



Foxhall Community Association
Board of Directors Meeting
August 3, 2023
Zoom 7:00 p.m.

Board Members Present:

John McKinnon, Secretary
Alan Vaughn, Treasurer
Karen Dillon, At-large/Facilities
Katie Bundtrock, President
Dave Fleming, Vice President

Foxhall Members in Attendance:

Connie Fleming
Tam Findley
Denise Solveson
Doug Dyjak
Donna Bosshard
Jessica Bradley, chair of Trails Committee

Call to Order (Katie)

Katie called the meeting to order at 7:00 p.m. via zoom.

Dave made motion to join the Washington Community Associations Institute, costing \$135/year, seconded by Karen, passed unanimously.

July 11, 2023 Minutes (John)

Motion: Approve minutes of FCA Board Meeting dated July 11, 2023. Moved to approve by Dave. Seconded by Alan. Discussion: None. Result: motion approved unanimously.

Verify members in attendance for minutes (John)

Five board members and six community members were in attendance.

Picnic Update (Katie)

Connie has done most of the shopping. We are looking for additional help with organizing kid games. Alan will provide games that the kids can run on their own. Katie will also bring some other game materials. Dave will call Bob Jackson about getting a grill.

Facilities Update (Karen)

Concern by neighbors regarding speeding. Karen will contact County regarding measures that can be taken. Perhaps another sign or two and a speed monitor.

Karen reviewed lack of options for location of membership meeting this month.

New water controller has been installed at front entrance – a big improvement.

Retention pond cleaned up in preparation for coming inspection.

Jessica described various projects. Portions of the Canyon Trail has been improved with new rock and gravel. Horse riders have been asked to stay off this trail for the time being until the rock is well settled and compacted. She also asked that homeowners chip in on the maintenance of the trails near their own property.

Budget Proposal (Alan)

Member Feedback was reviewed. Survey responses will be posted on the website.

Points addressed by members:

Trail maintenance

Fencing Repairs/dangerous dogs

Picnic Shelter

Park 1 maintenance (mowing, spraying)

Reserve Fund (additions to keep up with costs)

Budget vs. Dues

Fiscal Audit

Volunteers needed or hiring out of maintenance work currently done by volunteers

FCA meeting venue

Concern for impact of mowing on Climate Crisis

Alan presented a slide show outlining points of discussion regarding the budget (see budget proposal below).

- Goal of entering each year with \$20,000 in Savings Account: \$10,000 general savings; \$5,000 for litigation services; \$5,000 for acts of nature. Some of these items will be removed as items from the annual budget.
- Fiscal Year surplus: priorities
 - Replenish savings if necessary
 - Unforeseen capital improvements
 - Additional contribution to reserve fund
- Reserve Fund balance \$34,972.37 (49.8% fully funded)
 - Recommended draft proposal contribution of \$7783
 - We are about \$7500 in deficit to our goal
 - Karen asked about if we will need to increase contributions once we spent a big chunk on new equipment in 2028. The answer is that contributions are planned in anticipation of expenses so that planned withdrawals do not require an increase in contributions.
 - We are due for the next update to the Reserve study to get the projections up to date.

Budget Summary statement was revised (see budget and finance report below).

Different items were discussed/revised.

Dave moved that we remove the legal and professional fees as a line item in the annual budget and recognize that such fees can be provided for from savings as authorized by the board. Karen seconded. Discussion. Passed unanimously.

We anticipate a surplus of about \$1080 from the current budget.

We anticipate a surplus of \$3700 from the current savings for a total of \$4,780 in surplus that can be allocated at this time.

Discussion of mowing expenses: historical average of 13 times per year, Karen proposed 11 times. Katie agreed with 11 times.

Discussion of need for Canyon Trail weed whacking. The adjustment may be made in the new contracts.

Dave moved that we adopt the budget as presented here (\$34,268), having removed the line item of snow plowing and a dues amount of \$330. Seconded by Karen. Adopted unanimously.

Budget Ratification Meeting Planning (John)

For the mailing, we need:

- Agenda Items: minutes, ratification
- Budget document including balances and disclosure statement
- Community News items
- Time of meeting 6:00
- Target date of mailing

For the meeting, we need:

- Preparation for and supervision of voting – responsibility for tasks, Dave and Alan can help secretary

Old Business

Dave proposes reaching out to neighboring associations to communicate regarding the management of their associations. We have in common our status as non-profit organizations. Perhaps we could get together to share experiences and common issues.

Proposed for September meeting:

- Mowing/spraying/objectives to be discussed in time for Karen to begin preparation of contracts.
- Reserve study revisions

Upcoming Meetings and Event

- Picnic August 5th, 11:00 at Park 1
- Official mailing with adopted budget and notice of ratification meeting
- Ratification meeting on Tuesday August 29th at the park 1 picnic shelter.
- Board of Directors Meeting - TBD

Member Comments

Denise asked if there would be an attorney engaged for the review of our insurance.

Katie declared the meeting adjourned.

Meeting adjourned at 9:16 p.m.

