

**Qualchan Hills Homeowners Association Board of Directors Meeting**  
**Monday, January 9<sup>th</sup>, 2017**  
**Upper Room Yoke's Grocery Store**

1. Call to Order 6 PM
2. Attendees:
  - a. Board Members: Willie Masten - President, Ann Franks - Vice President, Dan Skindzier – Secretary, Warren Franks - Arc Chair.
  - b. WEB Properties - Bill Butler & Eric Lundin
3. The December 5<sup>th</sup> 2016 Board meeting minutes were passed out for review as written by Eric Lundin. To save time Bill recommended members present would reply back by E-mail approval of those minutes, or advise of any changes. Dan Skindzier offered one change indicating that the last paragraph should be corrected to read Willie would reach out to Karen Wilson to be a nominee for the Board.
4. New Business – Preparation for the Annual Meeting
  - a. Bill explained the 2017 Budget documents provided to the Board Members. For simplifying the numbers, WEB created a budget sheet of just the operating expenses, and eliminating the “pass through” items that are typically a wash in income vs expense for items like utilities, snow plowing, etc.
  - b. Elections need to be added to the Draft Script presented to the Board tonight.
  - c. Comments and questions from the members should be limited to 3 minutes as much as possible.
  - d. Only votes received at or before the meeting will be counted.
  - e. 29 members/absentee ballots will constitute a quorum for the meeting.
  - f. ERIC will prepare talking points and updated agenda for the Annual meeting.
  - g. Willie will need to review the talking points in advance to become very familiar with the topics and talking points.
  - h. Location of the meeting will again be at the St. John's Lutheran Church on HWY 195, but in a different room this time.
5. QHHOA DUES:
  - a. It has been determined that our current rate of membership dues is not sufficient to cover expenses. For several years, QHHOA has been drawing down the savings account to keep up with expenses. This was decided upon at a previous Annual Meeting where members present suggested to the Board to dip into the savings to pay for the expenses as needed and consider raising membership dues when appropriate.
6. 2017 BUDGET:
  - a. Based upon our conversations with WEB throughout the past year, and carefully crunching the numbers, a 2017 Budget has been crafted and presented to the

Board indicating a raise of member dues to \$45. This amount is expected to yield the amount needed to cover the 2017 projected expenses with a \$12,000 excess.

- b. After a lengthy study and discussion of the numbers presented by WEB, the Board voted unanimously to adopt the budget presented for 2017.**
  - c. The budget will be available for presentation to the members of the HOA at the Annual meeting.
  - d. Our current savings balance at the end of 2016 was estimated to be \$1483.
7. RESERVE STUDY:
- a. Bill and Eric both discussed the Reserve Study projections, current and projected balances, and several questions to the Board regarding collections for the reserve study. Currently our reserves are at \$34,845. The study projected we should be currently at \$47,149 for the end of 2016. One factor of consideration is the shortfall of re-imbursement by Persimmon Woods for their share of the sealing of Kip Lane in 2015.
  - b. A motion was made to use the expected \$12,000 excess in the 2017 Budget mentioned in #6 above to replenish the reserve study shortfall. The motion was approved unanimously.**
  - c. WEB and the BOARD will continue working on the Reserve Study to determine what actions need to occur. Bill and Eric mentioned a new reserve study is occurring now to update the projections given to the HOW in 2012.
  - d. It was also mentioned during the discussions that the entry aprons to some of the private streets are in bad shape and apparently not included in the reserve study. Repair of the entry aprons could potentially cost \$5000 to \$10,000 each.
8. PERSIMMON WOODS:
- a. WEB is drafting a letter to send to Persimmon Woods inviting them to a meeting to discuss their required contributions and including an invoice in the letter for re-imbursement of the repairs to Kip Lane. WEB will provide the Board a draft of the letter before sending it.
9. AUDIT:
- a. WEB stated that two more mailings were sent to QHHOA members that did not respond to the 2016 voting ballot to vote an audit of the account up or down. There was no new response
  - b. BILL indicated that he will check the RCW again for HOA audit requirements. He thought that HOA's with a certain threshold of dues may be exempt from the voting requirement. BILL will get back to the Board about the RCW requirements.
  - c. It is also noted that the 2017 budget does not contain a line item expense for an audit. The estimated cost of an audit for an HOA of our size would be near \$7500 to \$8000.
10. OPEN FORUM:
- a. There are large piles of snow at the entrances of Keyes Ct. and Kip Lane. This is making it difficult for navigation of vehicles. WEB will ask M&M to take of the

