

Qualchan Hills Homeowners Association

Annual Meeting

St John's Lutheran Church

5810 S Meadow Rd

January 30, 2017 at 6pm

1. **Call to Order** by Willie Masten. Meeting started at 6:10. The original location was to be at the house behind the church, but was changed to the main church location a few hours prior to the meeting.
2. **Determination of Quorum** – (30% of Members or 29 Home Owners is required) 17 mail-in cards were received and 6 members were present at the meeting, for total of 23. A quorum was not achieved. The meeting did continue to present information to those present, and answer questions.
3. **Introductions:**
 - a. Board Members: Willie Masten - Chairman, Ann Franks - Vice Chair, Dan Skindzier – Secretary, and Warren franks ARC Chair.
 - b. Homeowners: Two representative members were present, as well as a representative for Overlook Place HOA
 - c. WEB Properties: Eric Lundin, John Schumacher
4. **2016 Annual Meeting Minutes** – Willie announced that the 2016 annual meeting minutes were approved at the 2.22.16 meeting. Copies are available for review, and also posted to the internet at www.webpropertiesinc.com by mousing over “Homeowners Associations” and clicking on “Qualchan Hills.”
5. **Call for Board Position Nominations** – Valerie Brendemihl has volunteered to serve on the board and ballots were mailed out to HOA members prior to the meeting. There were no new nominations to the Board from the floor of those present, or via mail in nominations. Valerie received a total of 12 votes. A brief discussion occurred indication this was a new 4th position, and a brief description of Board the board actions occurred. Valerie accepted the nomination and will attend the next board meeting.
6. **Summary of 2016 Financial Report** – Eric Lundin of WEB Properties, presented details of the 2016 Financial report.
 - a. **From the 2016 Budget Comparison Page:**
 - i. Income was favorable by \$6,788.00 due to collections efforts by the Board.
 - ii. Expenses were generally in line with expectations with two small exceptions. Total streets expense was up to repair some asphalt damage on Kip & Keyes. Total Administrative was up due to additional mailings this year.
 - iii. Looking at non-operating income and expenses, the HOA was projected to end with a negative \$11,478.00 Net Income. Due to collections efforts, and savings injections, we actually ended with only \$259.00 less in the operating account than at year end in 2015.
 - b. **Actual Year End Account Balances as of 12/31/2016:**
 - i. Operating Account - \$504.92
 - ii. Savings Account - \$1,483.03
 - iii. Reserve Account - \$33,077.77
 - iv. Total - \$35,065.72

The following questions were asked by members present:

- a. Do Public street members pay into the reserve account the same as Private streets?
 - i. Answer: No. The public streets pay into the reserves at a lesser rate than the private streets.
- b. What is the “Telephone and Land Line charge we pay for?”
 - i. ANSWER: Eric will find out.
- c. Do we still have a QHHOA Website?
 - i. ANSWER: No. The original website was taken down. Our QHOA website is now a part of WEB Properties Inc. Web site and all of our required and pertinent information can be found there.
- d. Why did the “Payroll” fees increase from 2016 to 2017?
 - i. ANSWER: Mostly in the maintenance actions performed by WEB property around the HOA performed by WEB properties.
- e. Who conducts the audit of the QHHOA books maintained by Web?
 - i. ANSWER: CPA firms hired by WEB. Eric also added that WA STATE audits WEB, and the most recent audit was in 2015. No discrepancies were found in that audit.

7. Overview of 2017 Annual Budget –Eric Lundin of WEB Properties presented the overview.

a. Starting with Fiscal Year Operating Budget Without Private Streets–

- i. **Income** - This budget includes all income except for private street pass through expenses which include \$6,000 for snow plowing and \$58,104 for private street utilities. Income is projected to be \$70,092.00. Comparing this with 2016 income, this represents a \$22,703 increase. This will cover both the budget deficit, and provide additional income for the Audit.
- ii. **Expenses** – We broke out the pass through expenses for private streets to isolate operating expenses for the whole HOA. These expenses are based on 2016 actual expenses, and for the most part there is only one increase in Landscaping. This increase from \$15,160.00 to \$16,350.00 is for two specialized projects. The Board hopes to clear some brush on Winder, and treat some infected trees.
- iii. **Audit** - Finally, the Audit was not delayed by Homeowners as anticipated. The Board has sent multiple requests to homeowners requesting a vote to delay the audit based on the cost. After the budget was adopted, the Board voted, based on feedback from homeowners, to proceed with the audit which will cost between \$8,000 and \$10,000.

- b. **The 2017 Budget** is hereby ratified since the total number of NO votes only totaled 5. The required votes to nullify the proposed 2017 Budget would have been 49.

