reason I was sick: Food poisoning? I knew I shouldn't have let the girls get those nachos at the bowling alley; fingers in & out of bowling balls, then scoop up a nacho with said same fingers...I shuddered at the thought. Flu? Who had I been around that was sick? I am around so many people

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every day and many kids too, and nobody wears a sign on their head that says 'infectious; stay more than 4 feet away.' Do I recall a baby sneezing? Yes and why didn't the mother cover the baby's mouth? Getting my drift? Why are we humans so like this when something we see as 'bad' happens to us? **Who's to blame? I don't deserve this? Who caused this to happen?** I heard a story along these lines recently: A man claimed he was God and he would prove it by walking on water. He chose the date, he chose the place. It was all over the news. When the day came, the people came in crowds. Surrounded by a sea of people watching, he lifted his hands and declared, 'I will walk on the water!' Without a glance down, he stepped out onto the water of the pool...and immediately sank! Leaping out of the water, he was obviously angry with his fist out to the crowd and turning a pointing finger, he exclaimed: 'One of you did this to me; one of you doubted.' I hope some of you laughed; I certainly did. **Fever, chills, headaches, nausea,** yes, even throwing up, are part of our bodies' response to make us aware that something is going on. I didn't need to find something or someone to blame, I just needed to pay attention to what my body was telling me. A few months ago, I wrote about our skin being our largest organ; a flexible-yet-tough organ that stretches over the body's frame as an advance guard against the dangers of the outside world. Millions of pain sensors dot the surface of the skin yet slip past the skin's defenses with the aid of a local anesthetic, and you could burn the stomach with a match, insert a needle through the lung, cut the brain with a knife, crush the kidney in a vase, or bore through bone, all without causing the patient discomfort. Isn't that amazing? Our bodies sheltered organs possess unique sets of pain receptors specific to the dangers they face. Kidneys send out excruciating signals of pain when a BB-sized kidney stone is present. On rare occasion, an internal organ must inform the brain

of an emergency that its pain receptors are not equipped to handle. Once again, our wonderfully made bodies have an answer; it's called *referred pain*, recruiting nearby pain sensors to sound the alarm. For example, heart attack victims may notice a burning or constricting feeling in the neck, chest, jaw or left arm. Skin cells there, though perfectly healthy, obligingly send off alarm messages to the brain as if they were damaged, when in fact, the problem lies with their neighbor the heart. In this way the skin 'loans' its pain sensors to the heart as a relay warning station. Pretty cool, eh? And speaking of 'cool', here's one I really like:

I think we have all eaten ice cream too fast on a hot summer day and have experienced a similar phenomenon. Suddenly a headache strikes, just behind the eyes. Quite obviously, ice cream is not entering the forehead. Rather, the stomach's vagus nerve (**vagus nerve** is one of two extremely long cranial **nerves** that extend from the brain to the abdomen) is sending out strong signals of cold to the brain; at the junction with the trigeminal nerve from the face, forehead, and jaw, pain jumps across from one nerve to the other and the chill in the stomach is felt as pain in the head. Brain freeze.

I'm glad I didn't waste too much time on the 'who done it' as I lied there sick; instead, with cats on my lap and dog at my feet, I choose to think about all the fascinating things to write about for this article. Prompted of course, by my mom reminding me that I hadn't submitted an article yet. My mom is to blame.

Aren't our bodies fascinating? They are wonderfully made; take care of your body....drink plenty of water (I couldn't resist). If you'd like more information, email me at; [evergreenfitness@qwestoffice.net](mailto:evergreenfitness@qwestoffice.net) or better yet, stop in at Evergreen Fitness Center and say 'Hi'; we're just around the corner!

-Michelle West



# Kitchen Corner COOKING TIPS

Are you the type who chit chats with perfect strangers at the grocery food store? If you are then you know the valuable insights you have acquired that can be shared. That happened during one of my recent excursions.

In the produce section I began a casual conversation regarding vegetables with an interesting gentleman. This evolved into sharing cooking tips. He was so anxious to tell me about his new discovery.

If like me you've probably followed standard recipes of using flour or cornstarch as a thickening agent for soups and sauces. Most recipes instruct to combine flour or cornstarch with cold water, and then add some hot broth slowly to warm it up. Next is to slowly add it to the soup or whatever and continue stirring.

One of the problems is that it still may not be thick enough. So then one begins the process again adding more flour or cornstarch mixture. Then of course there is the probability of getting too much flour or cornstarch. Or if you turn your back for one second, as many of us are multi-taskers, the concoction develops lumps.

So the epiphany by my newly found produce department friend is potato flakes! This typically has not been a staple

at my household, but now it is. It works beautifully. This gentleman advised to just add the potato flakes directly into the soup or whatever hot dish needs thickening. No need to combine it with water then hot broth. Just add a few flakes, stir, wait 2 minutes, if not thick enough add a few more flakes.

Another benefit is that there is no starchy taste. To the perceptive tongue there may be "hint of potato". Best of all there are no lumps.