Minutes to be approved at next Board of Directors Meeting, 2023

Foxhall FY 2024 Budget Proposal Discussions

ALAN VAUGHN, FCA TREASURER

Key Discussion Topics:

FCA Savings Account :

- Recommend a fixed amount of \$20,000 to remain within the FCA savings account.
- \$10,000 (approx. ~25% of annualized budget) for general well-being savings.
- \$5,000 for litigation services (i.e., Legal).
- \$5,000 for “Acts of Nature” (i.e., Tree removal within common areas and/or preventative care, snow removal, extra rain – additional mowing).

Discussion:

- It is sound financial advice to have a general savings account for the unforeseeable future.
- We do not have the ability for a credit account; therefore, cash is our only protection against special assessments over the fiscal year.
- These figures would be removed from the annual budget as they are an entity of our general fiscal wellbeing.

Key Discussion Topics:

FCA Fiscal Year (FY) Surplus :

- First priority for surplus funds would be to replenish any general savings account expenditures used during the FY.
- Second priority would be for any unforeseen common area / capital improvement concerns that arose over the course of the FY; health and safety of our community members.
- Third priority would be to contribute to the reserve fund to adjust for any inflation and/or material cost increases from the original study to maintain our goal of 70% funded by 2030.

Discussion:

- First and second priorities are interchangeable based off which is more severe at the time of notice (with a vote from the Board).
- At no time will surplus funds be held without first communicating to FCA members (via board meetings) of the intended purpose of such funds.
- If it is deemed that no contributions need to be made to any priorities, these funds will be factored into the next budget draft for consideration of projects or dues adjustment.

Key Discussion Topics:

Reserve Fund :

- Current funding - \$34,972.37 (49.8%)
- I recommend maintaining the draft budget proposal of \$7,783 and continue to adjust accordingly each year for scheduled increases.
- Due to increased cost of all materials and replacement items we are approximately \$7,500 in deficit to our goal. Adjustments are necessary to balance current price indexes on goods and services.

Discussion:

- Estimated capital expenses for 2028 – 2030 are \$45,060 (2020 dollars).
- Future installments of additional make-up funds can be applied as per the previous slide.
- Once funded appropriately to track our goal, the possibility of a dues decrease can be discussed.



**Foxhall Community Association
Draft Budget & Finance Report, Aug 3, 2023
Alan Vaughn, Treasurer**

Summary

FCA continues to retain a strong financial standing despite current inflation rates for goods and services. We are on a path to a balanced and funded budget by 2026 with due diligence of the board and community. The draft budget of \$34,268 suggested includes annual adjustments for maintenance costs and services throughout the community. I feel that a slight adjustment to Reserve Fund contributions will ensure that there are no unforeseen events that may disrupt the future budget planning and execution.

Current Financial Status

Heritage Bank Balances, 8/3/2023

Checking:	\$5,991.65
Savings:	\$23,700.49
Reserve:	<u>\$34,972.37</u>
Total:	\$64,664.51

FY 2023 Dues Collection/Revenue:

Current FY dues of \$330 have been received from all parcels.

Total Annual Revenue: Dues + Fees + Interest Earned (if applicable) = **\$40,260.00**

Draft FY 2024 Budget (October 1, 2023 – September 30, 2024)

The draft budget is based on the current projections with the following details:

- Administrative and Operating Expenses
- Repairs and Maintenance of Common Areas
- Community Improvements (Health & Welfare)
- Reserve Fund
- Potential Capital Improvement Projects
- Trails Committee requests (materials only, all labor done by volunteers)

RCW 64.90.525 mandates that dues and assessments are now part of the budget approval process. The dues amount specified in the bylaws is now superseded by the dues incorporated in the budget process (RCW 64.90.080(2)).

Reserve Fund

The board passed a resolution to reach >70% funding (considered to be “strong” funding) by 2030. According to the reserve study “Make up Funds” are directed to ensure that the community reaches recommended funding by the year passed for resolution. Therefore, \$4,550 dollars will be placed in the fund as special assessments in addition to the annual maintenance funding currently scheduled/required. This will ensure that in 2028 there are sufficient funds to complete the maintenance projects within the neighborhood that will start to reach their life-cycle end (i.e., retention pond fencing).

TABLE 4.5: RESERVE FUND BALANCE SHEET

	2022	2023	2024	2025	2026	2027	2028	2029	2030
FULL FUNDING WITHIN 10 YEARS									
Beginning Reserve Balance	27,742	34,727	43,187	51,912	60,909	70,187	79,755	58,387	64,209
Full Funding Annual Maintenance Funding	6,452	3,139	3,233	3,330	3,430	3,533	3,639	3,748	3,861
Planned Special Assessments / Make up Funds		4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
Annual Total Property Contribution to The Reserve Fund	6,452	7,689	7,783	7,880	7,980	8,083	8,189	8,298	8,411
Average Monthly Contribution to the Reserve Fund per Unit	5.12	5.25	5.32	5.38	5.45	5.52	5.59	5.67	5.74
Annual Capital Expenses	-	-	-	-	-	-	30,924	3,690	10,446
Interest Income	533	771	942	1,117	1,298	1,485	1,368	1,214	1,284
Ending Reserve Balance	34,727	43,187	51,912	60,909	70,187	79,755	58,387	64,209	63,438
Percentage of Full Funding	50.0%	53.5%	60.7%	67.2%	73.2%	78.6%	76.9%	82.9%	87.7%