large piles of snow or sub-contract for their removal. Estimated cost could be \$1,000.

- b. A Storm Water grate was damaged in the middle of Pender Lane during snow removal recently. WEB provided one repair estimate at \$916.35 provided by BACON CONCRETE. WEB is expecting at least two more estimates. Board members asked if this was going to be a temporary fix based upon current weather conditions, or if it would be a permanent fix. WEB will seek more details for the Board.
- c. 4702 S Pender Lane overdue dues. The property owner is still delinquent in dues in an amount over \$3000 and has responded to the Board by indicating she will not pay her dues, and has be initiated a lawsuit against the HOA for failure to maintain the drainage swale on or near her property. WEB has indicated our attorney is communicating with hers and sharing appropriate documents regarding the matter. The Board and WEB properties discussed placing a lien on the property for the dues and penalties owing.

MEETING WAS ADJOURNED AT 7:20 PM

Next meeting is the ANNUAL meeting on January 30<sup>th</sup>.

Dan Skindzier  
QHHOA Secretary

- Of the budgeted expense vs income is estimated to be within 1 to 2 % of original projections.
  - A discussion occurred about estimating the Savings balance at the end of this year. Current estimate might be near \$7500.based on current budget.
  - Eric has been attempting to contact the Simanton foundation to request the annual donation for the Park Fund, but has not been able to connect to John or Donna. Ann Franks stated she would make the contact.
  - WEB mentioned that the WEB Engineers have taken over responsibility of the Park Pond as opposed to a \$100 monthly contract with an outside landscape company. Maintenance will be billed at the per-hour rate for work performed, and is estimated to be between \$20 and \$25 per hour depending on circumstances.
- d. Persimmon Woods Dues Review – We have assigned the research and analysis of the last three years invoices paid to Lauri Liptac at WEB Properties. We expect

the project will take her 20 hours of work, Eric 4 hours of work, and 2 hours of Bill's time. The cost of this work is expected to be \$1,800.00.

- Ann made a motion to present a request of payment for the recent repairs of Kip Lane to Persimmon Woods (PW) now for their 83% responsibility of the bill. A brief discussion occurred, but the motion was not seconded as members were in favor of obtaining complete information of the other aspects of the responsibilities of PW to our HOA.
- Board members discussed the review proposal, and voted to approve the review outlined by WEB at the estimated cost of \$1800. This has been a very complex issue for the board members, Bill, and Eric to evaluate with so many variables. Once a solid review has been conducted and data submitted to the board for review, the Board and WEB will make a plan to approach Persimmon Woods HOA and begin discussion again of the correct monies to be collected.
- The review by Lauri will also include the other HOA's that must contribute to our maintenance.
- In particular "Overlook" HOA is asking for details of their contributions. They have also suggested to our HOA that a fenced in drainage swale on Bolan Ave should be maintained by the QHHOA. To our knowledge that swale is not our responsibility, and should be clarified by this review.
- Bill also mentioned that he will require M&M Landscaping/Snow removal to provide itemized bills in the future for each street to determine appropriate cost breakouts for the various HOA's
  - e. Official Audit Ballot Report – Currently, we have received 46 total votes after four mailings. We need 65 votes to waive the audit. Of those 29 homeowners with alternate addresses, 17 have responded to our request, and all have voted in favor of waiving the audit.
- After discussion, the Board voted to accept WEB suggestion to send out another ballot request to the HOA members that have not responded yet in a special mailing. If a quorum response is not obtained, the board will request an audit for 2017 and include the audit fee in the next budget.
  - f. Christmas Decorations –
- Ann requested an amount of \$200 to decorate the front entry gate. No specific design has been decided upon yet, but Dan volunteered to meet with Ann on Saturday at the entry sign and plan out some lights and decorations. Board voted to approve the money for the entry decorations, WEB properties volunteered their maintenance engineers to assist at the front entry sign.
  - g. Create "Utilities Reimbursement" line item – We will add this to the 2017 Budget.
  - h. Create separate Income/Expense line items for PW – We will add this to the 2017 Budget.
  - i. Tree at 4715 S Keyes Ct –

