

Eagle Ridge 21st Annual Home Owners Association
Meeting Minutes
6:00 PM, Thursday, October 19, 2017 – St. John’s Lutheran Church

1. Introductions/Roll Call – The meeting was called to order at 6:00 PM, a quorum was present. Board Members present included Lori Henriksen, Cindy Mathis, Mike Cressey, & Al French. Board members absent were Kori Wynne and Becky Patnoi. 27 homeowners were present, see sign in sheet.
2. Proof of Meeting – Lori held up the meeting notification that was sent to all homeowners.
3. Financial Reports through 09/30/2017 by WEB Properties.
 - a. 2017 Budget/Actual Review – Please refer to the handout titled 2017 Actual/Budget Fiscal Year Comparison, which is posted to the website as “Exhibit A.”
 - b. Income –Total Income in 2017 was budgeted at \$586,735.00. Actual income is anticipated to be \$615,703.00. This is a \$28,968.00 variance due to additional homes, and delinquent account collections.
 - c. Expenses- Total Expenses were budgeted to be \$487,864.00. Actual Expenses are anticipated to be \$582,481.00. This is a \$94,617.00 Variance. Notable areas of overages are -

Maintenance - Several unanticipated repair projects include;

- Pump, aerator, and electrical repairs at the lower pond, Shelby Falls, and the sewer lift station.
- Park repairs included a new Basketball Hoop and repairs to Monkey Manor as well as Splash Pad repairs.
- The replacement of street lights and ballasts.
- Major Landscaping projects such as dust control and utility road grading, the removal of several dead and insect infested trees, and landscaping equipment replacement and repairs.

Streets – Streets finished over budget because of the cost of snow melt used to keep the mail boxes clear. In the previous years, we had spent \$115 and \$250 respectively, and while we budgeted for a higher than expected snowfall, last year’s snowfall was exceptional.

Utilities Expense – Utilities are over budget due to additional common area electricity usage.

Payroll – Payroll is above budget due to higher than expected snow fall, repair projects and additional common areas which required more grounds work than anticipated.

Taxes and licenses – This expense category is higher than expected because of new land deeded to the HOA in 2017.

Insurance was above budget due to unanticipated premium increases.

- d. Our Net Operating Income was budgeted at \$98,871.00; Net Operating Income is anticipated to be \$33,222.00, which is a \$65,649.00 variance.
- e. The total Non-Operating Income shows how much money was transferred from the Reserve Account to the Operating Account to cover reserve item expenses. The Reserve Account is established by a Reserve Study, which is required to be performed by Washington State Law. The Reserve Study is conducted onsite to identify and set aside funds to pay for repairs, or the replacement of large ticket items, so the HOA does not need to ask homeowners to pay unexpected special assessments. When homeowners pay quarterly dues of \$150.00, \$120.00 goes towards HOA dues, and \$30.00 is applied to the reserve account. These funds are initially deposited into the Operating Account, and then transferred into the Reserve Account.
- f. For 2017, we budgeted a transfer of \$27,000 from the Reserve Account to the Operating Account to cover reserve item expenses. The actual transfer is expected to be \$106,000.00. This is a \$79,000 variance. We budgeted a transfer of \$119,214.00 from the Operating Account into the reserve account, and we actually expect to transfer \$139,217.00. This is a \$20,003.00 variance.
- g. Current account balances as of 09/30/2017 are as follows. The Operating Account has \$1,613.74 in it, and the Reserve Account finished the month at \$175,552.14. Total funds available are \$177,165.88.

Bill Butler explained the difference between the anticipated life and actual life of a fixture in a reserve study. He explained that the fence along Cedar Road was scheduled to be replaced this year in the reserve study, as its anticipated life had expired, but because of proactive maintenance and staining, its actual life has been extended, and replacement this year was not necessary.

Mike Cressey asked how the finances of the HOA are doing. Bill explained that the budgeted net income for 2017 is less than one percent of the budget, which is very tight for operations. In past years, Newland Communities has contributed several hundred thousand dollars to augment the budget. He also explained that the reserve account is over-funded, and the Board and Management will look at

revising the reserve contribution to augment the operating account going forward. The condition of the finances of the HOA are good.

- h. The 2018 Budget is being reviewed by the Board and Management during the fourth quarter, for approval in January.
- 4. Development Report (Lori Henriksen)- Lori Henriksen discussed construction and development in 2017 and 2018. See the development report and maps which are posted to the website as Exhibits B, C, & D.

The Fire department has changed the addresses at Chaperon Peak Dr to Chaperon Peak Ct. This is causing mail to be misdelivered to homes. Al French volunteered to call the Fire Department to see if anything can be done. Homeowners are encouraged to call the Sunset Post Office at 509.252.5100 every time a piece of mail is misdelivered. In the past, when problems with mail delivery have come up, continual reporting of the problem to the Sunset Post Office has eventually led to a resolution.

- 5. Architectural Report by Al French –

Al French spoke about winter coming, and encouraged homeowners to submit their ARC applications sooner rather than later. He reiterated that no white vinyl fences are allowed in the subdivision, and you must have permission from your neighbor to tie in to their fence.

