

ESTATES AT MEADOWWOOD III HOA Board of Directors Meeting

Meeting Minutes

February 13, 2017 – Jerry Brown's home 3:00 p.m.

1. **Call to Order and Establish Quorum:** Jerry called meeting to order at 3:10 p.m.
 - a. **Board Members:** Jerry Brown, Steve Wampler. David Wyatt excused absence. With two Directors present, a quorum was established.
 - b. **Homeowner in Attendance:** Terri Schmarr
 - c. **WEB Properties:** Eric Lundin and John Schumaker

2. **Change Gate open time with Daylight Savings Time:** The Board decided to revisit this issue next winter.

3. **YTD Financial Report**
 - a. **Income** – Actual \$45,007.00 , Budget \$41,100, Variance \$3,907.00
 - b. **Expenses** – Actual \$7,390.77, Budget \$7,248.00, Variance \$142.77
 - c. **Account Balances** –
 - i. **Operating Account** - \$37,924.88
 - ii. **Savings Account** - \$13,550.20
 - iii. **Reserve Account** - \$51,826.53
 - iv. **Total** - \$103,301.61

4. **2017 Budget Review** –
 - a. **Income:** Assumes 100% of homes pay 100% of dues. Landscape pass through income includes bill back of \$2,000 overage from last year. Jerry will contact one Homeowner regarding past dues. Eric and John will research Legal names on property. They will also report on interest and late fees.
 - b. **Expenses:**
 - i. Maintenance Expenses assumes the suck-truck will cost the same as the Budinger review. We do not know what this will actually cost, but we will get a bid for the Board.
 - ii. Modest increases in landscaping budgets are anticipated for next year.
 - iii. 2016 Pruning/Bed Maintenance included \$3,200 for bark work and new trees. Not budgeted in 2017 Landscaping Expenses. However, we did add \$500 for new plants this year.

- iv. Streets Expense includes \$27,000.00 for seal coating and crack sealing.
- v. Utilities expense includes reimbursement to Meadowwood HOA for paying all water in 2016.
- vi. Non Operating Income includes \$27,000.00 reimbursement for seal coating and crack sealing.
- vii. Additional \$9,000.00 in income added to Reserve Transfer.
- viii. Budget is cash flow positive by \$72.00.
- ix. Vote: Steve motioned to approve the 2017 Budget, Jerry seconded. No additional discussion: Vote unanimous.

c. Legal Disclosures & Reserve Study Review:

- i. Washington State Law has changed with respect to your budget process. The budget must first be drafted and then adopted by the Board at a Board meeting. Within 30 days of the budget adoption, a summary must be sent to the homeowners for review, and a meeting must be called within 60 days of adoption. Homeowners can vote to ratify or not ratify the budget by ballot, proxy, or in person at the meeting. If more than 50% of homeowners vote not to ratify the budget, last year's budget is carried forward, and the process begins again.
- ii. The reserve study shows that the reserve account is currently underfunded. In order to get back on track, the Board has been raising homeowner dues. In 2017, the entire increase in dues is allocated to the reserve transfer. However, this may not be realistic with \$7,400 in outstanding snow plow invoices against a \$3,500.00 budget for the month of February. WEB Properties will schedule a time in early March with the Board to drive and walk around the neighborhood to decide on road work and seal coating to get bids. We may need an updated Reserve Study in 2018/2019; this would cost around \$2,000.
- iii. The 2018 budget will be prepared in accordance with the regulations in time for the annual meeting this fall.

- 5. **Speed Limit Signs** – Eric spoke with the Chief of Police, Brian Asmus. Our current number and placement of signs is sufficient. Jerry will need to sign agreement.
- 6. **Vote to Delay Audit Final Results** – The Board asked for a tally of votes at the annual meeting. We have received exactly the 53 votes necessary to delay the audit.
- 7. **Newsletter** – The Board reviewed submissions for the newsletter: Terri will send out for approval.
- 8. **Snow Plowing and De-Icing** – On January 18th, WEB Properties did their bi-monthly drive through. Slush and ice were observed on the inclines of the streets and it was felt that the high

temperatures expected over the next few days would contribute to a thaw/melt/freeze cycle that would make the inclined roads difficult to drive. Management called the snow plow vendor to have them clean up the roads, but when the vendor was observed plowing, there were some questions as to whether this service was needed. A few weeks later, cars were seen having difficulty getting up the hills because similar conditions were noted, but the vendor did not clear the roads, as the snowfall was under the threshold for service. There is always a balance between overspending and safety and management will always err on the side of safety. The newsletter will remind residents to call WEB Properties with any concerns.

9. Next Meeting: Date to be determined; meeting will be held at David Wyatt's home at 1209 N. King James Ln.

10. Adjourn: Jerry motioned to adjourn meeting at 5:00 p.m., and Steve seconded.

Respectfully Submitted,

Terri Schmarr Secretary/Treasurer for EMW III Board of Directors