

Eaglewood Association, Inc.
TOWN HALL MEETING NOTES
December 8, 2025
Joy Lutheran Church

Meeting called to order: by Steven Cook at 6:03 pm

Roll call of officers - Present: Board members: Steven Cook, Laura Friesen, Deena Bradley, Wally Thomas, Sue May

Operations Manager: Paul Dalleska

Guests: Roy Briley, Jocelyn Lopez, and Joy Nilsson of Roy Briley Association Management and Shannon Savage of Shannon Salvage Consulting.

35 homeowners were in attendance

Meeting Notes:

- Purpose
 - Objective: accountability and transparency regarding administrative failures.
 - Format: 20-minute slideshow, FAQs, then structured Q&A.
 - Handouts: balance sheet; delinquent taxes tracking; 2026 operating budget (approved Nov 10, 2025); 2026 board meeting list; capital projects overview.
- Conclusion:
 - Meeting will proceed with a presentation of findings and actions, followed by Q&A under established rules.
- Discovery of Administrative Lapses (2021–2024)
 - July 2025: The board covered office duties due to staff illness and found missed regulatory notices.
 - Lapses: financial audits not performed; state and federal tax filings missed; workman's comp coverage lapsed.
 - Root issues: missed critical deadlines; inadequate volunteer-based oversight to catch omissions; reliance on custom spreadsheets with inaccurate entries for workers' comp and taxes in 2023–2024.
- Conclusion:
 - Board committed to professional oversight and took responsibility for remediation.
- Association Management Structure and Capacity
 - Management company: Roy Briley Association Management; relationship since 2014.
 - Extended hours 8 a.m.–6 p.m.; major holidays only; six full-time office staff; HOA manages 76 associations.
 - Default phone routing to Briley; local office may answer when available; seasonal cell use noted.

- Contract terms: year-to-year with assumed renewal; cancelable with 30 days' notice by either party.
- Conclusion:
 - Continued relationship with Briley affirmed; phone and support processes clarified.
- Staffing and Operations Changes
 - Ops management (Paul Dalleska) is direct staff reporting to the board; handles maintenance, snow management, and infrastructure.
 - Prior ops manager (Seth) left due to relocation; not terminated.
 - HOA office manager role discontinued; administrative duties moved to contracted services.
 - Roy Briley retained for customer service and admin support; website phone numbers updated to their number; calls routed to their team.
 - Briley reports to all board members for oversight; the contract does not include tax filing responsibilities.
- Conclusion:
 - Administrative functions transitioned to professional management; operational staffing clarified.
- Financial Oversight Issues and Corrective Actions
 - Past budgets used made-up numbers for workers' comp and taxes; no payments were made in 2023–2024 despite entries.
 - Board lost access to direct accounting reports for years; restored access to full accounting portfolio; now using Briley/AppFolio exports and CPA reports.
 - Regulatory notices are now sent directly to designated board members for redundancy.
 - CPA: Foster & Company LLC (Karen and Michael Foster).
- Conclusion:
 - Systems restored; self-reporting and payments made; board implementing processes to prevent recurrence.
- Tax Filings Remediation
 - Independent CPA engaged to review and file back taxes.
 - Back tax returns for 2021–2024 filed by ~Nov 7, 2025; payments completed by Nov 17, 2025 (e-pay PIN delay noted).
 - Demand letters received from Alaska DOR (4 years) and IRS (3 years; 2021 still processing).
 - Awaiting final interest, fees, and penalties determinations from the IRS and the State of Alaska.
 - HOA now back in compliance at the state and federal levels; additional amounts paid are summarized in the handout #1 spreadsheet.
- Conclusion:
 - Compliance restored; final cost adjustments pending agency determinations.

