



RIDGECREST HOMEOWNER'S ASSOCIATION
8760 Deeridge Place SE, Port Orchard, WA 98367-9518

In reply:
Refer to:
CS:150217GeneralMtgMinutes
February 17, 2015

GENERAL MEETING MINUTES - February 17, 2015

1. MEETING CONVENED:

The President brought the meeting to order at 7:05 p.m. Those present:

Bernice Maxfield, President; Jack Dearth, Vice President was absent but gave verbal proxy to Jim Shirk, Carolanne Aosved, Member and acting Treasurer, Jim Shirk, ACC Chairman and Board Member, Dave Ulrich, ACC Committee and Board Member, Doug McNeill, Board Member, Roland Cole, Member, Connie Shirk, Secretary and Board Member

2. SECRETARY'S MINUTES:

Secretary Connie Shirk read the minutes from the February 18, 2014 General Meeting. Motion to accept minutes as read. Seconded. All approved.

3. TREASURER'S REPORT:

Carolanne Aosved (acting for Al Aosved-Treasurer) presented the results of the 2013-2015 Biennium Budget and the proposed 2015-2017 Biennium Budget. Also presented was a line-by-line list of individual bills paid during the period. Current status: All expenses paid, reserve fund fully funded. Proposed budget for next cycle will meet all expenses at current level of assessments; therefore, no assessment adjustment is necessary for the next two-year cycle at \$54.00 yearly per lot owner. Assessments are due August 1, 2015. Bills will be mailed out 30 days prior to that date to all homeowners. All financial information is available to members by contacting the Treasurer.

DISCUSSION:

- D. Ulrich commented that he'd done some research and, in his opinion, believed the reserve fund did not meet legal criteria. He further stated that collecting assessments over annual expenditures was considered profit by the IRS unless carried forward to affect subsequent budgets or returned to homeowners. He moved that the proposed budget be tabled until this criterion was settled. He also stated, in his opinion, the RHA has never been run properly, and the Board should approve \$200 to set up a presentation by HOA Community Solutions—an HOA management enterprise in Gig Harbor who he has been talking with—to answer questions and also to be considered as an option to assume all administrative duties for the RHA.
- Member responses to the proposal and comments included:
 1. There is an obvious need for a fund to handle unexpected expenses, because most members would not like being asked for additional money, possibly multiple times, between assessment cycles for those expenses.
 2. Most HOA's have emergency funds set aside for possible expenditures.
 3. The cost of having an outside firm manage the RHA would increase the assessments (likely significantly), and based on inputs from members over the years, no one wants to pay higher assessments.
 4. Our current method of operating the RHA today with volunteers is working, and paying an outside interest to do the same work for us is an unnecessary step and expense.
 5. If we decide to get Community Solutions input for any reason, would they provide an in-house presentation so that more of our members could attend?
 6. One member agreed that the use of "Reserves", as defined in state statutes, requires a "Reserve Survey" which the RHA has not accomplished in the past.

7. Is the case of the perceived IRS issue more an issue with our definition? Would classifying such funds as “contingency” or some title other than “reserve” solve the issue?

8. We would still have to have a Board of Directors.

- After extended discussion, the members agreed to table the proposed budget and review options to address the questions presented in the Board Meeting to follow. Options could include contacting Community Solutions and our accountant or attorney for guidance.
- Motion to table and resolve next steps in the Board Meeting. Seconded. All approved.

4. ARCHITECTURAL CONTROL COMMITTEE REPORT AND GREENBELT:

ACC Chairman, Jim Shirk, reported two greenbelt incursions by one lot owner: One for a vehicle blocking the access road to the detention pond and the other by a felled tree on the property. Both issues were immediately resolved after notification to the homeowners. There were 4 requests in 2014 for permission to improve properties. All were approved.

- Lot 2 stone façade
- Lot 15 10 x 14 shed
- Lot 23 fencing
- Lot 23 fences

Motion to accept report. Seconded. All Approved.

5. OLD BUSINESS:

- Doug McNeill provided his findings on a “Neighborhood Watch” program. We talked about what was needed to get it started. Those present were in agreement that it was a good thing to do, but the first thing we would need is to get majority approval of the homeowners before we could proceed. Doug said he would ask everyone for their input. If enough residents support the effort, we will move it forward. The signage and materials (such as safe-home stickers for school children and signage at entrance) will cost approximately \$50.
- Motion to vote after getting the necessary support. Seconded. All approved.
- Lot 26 is still in foreclosure and Chapter 7 with MP Kline. Two rusted vehicles remain in the driveway.

6. NEW BUSINESS:

- No new business.

7. ELECTION OF NEW BOARD MEMBERS:

- Dave May’s ACC Committeeman and Board member positions are open. Roland Cole was nominated to fill the Board Member position. He agreed. Motion to accept. Seconded. All approved.
 - Addendum: Following the meeting, Roland notified the President that he had accepted in haste and upon reflection decided not to be on the Board.
- Jim and Connie Shirk and Jack Dearth’s board positions are up for reelection in 2015.
- Dave May’s ACC Committeeman position is open. He has been absent since 2013.
- The process was interrupted by discussion. A follow-up meeting will be needed to elect 4 new board members.

8. ADJOURNMENT

The meeting adjourned at 8:40 p.m.

NOTE: In the subsequent follow-up meeting(s), the following unfinished business will be addressed:

- Election of 4 board members.
- A meeting with our accountant will be held prior to the meeting in order to answer questions: Washington state law requirements for HOA reserve funds, where the fund should be applied in our budget, and what to name the fund. We will vote to ratify the new 2015-2017 biennium budget following this discussion.

- Information will be gathered from HOA Community Solutions prior to the meeting regarding details of what their class includes, what they teach HOA members, how many they allow to come, what the cost is, and if they could present the class in our neighborhood.
- Doug McNeil will contact homeowners regarding Neighborhood Watch. We will discuss the response he received, vote to adopt, and fund the necessary costs of implementation.
- Other items per President's agenda.

Bernice Maxfield, RHA President

Connie Shirk, RHA Secretary