

**Rolling Valley Section 8-D
HOA Quarterly Board Meeting
Wed, 6 Jan 2021**

Minutes

Location: Virtual (Zoom Meeting)

Board Officers Present

Michael Graves – President
Jeff Lins – Vice President
Ruth Ann Hoel – Treasurer
Jonathan Clough – Secretary

Board Members Present

Dennis Kurre
Gabi Kreuzscher
Alisa Goetz
Lisa Nelson

Call to Order: Michael Graves called the meeting to order at 7:07 PM.

New Business:

- **PayPal Transaction Issues:** Michael Graves opened with a discussion on the HOA's attempt to collect annual dues payments via person-to-person PayPal transactions rather than person-to-business payments in which the HOA incurs a fee per transaction. In response to the 3 Jan 2021 email to the HOA membership announcing the new dues and the electronic payment option via PayPal, numerous homeowners took advantage of the person-to-person option within the first 24 hours. This activity apparently triggered an automated message from PayPal indicating our use of person-to-person transactions was a violation of the terms of service and directing us to shift to person-to-business transactions. Michael posed the question to the Board regarding how we should respond, given that we had announced the person-to-person option in good faith and without foreknowledge of how many homeowners would attempt to use the e-payment option.

Ruth Ann Hoel reported that the HOA had already received at least 25 PayPal payments to date with significant variability in the payment types and fees incurred. Some homeowners had paid transaction fees themselves, while others had used the person-to-business option resulting in a number of different fee levels charged to the HOA. Michael Graves had attempted to research PayPal's wide array of fee structures for businesses, but they varied considerably based on the volume of transactions a given business expected to process. Since this was the HOA's first attempt at full scale e-payment, insufficient data exists to determine how widely the option may be used, although the Board would certainly prefer the majority of homeowners to use it.

After considerable discussion, the Board agreed that rather than attempt to recall the email announcement, change the e-payment instructions, and hastily sign up for one of PayPal's business plans, we would wait until the 25 January early payment deadline, assess the volume of the payments received, and then either sign up for a fee structure that suited our needs or investigate e-payment alternatives for the remainder of the payment period ending 1 March. Meanwhile, the Board agreed to print and disseminate physical mailers for all the remaining homeowners who had not taken advantage of the early payment option by 25 January. ([Action Item](#))

- Taxes / Tax ID: Michael Graves and Ruth Ann Hoel explained that recent interactions with PayPal regarding e-payments had raised questions about whether the HOA needs an IRS Tax ID Number (EIN) and whether that means we need to submit an annual tax form or not. Michael reported that he had reached out to our former Treasurer, John Foley, who explained that the HOA had filed an annual tax form between the time it was re-instantiated in the mid-1990's through 2007. But in that year, he had contacted the IRS and been informed that as long as the HOA was expending its annual revenue in service to the community consistent with its Covenant, there was no requirement to file an annual form. So, the HOA halted the practice in 2007 and has not maintained an EIN.
- Election of Officers: Since the election of new HOA Board officers is an annual order of business for the first Quarterly HOA meeting, Michael Graves reported that Jeff Lins had withdrawn his name as the candidate for Board President and that a new volunteer was needed. Per the rotation schedule agreed upon several years ago, Jonathan Clough was next in the queue for the role of President since no new volunteers stepped forward during November's Annual Homeowners meeting. Jonathan, however, stated that he would not be able to serve as both the President and Secretary, so the Board would need a new volunteer for that position. The Board agreed they'd prefer that Jonathan remain in the Secretary position and that the next person in the rotation schedule, Tom Blume be considered. Tom, however, was not present, so Michael Graves agreed to contact him after the meeting and determine if he was willing to fill the role, while still maintaining his role as President of the larger Winston Knolls Civic Association. Ultimately, after engagements with Tom and former President Dennis Kurre, Dennis Kurre agreed to take the role as President and Tom Blume agreed to serve as Vice President. The Board subsequently agreed via email on 7 January to this new administration line up. So, the new HOA Board of Directors officer roster for 2021 is as follows:

Office	2020 Officer	2021 Officer
President	Michael Graves	Dennis Kurre
Vice President	Jeff Lins	Tom Blume
Treasurer	Ruth Ann Hoel	Ruth Ann Hoel
Secretary	Jonathan Clough	Jonathan Clough

Treasurer's Reports: Ruth Ann Hoel presented the proposed 2021 Budget, which included expected income of \$5,870 and expenses of \$5,885. She acknowledged that the new dues structure with discounts for early payment and additional fees for late payment complicated the estimated income calculations, so she assumed an average of \$30 per homeowner (2020 dues level) as the baseline. The Board approved the 2021 budget as submitted. Ruth Ann also reported that we still have one delinquent homeowner from the 2020 billing cycle and one additional payment outstanding due to the death of the homeowner, whose estate is still in probate.

The meeting adjourned at 7:29 pm.

Action Items for the Board:

- Generate a list of HOA members who have paid electronically by 25 January, and a complementary list of those homeowners who have not paid by that date, so the Board can print/mail physical letters for dues collection from them. (**Ruth Ann Hoel**)
- Identify a PayPal business fee structure that would be suitable to for the HOA to use, based on the volume of e-payments received by 25 Jan, and identify viable alternatives if the fee structure is not economical. (**Michael Graves**)
- Draft an updated Annual Assessment Letter to be mailed on or about 25 January, 2021 (**Jonathan Clough**)
- Print, label, and stuff envelopes for the post-25 January mailing of dues announcements (**Jeff Lins, Dennis Kurre, Lisa Nelson**)

Attachments: Treasurer's proposed 2021 budget