

Qualchan Hills Homeowners Association Board of Directors Special Meeting
Wednesday, December 13, 2017 6:00 PM
Upper Room Yoke's Grocery Store

1. Call to Order & Establish Quorum: Quorum is established.
2. Introductions
 - a. Board Members. Willie Masten HOA President; Warren Franks Acting HOA Vice president for Ann Franks, Warren is also HOA ARC Chairperson; Dan Skindzier HOA Secretary; Val Brendemihl HOA Board Member-at-large
 - b. WEB Properties: Eric Lundin
 - c. HOA Members: Bob Davis and Troy Scott
3. November 6 Board Meeting Minutes approved via email.
4. Executive Session: Dan Skindzier Announced the Board members would convene an executive session to discuss the requests by Troy Scott and Bob Davis for the Board to present a voting measure to the HOA membership asking for a repeal of the 2017 Dues increase. The Board convened for about 15 minutes in a separate room, then returned.
5. Open Forum: Dan Skindzier motioned that the agenda be altered by moving the open forum up above all other items to start the discussions with the HOA Members Bob and Troy. Motion was unanimously approved.
 - a. Eric Lundin read the criteria for HOA member participation in Board meetings. The board approved allowing Bob and Troy 2 minutes each to present the board with their requests and comments, and the board would be given 5 minutes to respond.
 - b. After hearing their request, an exchange of discussion occurred about the notices sent to HOA members prior to the January 2017 Annual meeting. Bob and Troy reiterated that the notices were insufficient by the Association covenants. Their specific Written request was:
 - i. We return to the dues that were in place in 2016, \$276 per lot
 - ii. To reject the proposed budget if the dues increases don't follow the CCR's.
 - c. The board denied the request for a membership vote to repeal the dues increase, but offered to send HOA members a letter explaining that the board and WEB could have done a better job in notifying the HOA of an increase. And it was pointed out that the announcement for the Annual meeting did contain language stating that the current rate of dues was not sufficient to cover expenses, and the reasons for the increase will be discussed at the annual meeting and bullet points spelled the reasons for the increase. (NOTE: In previous e-mail discussions throughout 2017 the board and WEB Properties sought legal advice, and responded to these same concerns by Bob and Troy. Ultimately during those e-mail exchanges Bob and Troy were told that the Board and WEB properties considered this matter closed and there would be no reversal of dues increase.)
 - d. Bob stated that he would initiate a survey of their own with each HOA member to have the dues increase repealed.

6. Financial Update Eric Lundin

- a. YTD Income as of 11/30/2017 – Actual \$118,404.79, Budget \$124,203.00, Variance \$5,798.21.
- b. YTD Expenses as of 11/30/2017 – Actual \$107,272.43, Budget \$108,626.00, Variance \$1,353.57
- c. Account Balances as of 11/30/2017
 - i. Operating - \$2,949.06
 - ii. Savings - \$1,002.17
 - iii. Park - \$1,732.77
 - iv. Reserve - \$40,119.54
 - v. Total - \$45,803.54
- d. (Delinquent Dues: WEB Properties will email the board a list of delinquent properties to the board for review and input about which properties should have liens filed.)

7. Old Business

- a. Persimmon Woods Meeting With Bob Long – Eric from WEB Properties received a phone call from Bob Long, President of the Persimmon Woods HOA. Bob requested a meeting to discuss the cancellation of the 2005 agreement, and discuss what his Board has been working on with regard to the dip on Kip Lane. The meeting lasted about an hour; Bob and Eric discussed several issues that were relevant to the financial responsibilities Persimmon Woods has towards the Qualchan Hills HOA. Bob was very clear that he wanted Eric to extend to the Qualchan Hills HOA his heartfelt apology for the Persimmon Woods HOA not responding to our repeated communications over the years. He explained that Gregory Durham, who we mailed most of the correspondence to, was the Board President until a year and a half ago. The current Board took over the HOA and never heard anything about our letters to Mr. Durham. He further explained that he had never seen the 2005 agreement, and did not know why they paid us money, or what the money was used for. Eric explained the Boards position is that since 2011, Persimmon Woods could be responsible for \$44,846.62 in expenses through 2016. Bob stated that he wants to do the right things for the right reasons, and to that end, asked that Persimmon Woods be given until mid-January to review the issue and agreement with Mr. Durham, and an attorney for their HOA. Eric agreed to the time table, and the meeting adjourned. Mr. Long is on vacation for a few weeks in December, and Eric will follow up with him after the Holidays to meet again in January to discuss their review and opinion of the situation.
- b. 2018 Landscape Bids – The 2018 landscape bids have been received. The lowest bid was from Jammin’ landscapes, the next lowest was from C&C Yare Care. M&M Came in the highest.
 - i. Eric presented a comparison of the bids and a discussion occurred about the different bids.
 - ii. A vote of the board occurred on a selection with the following results:
 - 1. M&M Zero Votes
 - 2. Jammin 1 vote
 - 3. C&C 3 votes

- iii. The decision was made to select C&C as the new landscape contractor for the QHHOA. The primary driving factor for the change is a reduction in budget costs. M&M is an excellent contractor and knows the HOA best, but our costs must also be considered.