- Financial Audits Status
 - Annual audits required by bylaws; not completed for 2021–2024.
 - CPA reviewed financials for all four years; final documentation in progress.
 - Remaining reports for 2023–2024 expected early January 2026.
 - CPA review indicates no missing funds or wrongdoing.
 - Conclusion:
 - Audit documentation nearing completion with no evidence of misappropriation.
- Insurance Claims and Coverage
 - Claim filed under Directors & Officers and Fidelity Bond coverage; CNA carrier; D&O policy 10/10/2024–10/10/2025; renewed for 2025–2026; claim filed within 60-day window; coverage limit \$1,000,000.
 - Insurance counsel engaged to seek penalty recovery from IRS and State of Alaska; outcome unknown; not included in projections.
 - Alaska law and bylaws indemnify directors (AS 10.20.051; Article 6, Section 10).
 - Conclusion:
 - Coverage active; directors indemnified; recovery uncertain.
- Workman's Compensation Coverage
 - Payroll audits for 2023–2024 completed by the Roy Briley team.
 - New coverage application submitted and reinstated on Nov 12, 2025.
 - Board self-reported lapse to the State of Alaska; cooperating pending determination.
 - Legal guidance: proactive reporting may reduce punitive actions.
 - Conclusion:
 - Coverage reinstated; awaiting state fines determination.
- Vendor Communication Gaps and Board Notification Timing
 - Vendors observed partial issues and assumed vendor changes; lack of escalation path delayed board awareness.
 - Escalation protocol now in place; vendors instructed to contact the board directly for serious issues; contact info distributed.
 - Timeline: returns filed Nov 7; payroll audits sent Nov 10; workers' comp restored Nov 12; homeowner letter drafted Nov 12, printed Nov 24, mailed Nov 28, received Nov 29.
 - Board prioritized firm numbers to avoid speculative communication.
 - Conclusion:
 - Clear vendor-to-board escalation in place; homeowner communication provided once the data was certain.
- Audit, Reporting, and Transparency Practices
 - Suggestion to include quarterly financials/audit overviews in newsletters.

- Accounting uses fund accounting; the board is open to sharing position statements and guiding homeowners through reports.
 - Emphasis on integrity and transparency; proactive homeowner communication.
 - Proposal for annual director training on nonprofit duties and liabilities; materials offered by attendees.
- Conclusion:
 - Board supports transparency; enhancements to reporting and training under consideration.
- Board Accountability and Resignation Requests
 - Homeowner raised concerns about negligence/malfeasance and asked if anyone would resign; board stated “absolutely not.”
 - Board cited volunteer status, remediation efforts, and intention to hand a clean slate to the next board; acknowledged emotional impact.
- Conclusion:
 - Board remains in place to complete remediation and governance improvements.
- Property Maintenance Enforcement Resumption
 - Enforcement had lapsed due to the office manager's illness; the board intervened.
 - Inspections and warnings resumed; letter format updated under Briley.
 - Winter schedule adjusted: once per month during snowfall instead of twice.
- Conclusion:
 - Compliance enforcement is back on schedule with adjusted winter cadence.
- Lien Incident During Refinancing
 - A six-day spurious lien affected refinances/sales; originated from a third-level subcontractor dispute (~\$9,000).
 - Not a claim against prime contractor; once paid, lien vacated.
 - Board acted quickly; concern about potential liens from authorities due to past compliance gaps was addressed via payments and self-reporting.
- Conclusion:
 - Lien resolved; processes reinforced to prevent disruptions.
- Homeowner Requests and Application Process
 - Design/repair requests to be submitted via updated website and AppFolio; routed through Briley to the design committee.
 - Website button being fixed; new application includes updated contact details.
 - Typical treasurer workload in normal times: 8–10 hours per month (estimate).
- Conclusion:
 - Homeowner application pathway clarified; system updates in progress.
- Communications and Access to Records

- Audited financial statements (2012–2022) available for review at the office by appointment; copies can be provided; evening/weekend appointments possible.
 - Quarterly newsletter historically mailed; now via AppFolio email to save \$8,000–\$10,000 annually; members asked to update email in AppFolio.
 - Some homeowners reported past threatening communications when questioning finances; current leadership denied issuing them and offered a discussion.
- Conclusion:
 - Commitment to accessible records and respectful, cost-effective communication reaffirmed.
- Completion of Back Tax Filings and Cost Summary
 - All back tax filings completed by Nov 7; payments completed by Nov 17.
 - Demand letters paid: State DOR (4 years) and IRS (3 years; 2021 possibly pending).
 - Total back taxes and demand letters paid: \$358,682.55; estimated grand total including pending items: ~\$388,000.
 - Interest and penalties portion: \$127,323.
 - One-time per-owner penalties/interest/fines impact: \$169.71; total per-owner full impact (including taxes): ~\$419.
- Conclusion:
 - One-time cost impacts quantified; penalties/interest isolated; final determinations pending.
- Financial Position and 2026 Budget Outlook
 - Balance as of Dec 7, 2025: \$912,887 total (\$266,000 Wells Fargo operating cash; \$646,000 Edward Jones investments; \$500 petty cash).
 - Costs paid to date: over \$350,000 in taxes, penalties, interest; four state demand letters paid; three IRS demand letters paid; 2021 IRS letter possibly pending (~\$10,000).
 - Placeholder estimates: \$10,000 potential IRS demand; ~\$13,000 possible workers' comp fine; total placeholder ~\$20,000.
 - Remaining December expenses estimated \$38,000; expected year-end/start 2026 cash about \$844,000.
 - 2026 income (dues + interest): \$980,000; operating budget: \$693,590; projected cash post-operations about \$1,000,001 before capital spend.
 - Capital projects budget: \$122,000; additional operating items akin to capital include greenbelt cleanup (~16 workdays) and expanded road crack sealing.
 - Planned capital: replace ~280 LED light heads (10–11 years old) and significant repairs to J string (~\$60,000).
 - Policy: maintain year-end cash at least equal to prior year operating spend; projected to be ~\$315,000 above minimum at the end of 2026.
- Conclusion:
 - HOA remains financially solvent; reserves projected to grow; no special assessments or 2026 dues increases needed.

