

MEADOWS-FERNDALE HOA/BOARD MEETING

MINUTES

DATE: Tuesday, 7th November 2023
TIME: 6:30 PM
VENUE: Ferndale Public Library (Large Meeting Room)

1. Call to Order

- a. Roll Call, Introductions, and Welcoming Comments.
- b. Board members present: Chuck Millard (Pres/Treas), David Hall (VP), and Winston McBride (Secy)
- c. Owner/Resident attendees: listed at end of these minutes.

2. Agenda for current meeting (modification or motion to approve)

- a. Approved by Board without change.

3. Minutes of previous meeting (a copy may be found [HERE](#)).

- a. Approved by Board without change.

4. Reports: Board and Committee Members (as needed)

- a. Treasurer: Financial status as of EOM September 2023.
 - (1) The EOM (September) Net is -\$21K, projected to improve to -\$14K (a 12% overrun) by EOY.
 - (2) WHY (deficit spending)? Expenses exceed income primarily due to inflation.
 - (3) The primary cost drivers (besides inflation) are:
 - (a) Shed. To store supplies formerly kept in private garages.
 - (b) Legal fees. To inform Board decision-making on topics such as: interpreting CC+Rs, responsibility for planting strip responsibilities, indemnification for school trips, flag rules, serving delinquency notices, reviewing contracts, etc.
 - (c) Planting strip refurbishment and extra water (labor) for the replanted trees.
 - (d) Common area maintenance – including the Thornton frontage and the east side of Rossi. As the flora matures, the cost increases.
 - (4) Comments or Questions? After considerable discussion, the meeting proceeded.
- b. Architectural Review Committee. No activity – No report.

5. Old Business (discussion and information updates – Board motions not required)

- a. Delinquent HOA dues. The process for and results of efforts to recover delinquent dues was explained and discussed. The result: delinquent dues have been reduced by about 50% (see graph at end of minutes).
- b. Tree replanting. The project to refurbish our planting strips and replace failing trees was explained and discussed.

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6. New Business (Actionable items – Board motion or resolution required)

a. The Board proposal to increase 2024 HOA dues to \$85/month.

- (1) Summarizing the information on the dues issue that was sent with the agenda:
 - (a) Our dues have never increased since the beginning, while during that time the cost of goods and services has increased 25% according to the Consumer Price Index (CPI). We need 25% more income in 2024 to provide the level of service of 2016-17.
 - (b) What started out as an annual surplus has turned into an annual deficit.
 - (c) We must either increase the dues or provide less service.
 - (d) The deficits also deplete the Operating Cash Account from which we pay our bills, endangering our ability to remain solvent.
 - (e) The Board's analysis of the situation and conclusion is that we need to raise dues to \$85/mo to stop deficit spending – AND - at least partially replenish the Operating Cash Account.
- (2) In response to a question from the floor, the process by which the dues increase becomes final was explained briefly as follows: after the Board agrees upon the necessary amount of dues, that decision is built into a proposed Budget. The proposed budget is then discussed at an open Board meeting (this meeting). At the end of the discussion, the Board votes on whether to approve the budget. If approved, the Budget is distributed to the HOA in the Annual General Meeting (AGM) preview package. The pre-AGM package contains a ballot that provides an opportunity for eligible owners to ratify (Vote YES) the budget or not (Vote NO). The budget is ratified unless more than half the eligible owners, in this case 79 ($\frac{1}{2}$ of 157 = 78.5) vote NO. Our next open meeting is the AGM on 19 December.
- (3) After considerable discussion of the dues increase, the meeting advanced to the next topic (the 2024 HOA Operating Budget).

b. 2024 Operating Budget: Presented discussion and Board approval.

- (1) A copy of the proposed 2024 Operating Budget was provided with the agenda and may be accessed [HERE](#). It is funded on the assumption of dues at \$85/mo.
- (2) Key items include:
 - (a) Common Area Landscaping and Maintenance. This is the #1 largest item in the Budget, but it represents only 15 hr/wk (on average) which is not very large given all the work that is included. We think we can do better than what is reflected in the budget, but we didn't want to set it at a level that was doomed to failure. We are also looking at options from other vendors that might lessen the cost and risk without lowering the quality of service.
 - (b) Windermere Management (2nd largest item): no rate increase (FYI: none since the very beginning). We thanked them for this. They do a lot of work for us, charging what amounts to \$362/week. At fully burdened charge rates, that amounts to only a few hours per week and is deemed a bargain by the Board.
 - (c) Wetland Mitigation & Monitoring (3rd largest item). These activities are necessary to remain compliant with the requirements imposed by the Washington State Department of Ecology (ECY), the US Army Corps of Engineers (USACOE, and the City of Ferndale (COF). The mission of this effort is to maintain the types and density of plants to keep it functioning as a freshwater collection area. A supplemental benefit of their work is to minimize the fire danger from the invasive grasses. The Monitoring and Mitigation requirement expires after 10 years (2026 or 2027), meaning no more mandatory mitigation and reporting requirements. We will be in control. The exact date of expiration and the work that may be necessary thereafter is being researched.