So try this healthy alternative and consider talking to strangers at the grocery, home improvement and other stores. It's surprising what can be learned.





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## Kala Point News & Views

### *newly opened theater one of the oldest in the county*

The historic Port Gamble Theater was built during the boom times of this Pacific Northwest Victorian mill town in 1906. It was used for community theater, vaudeville and eventually a movie house. It has been vacant since 1956, when the last movie reel ended. It has recently been renovated into a performing arts facility, with a seating capacity of up to 250.

The season begins on **Friday, March 2** with performances of Neil Simon's *The Good Doctor*, a comedy with music. It is set in Russia during the 19th century and written in the style of a Chekhovian comedy. *Anne of Green Gables* will be performed beginning **Friday, June 15**. Marilla and Matthew Cuthbert, siblings in their 50s who live together at Green Gable, their Avonlea farmhouse, decide

to adopt a boy from the orphan asylum to help Matthew run the farm. The orphanage sends Anne instead. Shakespeare's

comedy *Twelfth Night* opens on **Friday Sept. 7**. The season ends in **December** with *The Best Christmas Pageant Ever* that tells the story of six delinquent children that attend church for the first time after hearing that the church offers snacks. Despite protests, they are given roles in the Sunday school's Christmas play. Each play will run for three consecutive weekends. Prices are: season ticket for all four plays is \$50 for adults, \$45 for seniors (65 plus) and children. Individual tickets are \$15. Contact info: [www.PortGambleTheater.com](http://www.PortGambleTheater.com) or 360-977-7135.





**\*\*\* Save As Reference For Future Articles About The Reserves \*\*\***

## *new member rights to financial reserves information*

### **New Laws in effect as of Jan. 2012**

**Owners that have followed this publication** over the last several years will recall that we have been strong advocates for the establishment, protection and professional assessment of KPOA reserve funding. Without adequate reserves, members could be faced with huge “special assessments”. The last legislature developed many significant modifications to the Homeowners Rights Bill—64.38 RCW, that now put the force of law behind most of the best practices financial reserves practices we have advocated.

**Among the strongest provisions** in the law, effective January 1<sup>st</sup>, 2012, is the requirement that boards engage true “Reserve Study Professionals” rather than “well meaning amateur volunteers” to develop, construct, evaluate and certify this important effort to protect owner assets. It also requires more detailed reserve documentation be given to the members including actual reserve funding percentage.

**The reserve history at Kala Point** has, under successive boards for the last ten years or more, fallen far short of standards, failing to come even close to the recommendations of a KPOA contracted professional, resulting in the current continuing dangerous financial exposure and now rapidly rising assessments for reserve accumulation. Further, our already paltry reserve funds have been utilized to pay for a capital expansion agenda inappropriate for reserves.

#### **Key provisions of the new laws:**

- ◆ A 30-year model is required, developed by professionals. (64.38.025)
- ◆ Formal reserve study must be refreshed every 3 years. (64.38.065)

- ◆ Amateur efforts must be replaced with professionals. (64.38.070)
- ◆ Use of reserve funds is strictly limited to proper purposes. (64.38.075)
- ◆ 35% of member voting units can force a new study. (64.38.080)

This insert summarizes the significant changes. The newsletter web site, [www.ttpnewsletter.com](http://www.ttpnewsletter.com), includes the full applicable sections of the law. We will continue to monitor this vital fiduciary duty of your board, and report on the adequacy and stewardship of reserve funds.

The following summarizes the significant changes:

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#### **RCW 64.38.025 Board of directors —Standard of care — Restrictions — Budget — Removal from board. (Effective January 1, 2012.)**

(4) the board of directors shall disclose to the owners:

(a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;

(c) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the association’s obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;

(d) If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per owner per month or year;

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(e) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(f) The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

(g) If the funding plan approved by the association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

**RCW 64.38.065 Reserve account and study.**

(2) Unless doing so would impose an unreasonable hardship, an association with significant assets shall prepare and update a reserve study, in accordance with the association's governing documents and this chapter.

(3) Unless doing so would impose an unreasonable hardship, the association shall update the reserve study annually. At least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional.

**RCW 64.38.070 Reserve study — Requirements.**

(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;

(d) The association's reserve account balance;

(e) The percentage of the fully funded balance that the reserve account is funded;

(f) Special assessments already implemented or planned;

(g) Interest and inflation assumptions;

(h) Current reserve account contribution rates for a full funding plan and baseline funding plan;

(i) A recommended reserve account contribution rate, a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;

**RCW 64.38.075 Reserve account — Withdrawals.**

An association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The board of directors shall record any such withdrawal in the minute books of the association, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the owners.

**RCW 64.38.080 Reserve study — Demand for preparation and inclusion in budget.**

(1) When more than three years have passed since the date of the last reserve study prepared by a reserve study professional, the owners to which at least thirty-five percent of the votes are allocated may demand, in writing, to the association that the cost of a reserve study be included in the next budget and that the study be prepared by the end of that budget year.