8. Architectural Review Committee Report – Warren Franks presented the ARC Report:

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| i. New home construction | Two inquiries-one approved and one disapproved |
| ii. Roof replacement | Three inquiries- approved |
| iii. Storage shed | One inquiry-approved |
| iv. Child’s play structure | One inquiry-approved |
| v. Deck replacement | One inquiry-approved |
| vi. House repaint | Two inquiries-approved |
| vii. Fence install | One inquiry-approved |
| viii. Tree removal | One inquiry-postponed |

9. Year in Review –Willie Masten presented this report:

- a. Winder Crack Filling and Seal Coating – In 2015, we were not able to complete Crack Filling and Seal Coating on Winder due to early fall weather. Because of the trees and overgrowth that shade Winder, we need consistent temperatures above 80 degrees in order to seal the asphalt, and

it got too cold too quick in 2015. This project was completed in July of 2016, and although we did have a weather delay, the work was completed without additional problems.

- b. Review of 3 outside HOA Dues Payments – The Board has been working with WEB Properties this year to apply the agreements in the CC&R's about maintaining roads and common areas throughout the community. We are paid a monthly base rate by three Homeowners Associations near us, Persimmon Woods, Overlook at Qualchan, and Overlook Place. After doing a careful review of the applicable CC&R's, we should be recovering 85% of any expense from Persimmon Woods for maintenance and repair work done on Kip Lane. Now that we have quantified the amount they owe, we are drafting additional correspondence to them to remind them of their obligation, and we will begin to collect funds for these expenses going forward.
- c. HOA began using de-ice on private streets in 2016 – We had received feedback from homeowners that winter road conditions in 2015 were icy and difficult to traverse. After some discussion, the Board authorized the use of de-ice and sand throughout the private roadways. This cost will be billed back to the homeowners on those roads as part of the road maintenance pass through. As discussed before, we will recover some of these costs from Persimmon Woods as well.
- d. Park Remediation – Last year, the park went through a \$15,000 remediation. Concrete transitions, bushes, trees, other items were added to the park. This park is a beautiful destination for homeowners of the Qualchan Hills Homeowners Association. The upgrades will make this park beautiful for years to come.

Question: Wasn't the amount of remediation \$10,000?

ANSWER - \$10,998.41 was actually spent.

10. Open Forum - Questions and Comments

- a. Overlook Place representative shared concerns about improper safeguards of the environment as specified by the geotech for the properties of 1008 and 1004 W Bolan during the initial construction phase. Dan Skindzier will review the permits back at City Hall and respond back to the QHHOA Board and Mark.
- b. Pender Street residents stated that the plowing of Pender was good up to about Van Dessel's house, but after that, the road was very icy. Eric stated he would contact M&M to look at the problem.
- c. Mark from Overlook brought it the Boards attention that since the traffic revisions of HWY 195, Qualchan Board, and the Cheney-Spokane intersection have become increasingly hazardous for driving due to the poor road conditions, and narrowness. Suggestions for addressing the problem included involvement by the Board to request a meeting with City Council, letter writing campaigns to the Council or mayor, discussing legal action if a remedy does not occur. Eric mentioned that Eagle Ridge has already tried some communications with the City, but so far has been ignored.
- d. Dick mentioned that as the HOA gets older, many houses are falling into disrepair and owners are not meeting the standards initially set up for the HOA. Maybe it's time to identify with WEB properties the standard to which they should be inspecting, and suggested ride-alongs by knowledgeable persons and board members. Some items of concern are dilapidated fences, deteriorated paint on houses and fences, and vegetation overgrowth. Besides letters, Dick suggested that person to person contact occur between board members or WEB Properties to tactfully discuss our standards and seek compliance.
- e. What is the best way to relay concerns of properties to the Board or WEB? Eric responded to e-mail him at WEB Properties. WEB communicates with the board and the two often make site visits and discuss a course of action.
- f. It was mentioned that the storm drains on Pender need cleaning out and repairs to keep the water flowing to its intended drain route. Eric will look into the problem
- g. Dick mentioned that the Gazebo in the Park needs maintenance and painting. He also stated that the Bridge is coming apart and needs some repairs. If the board can provide the materials, Dick

will volunteer his time to take care of these problems. Eric mentioned he would work with Dick on the repairs. Dan suggested that Dick provide a written estimate of what is needed and costs.

- h. Dick also mentioned it has been several years since the HOA storage shed has been painted, and is in drier need of attention. If not painted this year, the wood may start deteriorating and need replacement.
- i. Another item need maintenance is the split rail fence at the entrance of our HOA.
- j. A concern was expressed about the house on Winder Lane that cleared their lot of all vegetation a few years ago facing Qualchan Road. This is quite an eyesore as it is out of character for the area, and may set precedence for other homeowners to follow the lead. A request was made to the Board to have the property owner replant trees and vegetation. At the time of occurrence, the Board had the City inspect the action for damage to the land or ROW or CITY property. The City determined there was no issue for them to act on. And the amount of common are was quite insignificant for the HOA to require remedial action. The question becomes, to what degree can the HOA require a remedy in this situation on private property?

11. Adjournment 7:24 PM

12. Next Board meeting: To be determined. Eric will check available February dates and e-mail Board members to pick a convenient date

Minutes prepared by:
Dan Skindzier
QHHOA Secretary