

Quail Creek Homeowners Association Board Meeting

2017 November 19

Meeting

The board met at Steve Hollasch's house, from 2:30–4:30. Present were Steve Hollasch, Jennifer Kutzt, Erik Ploof, Andrew Schoenfeld, and Amber Esquivel.

Agenda

- Call for volunteers
- Web & Digital Assets
- 2018 Budget
- Annual Meeting

Call for Volunteers

We began by discussing the role and appointments of “members at large”. There was some discussion around whether members at large were voted on by the homeowners at the annual meeting or were simply appointed by and serving at the pleasure of the board. After consulting the bylaws, we generally agreed that they need not be voted on, and can be appointed or dismissed by the board at will. According to the bylaws, only the three directors (president, treasurer, secretary) require a vote by the homeowners.

Erik Ploof presented the letter he drafted up as a call for volunteers. The bylaws indicate that each director should serve a three-year term, where the three terms are staggered so that only one position is up for election each year. Someday this may actually come true, but this year all three have served for three years, and all three seek to step down. Steve and Erik will continue if it must be, but would like to step down if possible.

We discussed a few small changes to the letter. Erik will incorporate these changes and send out the call by email.

Amber and Andrew presented updates on their search for new board members. Amber mentioned that Kara Canen is interested in the treasurer position, but has not yet committed. Andrew has some neighbors he will speak with as well.

Web & Digital Assets

Steve presented his work on the qchoa.net web site, showing the bylaws and CC&Rs, archive of meeting minutes, architectural guidance and forms, neighborhood links, and board contacts. Also presented was a peek at an upcoming plat map and plat notes.

Andrew indicated that he'd be up for putting his weather station data onto the QCHOA web page, and would be interested in further improvements to the web site.

2018 Budget

We presented a historical overview of the QCHOA proposed budgets and actual expenses. These were reconstructed from emails, saved meetings, and assets in the general files that we had available.

We considered a proposed budget for 2018. This budget had five items that spawned discussion:

1. the line item for water, at \$2,000,
2. the line item for front entrance maintenance & improvements, at \$1,600,
3. the lack of a line item for mailbox repair and upkeep,
4. the line item for reserve adjustment, at \$1,405,
5. and the bottom line computed dues of \$310 per household.

1. Water

This year we ran into usage problems with a failing controller. The landscaper was unable to examine two of the three schedules at the controller, and we had several reports of our sprinklers running in the late afternoon. We replaced the controller, but only after a very large water bill from Ames Lake Water Association. Jennifer appealed to ALWA and won a mitigation. A second high bill came in August. Bear Creek Landscaping reported that watering cycles had been lengthened and additional cycles set on our system. The key is a standard irrigation key, to stop possible tampering, Steve replaced the lock mechanism on the controller. We will see next year if this is sufficient to thwart anyone from tampering with the controller.

Some felt that \$2000 was too low for the 2018 budget, based on the drier months we experienced in August and September, and that several plants (mostly pyramidalis) had died. It was pointed out that watering was done at the direction of the landscaper, and that neighboring plants looked healthy. It was also pointed out that our 2017 water bill of \$2,142 was high because of the failing controller. The counter argument was made that the bill was *after* ALWA mitigation, though a third member also pointed out that the penalty was waived, but we still had to pay for usage.

Andrew Schoenfeld indicated that he'd like to try installing a monitoring device to give us a much earlier warning of watering problems. He will investigate.

2. Front Entrance Maintenance & Improvements

By the end of 2017, we have two light fixtures still working out of our total of six. We are probably running line voltage, where a 12v system might provide better and more economical lighting. That would entail a new transformer, new buried lines, and new fixtures throughout. The landscape beds badly need new mulch. We need some new plants to replace dead or damaged plants. We need to have the front arbors cleaned either with pressure washing or with a manual brushing and washing. We also need to budget for periodic cleaning and painting of the arbors.

Steve had looked into a coupling key & 90° elbow that would allow us to have a standard hose bib at the front, for pressure washing and other uses. Total cost would be around \$90 for these parts.

Andrew will be investigating solutions and costs for the lighting.

For these projects: plantings, mulch, lighting and plumbing, Jennifer felt the proposed budget of \$1,600 was insufficient. After discussion we agreed to approximately double this amount in the proposed budget.

3. Mailbox Repair & Maintenance

The issue was raised that at the last annual meeting, we had proposed that the board take on the expense and responsibility of mailbox repair and upkeep. Some were under the impression that we had voted to do this, while others recalled that it was proposed and discussed, but without arriving at a final agreement.

[Note — from last year's minutes:

“Steve Hollasch asked the members what they thought of having the Board handle it and all who spoke agreed that the repair/maintenance should come from HOA. There was some debate on who pays for the full rebuild of the hut when its needed. The Board will take this feedback and look into a formal budget line item for maintenance.”

Oops. — Steve Hollasch]

We discussed the challenges on taking this on, in the fact of differing existing styles, plus differing feelings on what the design should be and so forth. We tabled the discussion for now, to be considered by next year's board, perhaps in the face of immediate requirements.

4. Reserve Adjustment

New this year is an explicit, targeted reserve adjustment as a line item in the budget. The principle idea is to ensure that we preserve this emergency fund at a targeted minimum level, allocating funds as necessary to replenish at the end of the year, and using surpluses as a way to offset dues when expenses are less than expected.

General guidance for this amount for homeowners' associations is an amount equal to one year's budget. Throughout the year, we had discussed amounts varying from 1.5× to 2× the budget as possibilities.

Arguments for the proposed 1.5× figure include the fact that at 40 homes, a fairly simple event (water leak, legal issue) could entirely wipe out a \$10,000 budget. Looking at historical reserves at year end (1999–2001, 2004, 2008, 2009, 2012–2017), we arrive at an average of \$15,517.02, slightly over the proposed 1.5×. Two of these years ended with more than 2× reserves.

Arguments against 1.5× and for 1.0× is that an event that wipes out 10,000 would be extremely unlikely, and that keeping this money in the bank was not going to be earning anything worthwhile.

Looking then at dropping the \$1,405 reserve adjustment, we arrive at a possible savings of \$35 per homeowner. Ultimately all agreed that this was not enough savings to warrant reduction of the reserve, also considering that this adjustment should normally be much smaller (positive or negative).

5. Dues

In discussing the feeling that front entrance expenditures would be higher than allowed for in the proposed budget, the board ultimately agreed to propose dues of \$350 in order to support the front entrance improvements.

This yields a total income of \$14,000. Technically, this would leave the HOA with 1.19× expenses reserve. However, when removing the special improvements line item from the budget, this leaves our cash at 1.60× expenses.

Steve will send the revised budget out for review & approval.

In addition, Andrew raised the idea of assessing special dues for incoming homeowners, as a way to increase funds for neighborhood improvements, citing his experience with this practice in neighborhoods in California. Ultimately, board members elected not to adopt this practice at this point.

Annual Meeting

We briefly discussed the annual meeting. The Hollasch's will provide snacks and beverages. No childcare will be provided for this meeting.

Meeting adjourned at 4:20.