



RIDGECREST HOMEOWNER'S ASSOCIATION

8760 DEERIDGE PLACE SE, PORT ORCHARD, WA 98367-9518

In reply:

Refer To:

CS:140212BoardMtgMinutes

December 2, 2014

Special Board Meeting Minutes – December 2, 2014

1. BOARD MEETING CONVENED: President Bernice Maxfield brought the Board Meeting to order at 7:00 p.m. A sign-in sheet was passed around, and RHA members present were Bernice Maxfield, President; Jack Dearth, Vice President; Al Aosved, Treasurer; Jim Shirk, ACC Chairman and Board Member; Dave Ulrich, ACC Committeeman and Board Member; Doug McNeill, Board Member; and Connie Shirk, Secretary.

2. At the February 18, 2014 board meeting, Al Aosved proposed that the RHA adopt a biennium budget process to better define the elements of income and expenses and to make the results readily available to the membership to ensure complete transparency of RHA funds. A budget committee was approved to work together with Al to formally create a budget process. Members of the committee: Al Aosved, Dave Ulrich, and Jim Shirk.

3. The budget committee subsequently met, developed a process, and proposed a budget. They requested this special board meeting to present their findings. A biennium budget for income, expenses, and reserve funds was outlined. Discussion followed. Jack Dearth motioned to approve the formal budget process. Seconded by Dave Ulrich. All approved. Following are details of the adopted biennium budget form:

- Income categories: Assessments, Late Payment & Transfer Fees, and Legal Reimbursements.
- Operational and Administrative Expense categories: Landscaping, Insurance, Accounting, Website, State Filing Fees, Office, Welcome Basket, Legal, and Miscellaneous.
- Reserve Fund categories: Lien Fees, Dangerous Tree Removal, Nonpayment of Assessments, Signage Repair, Fence Repair, and Contingency fund.

4. The amount of income projected, by holding biennium assessments steady at \$108 per household and a small amount from late payments and transfer fees, amounted to \$2858 for the biennium. This compares to expected known expenses of \$2480 on a recurring basis for landscaping upkeep, insurance, accounting, website, and state filing fees. In the proposed budget, the remainder of \$378 was allocated for possible expenses in office costs, welcome basket supplies, non-lien legal expenses, and miscellaneous.

5. Additionally, the budget included a reserve for possible major expenses. The purpose of the reserve is to hedge against any large expense resulting in the need for a special assessment for RHA residents. The categories include liens, danger tree removal, signage repair or replacement, fencing repair or replacement, and contingency. The budgeted total for reserves amounted to \$3650 dollars. At this point in time, the reserve is fully funded and contains an additional \$526.55. The board agreed this amount should be placed in the contingency portion of the reserves, because we have knowledge that a dangerous tree removal expense is possible.

6. Discussion on the additional reserves concluded with an agreement that there should be a cap on any excess. Further discussion about the cap limit resulted in Al Aosved making a motion to set the cap at \$5000. Seconded by Doug McNeill. All approved.

7. The proposed budget, including all the listed points, will be presented at the February 2015 General Meeting for approval by the membership. Any adjustments required from that meeting will be dealt with, so the budget can be completed in February for the 2015-2016 biennium.

8. Post budget meeting discussion included the following topics to be brought up in the February 2015 meetings: common area overgrowth maintenance, neighborhood crime watch program, fliers at the end of driveways, and vacant properties.

9. BOARD MEETING ADJOURNED: Motion made to adjourn by Jim Shirk. Seconded by Jack Dearth. All approved. The meeting was adjourned at 9:00 p.m.

Bernice Maxfield, RHA President

Connie Shirk, RHA Secretary