- Dan and Warren only saw the tree from different angles but not from the property. Both Dan and Warren feel that they do not have the expertise to determine if the tree is or is not a fall risk. Our tree expert has already given a professional opinion, and the Board believes this opinion is the best information to go on at this time. WEB Properties will send the owners a letter regarding the Board's determination.
    - j. Discuss Dues – In 2016, we budgeted for an \$11,478.00 negative Net Income, and we are currently on budget. In light of anticipated expenses in 2017 due to the audit, and possibly a large snow season, a dues increase may be necessary.
  - WEB expects to have the results of the review by Laurie Liptac and WEB Properties to the BOARD for review and discussion in November. Board members must read the details and prepare to discuss dues at a December 5<sup>th</sup> meeting 6 PM at the Yokes Market conference room.
  - If an increase of dues is deemed necessary it will be included in the next budget presented to the HOA members for a vote in January 2107
    - k. Collections Updates – Our attorney has been trying to serve the owner of 4702 S Pender Lane unsuccessfully. They are going to try for a while longer and then recommend service by publication, which costs approximately \$350.00. It is important to note that SCOUT still shows the occupant as the owner of the home.
  - Board members voted to approve servicing the owner by publication as outlined above for the fee of \$350. For practical reasons, this action will occur after the upcoming holidays.
11. New Business
- a. 912 – 918 Unapproved Excavation Update – It seems that the homeowner understands they need to repair the excavation behind their home on Winder. However, they have not provided us with a date for the remediation to be complete. WEB Properties can send the homeowner courtesy notices at the Boards direction.
  - The day after the board meeting, the owner of the property responded back that he will have the excavation squared away within the next 30 days. By e-mail the board agreed to wait and allow the owner to take the action described.
    - b. Winder Brush Clearing and Tree Remediation Bid – The Board will consider and discuss the Winder clearing project which includes tree remediation for a total of at least \$3,000.00.
  - As the Board discussed at the meeting tonight, this expense is not currently budgeted for, and will have to be put off until next year.

- The Board did however vote to begin the treatment of the several diseased trees on the hill between Lincoln Blvd and Bolan Ave. WEB indicated they would obtain more details on the timing of the treatments and billing info.

c. Snow Plow Contracts – We have received snow plow bids from M&M and C&C. We are working on getting a third bid from Clearwater Summit.

- There were some differences in charges between categories of plowing, de-icing, and sanding, but in the end they appear to balance each out. And although they were waiting for a third estimate, the Board voted to stay with M&M due to their continued good service in both winter and summer care of our HOA for several years.

12. Open Forum

- None

13. Adjournment: 7:35 PM

**14. Next Meeting: December 5<sup>th</sup> 2016 6 PM at Yokes. It is a special meeting to discuss the budget and dues only.**

15. January Meetings are planned for 1-9-2017 and 1-30-2017 (It was not mentioned if the Lutheran Church DOWN Hwy 195 has been contacted yet to request use of their facility for the January 30<sup>th</sup> Annual Meeting)

Dan Skindzier  
QHHA Secretary