Yellow Highlighted Cells Represent Make-Up Funds

Reserve Fund Disclosures:

- The Level 3 reserve study dated March 10, 2022, from which, this data was extracted meets the qualification of WA State RCW 64.09.550
- Reserve fund account balance as of 8/3/23 is: \$34,972.37.
- Currently, the Foxhall Community Association is at 50% of full funding.
- Special assessments included in the Fiscal Year 2024 budget (as stated above) will be implemented at the recommended \$4,550.

Savings Account Disclosures:

The board unanimously agreed to adopt a savings account operational balance of \$20,000 which will be allocated to the following resources to ensure continued fiscal solvency within the community. This money may not be removed from the account without a board vote.

\$10,000 – General well-being (we cannot apply for credit)

\$5,000 – Litigation Services (as applicable)

\$5,000 – Acts of Nature (i.e., unplanned tree removal within common areas and/or preventative care, snow removal, additional upkeep of parks due to excessive rain)

Draft for Membership Review, August 3, 2023

Foxhall Community Association Expenses and DRAFT FY 2024 Budget

	FY 2023		FY 2024
BUDGET CATEGORIES	Adopted	Actuals	Adopted DRAFT
	8/2/2022	Proj. to 9/30	8/3/2023
ADMINISTRATIVE AND OPERATING EXPENSES			
County & Federal taxes	800	739	800
State Licenses and Fees	30	65	65
Miscellaneous (ballots, bank charge, etc.)	100	50	100
Postal Mailing Box rent	220	198	220
Treasurer Software & Expenses	500	394	500
Admin. Supplies	150	0	150
Mailings	800	100	800
Web Site & Zoom	500	210	500
Picnic	400	352	400
Insurance - General Liability (BLS)	1,650	2,036	1,800
Insurance - Directors & Officers	2,200	2,444	2,600
Insurance - D&O lawsuit contingency	0	0	0
Insurance - Umbrella Policy (ESO)	1,550	1,465	1,600
<Insurance Sum/Subtotals>	5,400	5,945	6,000
Legal and Professional Fees	2,500	0	0
<<Subtotal, Operating Expenses>>	11,400	8,053	9,535
REPAIRS & MAINTENANCE OF COMMON AREAS			
Park 1 Mowing & Maintenance x13	7,500	2160	3,650
Park 2 Mowing & Maintenance x10	1,500	935	2,850
Retention pond Mowing & Maintenance	2,700	960	2,500
Trail Mowing x5	2,800	1288	2,200
Trail Safety & Maintenance	3,400	3400	4,000
Main Entrance Water & Maintenance	1,000	450	750
Winter Snowplow Roads	100	0	100
<<Subtotal, Repairs/Maintenance>>	19,000	9,193	15,950
IMPROVEMENT PROJECTS			
Picnic Shelter (FY23)	3,000	3000	0
Road Signs (FY23), Trash Gates (FY23), Picnic Shelter (FY24)	1,510	0	1,000
<<Subtotal, Improvements>>	4,510	3000	1,000
RESERVE FUND			
Replenishment of Reserve Fund	7,214	7,214	7,783
TOTAL EXPENSES	\$42,124	\$27,460	\$34,268

Draft for Membership: Expense Totals

Foxhall Community Association Expenses and DRAFT FY 2024 Budget

	FY 2023		FY 2024
BUDGET CATEGORIES	Adopted	Proj. Actuals	Adopted DRAFT
	8/2/22	Proj. to 9/30	8/3/23
ADMINISTRATIVE AND OPERATING EXPENSES			
<Insurance Sum/Subtotals>	\$5,400	\$5,945	\$6,000
<<Subtotal, Operating Expenses>>	\$11,400	\$8,053	\$9,535
REPAIRS & MAINTENANCE OF COMMON AREAS			
<<Subtotal, Repairs/Maintenance>>	\$19,000	\$9,153	\$15,950
IMPROVEMENT PROJECTS			
<<Subtotal, Improvements>>	\$4,510	\$3,000	\$1,000
RESERVE FUND			
Replenishment of Reserve Fund	\$7,214	\$7,214	\$7,783
TOTAL EXPENSES	\$42,124	\$27,460	\$34,268
DUES COLLECTED (\$330 per household FY 2024)	\$40,260	\$40,260	\$40,260
PROJECTED FUND BALANCE	(\$1,864)	\$11,720**	\$5,992 (14.9%)
RESIDUAL SURPLUS Current FY		\$1,080 (est)	
BANKING PROJECTION TOTALS (EOY)*			
SAVINGS		\$23,700	\$29,692
RESERVE FUND		\$34,972	\$42,755

*EOY – End of Year (Fiscal)

** Currently held in savings account