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- (d) Reserve Study (scheduled for later this month and might be paid from 2023 budget instead of 2024). If so, that will only increase the amount that should be repaid to the Operating Cash account, so it doesn't really matter.
 - (e) Snow Plowing. After assessing the bids of several other plowing services, the contract with PCL was renewed.
 - (f) Thornton Road irrigation system. Will be maintained by Custom Cut Landscaping and Irrigation (Don Waters), to include fall winterizing and spring set up (including repair as needed).
- (3) Other accounts in the proposed 2024 budget are basically the same as this year, adjusted for inflation where appropriate.
- (4) After a period of discussion, the draft 2024 budget was proposed for Board Vote. It was approved unanimously. A copy may be accessed [HERE](#).
- c. One additional New Business item: Need for volunteers to serve on the Board.
- (1) Only one Board member has consented to be on the AGM ballot for election to Board membership. Section 3.1 of the HOA By-Laws (inherited from the developer) requires that the Board have three members.
 - (2) Failure to meet the requirements imposed by the By-Laws will pose an untenable burden if there are only two members. If there is only one member, the situation becomes impossible and likely unsustainable – perhaps leading to no members.
 - (3) If there are no members willing to serve, the HOA will be forced into receivership. If this happens, the affairs of the HOA will be managed by an outside agent with little or no knowledge of or interest in the welfare of the HOA. The cost of receivership is borne by the HOA, so dues would necessarily go up, perhaps significantly. A letter from the HOA Attorney explaining these issues was provided with the agenda for this meeting.

7. All Other Board Business (Comments, Announcements, etc.)

- a. Information Packet for the 2023 Annual General Meeting will be mailed during the week of November 20, 2023.
- b. Please submit your ballots and proxy votes.

8. Open Forum for Owners/Residents (Speakers please identify by name & address/lot#)

- a. This included some additional discussion for clarification of the topics listed above.

9. Next Meeting (Annual General Meeting)

- a. Date & Time: Tuesday 19th December 2023 @ 6:30 PM.
- b. Venue: Ferndale Public Library (Large Meeting Room)

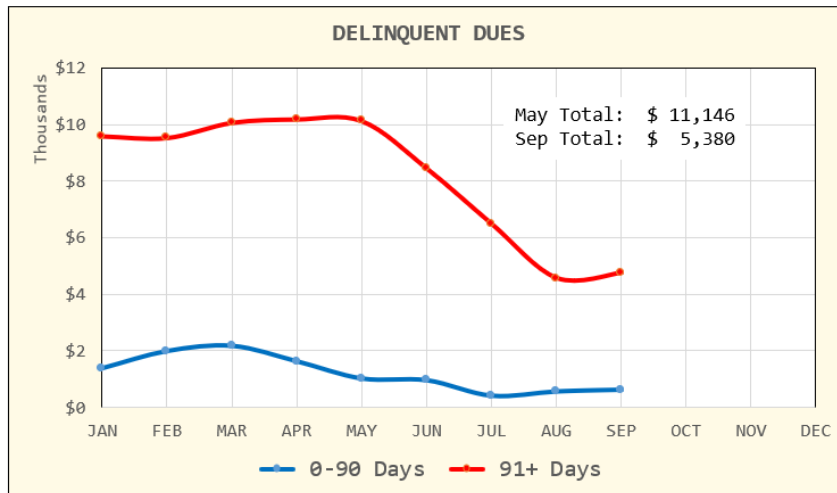
10. Adjourn (or Transition to Executive Session, if needed)

- a. The meeting was adjourned at 7:54 PM.
- b. No Executive Session.

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Delinquent Dues



LIST OF ATTENDEES

ATTENDEES
Bahrani, Linda
Bragg, Denise
Chappell, Chris
Corey, Lisa
Fang, Summer
Frakes, Cindy & Charlie
Gizzi, Kelli & Jim
Lesan, Ann & Dan
Mann, Skip
Millard, Chris & Chuck
O'Steen, Cathy & Dan
Poirier, Melissa & Dan
Sherwin, Carolyn
Ward, Shane
Young, Kathy & Rob
TOTAL COUNT: 22

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