The only landscaping plan that is required to be approved is if you are building a retaining wall higher than two feet, or if you are substantially altering the drainage of the lot.

If you have a tree that needs removal, please contact Al French. If a tree is threatening your home foundation, sidewalk, or driveway, you can remove it, but it must be replaced.

If you plan to repaint your home the same color, simply let him know. If you plan on changing the color, you must submit the color to him. Roofs have the same rules.

- 6. Community Events Report by Cindy Mathis

The 8th Annual Turkey Trot Fundraiser benefitting the Vanessa Behan Crisis Nursery in Spokane begins at Whispering Pines Park on Thursday November 23rd. Information about this and other community events are available at www.eagleridgelife.com and www.webpropertiesinc.com .

- 7. Old Business

- a. Splash Pad Repairs –This year, we spent \$15,775.60 on repairs to the splash pad. Once the leaks underneath and runoff from usage were diverted over the hill, the hillside eroded and we needed to turn the splash pad off. The Board and Management are working on solutions that will be implemented for the usual Memorial Day startup. Homeowners expressed that while it is an older fixture that has maintenance expenses, it is used. We need to get input from experts on repair estimates, or whether or not another amenity can replace it to serve the same purpose. The Board and management will conduct a cost/benefit analysis of the splash pad for review.
- b. Spring/Summer Projects completed – In addition to the normal heavy workload, this year we have completed the following projects:
 - i. The unanticipated repairs projects mentioned in the budget portion of the meeting;
 - 1. Park Repairs
 - 2. Pump Repairs
 - 3. Electric Repairs
 - 4. Landscaping Projects
 - 5. Snow Clearing
 - ii. Added bark to the beds throughout the community.
 - iii. Repaired and stained the west side of the fence along Parkridge Blvd.
- c. Tree replacement program – The Board and management worked together to identify 84 trees & stumps that need replacing throughout the HOA. We are in the process of collecting bids for this reserve fund project.
- d. Water Conservation plan progress – The first phase of the water conservation plan was to evaluate the sprinkler system throughout the HOA. The sprinkler engineer, working with WEB Properties maintenance engineers, identified two water meters that were not utilized, which significantly impacted the water flow. WEB Properties will continue to work with Parametrix, and explore the possibility of incorporating smart, water-wise irrigation technology to better manage water usage such as flow sensors to detect leaks, and weather stations.
- e. BB Hoop Enforcement - Currently, the HOA is enforcing City Code 12.02.0208 and 12.02.0737 via Amendment #1 to the CC&R's Section 4.1. This is primarily for the safety of residents, and the smooth operation of city services such as garbage and snow removal. We have received a number of complaints from residents that this should not be the HOA's responsibility. We have asked an attorney for their legal opinion on this matter.
- f. Transition Timeline and Plan – As the HOA transitions from developer control to homeowner control, transition committees will be established to guide the vision and future of the HOA. Mike Cressey explained that the duties and time

obligations are not overwhelming, and the Board and Management will prepare and send more information in the December quarterly mailing. Please refer to the timeline handout, which will be posted on the web as Exhibit E, and be watching for the opportunity to get involved.

The turnover will happen when all lots are turned over to the builders, which is anticipated in March of 2019. The transition should be complete in April of 2019.

- i. 5 Transition Committees will be:
 1. Finance and Reserve
 2. Communications and Community Intranet
 3. Architectural Review
 4. Landscape, Common Areas, Parks and Trails
 5. Community Events

8. New Business

- a. Taking resumes for Board Seat opening – In the last dues mailing, you received a postcard asking for volunteers to serve on the Board. If you would like to serve as a homeowner representative, please send a brief bio along with a quick paragraph about why you would like to serve on the Board to Eric Lundin at WEB Properties via email at eric@webpropertiesinc.com . The position will be filled in January 2018, and the Board will interview potential candidates in December. Please have your Bio submitted by December 1.
- b. Introduce Lee Poquette – The community intranet will now be managed by Lee Poquette. We are grateful to have his help and support!
- c. Sign up for Community Event - Volunteers are encouraged to get involved to help manage these committees. You can determine your own level of involvement! If you would like to volunteer to help with an event, or just coordinate part of the event, your help is appreciated! Please contact Cindy Mathis at 509.443.8108 or cmathis@newlandco.com.
- d. 2018 Audit – In preparation for the transition, the 2018 Audit will be prepared earlier in the year than normal, so the Board and Finance and Reserve Transition Committee have all the required information prior to the HOA transition.
- e. Reserve Study Update - In preparation for the transition, an updated reserve study will be prepared, so the Board and Finance and Reserve Transition Committee have all the required information prior to the HOA transition.

9. Open Forum

A homeowner addressed the HOA regarding the vandalism at the community. His house was vandalized along with several others earlier this year. Spokane County has a neighborhood watch program that when successfully implemented, is one of the best deterrents to crime.

A neighborhood watch meeting was recently held at Chaps with the police in attendance. While at least three Eagle Ridge homeowners were in attendance, the focus of the meeting was on Vinegar Flats. Individual neighborhoods at Eagle Ridge are encouraged to form their own neighborhood watches. The Board and Management will provide contact information for local neighborhood watch programs on the community Intranet.