8. New Business

- a. 2018 Budget – The Board asked to wait to finalize the 2018 budget pending receipt of the 2018 landscaping bids. Budget summaries have been attached using the \$18,190.00 price budgeted in November. Choosing the lowest bidder would save the HOA almost \$6,000.00.
 - i. Eric presented an in-depth analysis of some of the increased costs to the HOA and other budget items for the benefit of the board and HOA members present. Some items discussed were: Reserve Fund balances, requirements for a reserve fund, snow plowing of private streets, details of the audit, costs of the audit, voting requirements of the HOA to have or not-have an audit in a given year, and monies borrowed from the reserve fund that must be paid back.
 - ii. The Board voted unanimously to ratify the budget with the selection of the middle bidding landscaping contractor. C&C was slightly higher than the lowest bidder.
- b. WEB Payment Portal – Currently, the HOA pays approximately \$1.77 per mailing per home to send statements to homeowners. Recently, WEB Properties has made a significant investment in technology to offer homeowners at our HOA’s access to their accounts through a secure internet portal online. From here, they can review their ledger and have payments withdrawn automatically from their checking account, at no charge to the homeowner. This will also allow us to send statements electronically, which is where the HOA will save significant money. The cost to the HOA for this service is \$1.00 per transaction. Going forward, we plan on being fully automated by March of 2018. We are asking the Board for their support in this endeavor, which will require homeowners to at least provide their email addresses to the new portal system. If they do not want to provide their checking account information online, homeowners may pay online with a credit card for a 3.5% fee, or go to the Wal-Mart in Airway Heights or on Wellesley, K-Mart on E Sprague, or the Fred Meyer on Thor to make cash payment, which will cost \$4.00. See the attached spreadsheet that shows that the anticipated savings to the Qualchan Hills HOA is a minimum of \$702.24 in mailing costs from invoicing alone, on an annual basis.
 - i. A discussion occurred on this at great length with numerous questions being asked by Dan Skindzier and several members present. Additional comments to the above narration are:
 - 1. Members will be able to specify the withdrawal date of their individual payment schedule.
 - 2. Dan Skindzier requested that members given additional time to July 2018 to enroll in the process. Eric will investigate the possibility.
 - 3. Dan Skindzier also requested that members be able to choose a monthly payment schedule as opposed to the current quarterly schedule. Eric will investigate.

4. Eric stated that WEB Properties understands individual owners could have unusual circumstances to evaluate on an individual basis and will address the matters as they come up. It is important that HOA members communicate with WEB properties with concerning circumstances.
 5. This issue will be discussed at length again at the annual meeting.
 6. Eric will notify WEB properties to initiate the implementation as outlined above.
 - c. Home Painting/Cleaning – 1016 Winder was given until July of 2018 to re-paint their home. Eleven additional homes in the HOA may need to be painted or at least have the siding cleaned off. The Board has looked at the homes, and needs to discuss how to move forward with this issue.
 - i. Upon receipt of the addresses noted by WEB Properties, Dan and Warren looked at each property and provided noted to Eric to prepare letters to be sent to the home owners.
 - ii. The board suggested members receiving the letters be given a deadline of July 2018 to take action or consult with WEB properties for alternatives.
9. 2nd Open Forum/Questions that arose during the meeting:
 - a. Troy or Bob asked why the public street HOA members are also contributing for snow removals associated with the private streets. He was told that those costs are strictly the responsibility of the private street members. Eric answered that the public streets only contribute a small portion of the snow plowing costs. Dan Skindzier mentioned he would look into the CCR's and respond back to Troy.
 - b. Bob asked why the whole HOA membership contributes to the "Reserve Fund" when the monies are used for the Private streets. Eric mentioned as an HOA it was required that all members contributed. Dan Skindzier will look into the policies and respond back.
 - c. Dan asked if Bob or Troy would like to join the HOA Board. Troy indicated he might consider it. Eric mentioned he would be in contact with Troy about that.
 - d. Two street lights are in need of repairs: 1309 W Lincoln Blvd. and 4831 Kip lane. Eric will notify the Power Company to make the repairs.
10. ANNUAL MEETING: At tonight's meeting, the date selected was January 22nd. However Eric notified the Board that the normal meeting place, St. Johns Church was not available that date. A new date was selected, Tuesday January 23rd
11. NEXT MEETING: January 8th 2018 6 PM at Yokes for finalizing the details of the Annual Meeting.
12. Adjournment 7:40 PM

Minutes by:
Dan Skindzier
QHHA Secretary