

Qualchan Hills Homeowners Association Special Budget Meeting
Wednesday, September 10, 2018 6:00 PM
St. John's Lutheran Church

1. Call to Order & Establish Quorum: Quorum is established.
2. Introductions
 - a. Board Members: Willie Masten, HOA President; Val Brendemihl, HOA Vice President; Heather Kohler, HOA Secretary.
 - b. There were seventeen homeowners in attendance.
 - c. WEB Properties: Bridgett McCain.
3. Discussion of Dues Increase
 - a. It was explained that this meeting was called to address the specific agenda of the current dues and proposed increase. In response to concerns that the 2017 dues increase had not been handled appropriately, in 06/2018, the Board decided to return dues to the previous 2016 rate, and to attempt to follow the CC&Rs to proceed with a necessary increase for the 4th quarter. The HOA is currently operating at a deficit. Homeowners have the choice on the ballot to vote to increase 4th quarter dues to generate adequate income for the HOA, or to have a special assessment at the end of the year to cover the communities necessary expenses. The meeting was open to discuss and answer any questions about the budget before proceeding with the vote.
 - b. A homeowner commented that prior to WEB managing the HOA, there was over \$35,000 in the HOA savings account, which has now become depleted. Questions were asked about what happened to this money. It was explained that some of this money was taken to pay for expensive projects, legal action, and increasing costs that dues were not covering.
 - c. Several homeowners asked about delinquent accounts and how those accounts are being managed. Currently, there are liens filed on the largest delinquencies, and two legal actions. However, filing a lien does not provide the HOA with any money until a house is sold, and both liens and legal action cost the HOA upfront fees to pursue.
 - d. There was discussion about the responsibilities of homeowners on private lanes to pay for their own expenses including utilities, snow removal and street maintenance rather than having any of these expenses be paid for by the HOA's operating account.
 - e. Another homeowner voiced concerns that WEB's management fees account for over 50% of the budget. This homeowner expressed the opinion that WEBs fees are rising the HOA's dues. It was suggested that the HOA no longer use a management service as this would save the HOA thousands of dollars each year. Discussion took place that while not having a management company would save

the HOA money, it would also give the Board increased responsibilities and liabilities, which may not be practical for the neighborhood.

- f. Several homeowners asked questions about the budget materials provided by WEB. There were comments that the materials were difficult to understand and did not provide a clear and specific explanation of expenses. Bridgett explained that all homeowners have the right to come to WEB to access and verify bills and records for the community. Due to preparation involved, this requires an appointment, and there is a fee of \$100 per hour; however, Bridgett is happy to assist. Bridgett is also happy to e-mail HOA budget materials to homeowners as requested.
 - g. Moving forward, financial options for the HOA are limited. If the HOA does not approve to increase dues to cover rising expenses, they will have to look at cutting the quality of services provided to the neighborhood in areas of landscaping, snow removal, or management.
 - h. Bridgett pointed out an error on the ballots. For the fourth quarter of this year, the correct monthly dues amount should read \$67, not \$90 as written on the ballot.
4. Vote of Dues Increase
- a. Ballots were collected from homeowners. Votes will be tallied by WEB and Board members and results will be communicated with homeowners.
5. Adjournment: Willie called the meeting to an end at 7:50 PM.

Minutes by:
Heather Kohler
QHHOA Secretary