- 2026 Operating Budget and Cost Impacts
 - The 2026 operating budget shows adjusted totals due to capital-like projects.
 - Net savings vs. 2025 are just over \$19,000, mainly from hiring Roy Briley's organization.
 - Hiring saved ~\$18,200 compared to the prior office manager's salary; office presence was retained through outsourced efficiency.
 - Conclusion:
 - 2026 operating budget reflects savings despite capital-like adjustments.
- Professional Services Costs (CPA, Attorney)
 - CPA costs: audits \$10,000/year; federal returns \$1,000; state returns \$700; total \$11,700/year.
 - Attorney costs unknown; workers' comp attorney estimated 8 hours at \$425/hour; general counsel at \$295/hour for a few hours.
 - Insurance-retained counsel (Jermaine Dunnigan and Owens) covered under claim; workers' comp attorney not covered.
 - Conclusion:
 - CPA costs are defined; legal costs are partly covered by insurance; some out-of-pocket expenses are expected.
- Financial Impact of Back Taxes and Potential Dues
 - Balloon payment for back taxes, penalties, and interest approximates one year of average capital projects.
 - Engineers recommended ~\$330,000/year; current impact ~\$388,000.
 - Healthy reserves dampen immediate effects; possible incremental dues increase (~\$10/month) in 2–3 years; without this issue, a dues increase could have been delayed further.
 - Conclusion:
 - Capital program absorbs one year's capacity; a small dues increase may be needed in the medium term.
- Reserves, Capital Projects, and Rebuilding Strategy
 - North Mitkof project completed at ~\$751,000; 2026 CAPEX ~\$200,000 to balance.
 - Plan to return to ~\$350,000/year with South Kanaga and Sarichef projects.
 - Year-end 2026 reserves projected higher than today without a dues increase.
 - Investment income increased to \$30,000–\$50,000 annually from ~\$2,000 previously.
 - Savings via proactive maintenance (e.g., crack sealing).
 - Conclusion:
 - Capital program continues; reserves expected to grow through 2026 without dues increase.
- Homeowner Impact

- No special assessments required.
 - No increase to 2026 HOA dues.
 - 2026 budget accounts for remediation costs without impacting operations or reserves.
 - Capital projects scaled “light” for 2025/2026 following prior large project (North Mitkof).
- Conclusion:
 - Homeowner financial impact minimized; services and reserves maintained.
- Availability of Financial Documents to Members
 - Audited financial statements (2012–2022) available for review at the office by appointment; copies can be provided.
- Conclusion:
 - Board will make audited records accessible to members.
- Restoring Internal Controls and Oversight
 - Contract with Briley requires all board members to receive all email communications.
 - Vendors instructed to escalate serious issues directly to the board; contact info provided.
 - Developing director desk manuals, compliance checklists, calendars; process documentation visible at the office.
 - Policy to update advisor contact lists at board member changes, including temporary advisors; maintain IRS/DOR designees for direct notices.
- Conclusion:
 - Structural changes implemented to ensure redundancy and visibility in financial compliance.
- Lighting Standards and Night Vision Concerns
 - Preference expressed for amber/warmer lighting to improve night vision compared to bright white (5000K) lights.
 - LEDs recognized for cost savings; need to balance fixture size availability with warmer temperature options.
 - Local examples (Eagle River Loop Road, Glenn Highway) cited for amber lighting benefits.
- Conclusion:
 - General agreement that warmer color temperatures are preferable for neighborhood lighting; selection to consider fixture availability and cost.

The meeting was adjourned at 7:46 p.m.