



Foxhall Community Association
Budget Ratification Meeting
October 27, 2020
ZOOM 7:00 p.m.

Board Members Present:

Robert Jackson, President
Andrew Kolibas, Vice President/Treasurer
John McKinnon, Secretary
Greg Darnell, Treasurer
Elaine Vaughn, Facilities/At Large

Foxhall Members in Attendance:

Dennis Longnecker
Judith Anderson
Bert Lewis
Jessica Bradley
Joan Darnell
Carol Vannerson
Steven W Morrison
Donna Bosshard
Shelly Couey
Kit Metlen
Carolyn Pendle
John Knie
David and Connie Fleming
John and Susan Dana
Joan and Steve Hewitt

Call to Order

Robert called the meeting to order at 7:03 p.m.

Member Sign-in Procedure

17 households registered using the Google form link on the website. 20 households participated in the Zoom meeting, one by phone.

July 24, 2020 Minutes

Motion: Approve minutes of FCA Board Meeting dated July 24, 2020.

Moved by: Andrew Seconded by: Elaine Discussion: None

Result: motion approved (by poll feature on Zoom, seven=yes, one=abstain)

Treasurer's Report

Greg presented his report along with power point report:

There are changes in the law governing homeowner associations.

RCW 64.90 enacted July 2018 for "Common Interest Communities."

Section 64.90.080 specifies that RCW **64.90.095**, **64.90.405(1)** (b) and (c), **64.90.525** and **64.90.545** apply to the FCA.

RCW 64.90.525 – Budgets, Assessments & Special Assessments

RCW 64.90.545 – Reserve Studies

The impact of these changes:

- Dues will now be part of the budget approval process;
- The budget process needs to start in June with vote to affirm in August so dues notices can be mailed at the beginning of September;
- The dues amounts specified in bylaws are superseded by those approved in the budget process (see 64.90.080 (2));
- The size of our budget now requires that we now need to have a reserve study.

Reserve Fund – what it is and is not

A reserve study examines the FCA's assets, estimates the useful life and replacement costs of those assets, and recommends multiple options for funding a reserve account. Reserve funds are kept in a separate bank account and the balance is managed so that it is sufficient to pay for the anticipated needs. Reserve funds are not for routine maintenance and repairs, new projects or improvements.

Budget Review Notes

- Greg has volunteered to assume (without compensation) the duties previously carried out by the assistant treasurer;
- Greg provided an historical perspective on our insurance expenses. His graph showed a large increase in premiums that were a consequence of lawsuit activity. We paid those higher premiums for two years, but an oversight by the insurer was responsible for the lower premiums paid last year. We have therefore provided that this year's budget include a contingency for an anticipated increase of \$3000 in premiums in line with the previous two years.
- The \$3500 item for replenishment of the reserve fund represents our initial yearly budget contribution for this purpose. The reserve fund will be further funded with a one-time transfer of \$30,000 dollars from our current savings account (leaving over \$37,000 in checking and savings, combined).
- Projects funded for the coming year include the engineering and permits for our picnic shelter and the addition of a plants and drip irrigation to the upper Foxhall entry.

Balance Sheet Notes

- There is one outstanding dues payment and one road assessment remaining from last year.
- All but 12 or 13 property holders have paid the dues for the 2020/2021 fiscal year.

Dave Flemming later asked the board to clarify status of the lawsuit as it relates to our insurance premium contingency in the budget. Greg responded that lawsuit has been settled in court, but the insurance claim has not yet been closed by the insurance company.

Ratification of the Budget

Greg moved to approve the budget as discussed. David Fleming seconded. No discussion.

The vote was conducted by poll feature on Zoom. The poll was worded as follows: The Foxhall Community Association Board is asking Foxhall members to vote on the FY 2020-2021 budget (in accordance with the

requirements found in RCW 64.90.525 Budgets—Assessment—Special). 16 votes approved, 0 votes disapproved. Therefore, the motion was approved unanimously.

The budget is ratified. By law, the budget is ratified unless a majority of the eligible membership (at least 62 votes) reject it.

Facilities Update

Elaine and Kit inspected the playground structures and determined that they do not need significant attention until spring. Discussion: projecting screws on play structures to be protected soon; painting will wait until spring.

New Business

In response to a member's concern that their invoice was mailed instead of emailed, we will revise the email opt-in form to eliminate the sentence that states that all notifications by US Mail will be cancelled. The intent of the email option was always for FCA communications, not for dues notices.

Discussion regarding distributing Foxhall roster to residents: Elaine, Greg, Bob, Andrew are not in favor of sending out homeowner contact information. Connie Fleming suggested that only names and addresses be provided. Greg suggested secure log-ins for the website together with a searchable map could provide a more secure method. Dave Fleming pointed out the utility of contact lists for emergencies and perhaps of the list can be made up of those willing to provide phone numbers. Greg brought up idea of block watch. Kit mentioned that in an emergency, a phone list is most expedient. Greg also mentioned possibility of phone tree. The board may poll the membership on this question at a later time. No action was taken at this time.

Board Schedule

December 8, 7:00

*Andrew moved to adjourn, Greg seconded
Approved unanimously*

Meeting adjourned at 8:03 p.m.

Revised May 6, 2021
Approved April 29, 2021

Foxhall Community Association
Budget Meeting
October 27, 2020

IMPORTANT: If you have not registered yet, please go to the News section of our website www.foxhall98516.org and fill out the survey linked there.

Foxhall Treasurer Report

Foxhall Community Association

October 27, 2020

- **Washington State Law Changes**
 - **Budget Process**
 - **Reserve Study**
- **Budget Review & Ratification**

State Law Changes

RCW 64.90 enacted July 2018 for “Common Interest Communities”

Section 64.90.080 specifies that RCW 64.90.095, 64.90.405(1) (b) and (c), 64.90.525 and 64.90.545 apply to us

RCW 64.90.525 – Budgets, Assessments & Special Assessments

RCW 64.90.545 – Reserve Studies

RCW 64.90.525

“(2) The budget must include:

- (a) The projected income to the association by category;
- (b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (c) The amount of the assessments per unit and the date the assessments are due;
- (d) The current amount of regular assessments budgeted for contribution to the reserve account;
- (e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per unit basis.”

Consequences:

- Dues are now part of the budget approval process
- Budget process needs to start in June with vote to affirm in August so dues notices can be mailed at the beginning of September
- Dues amounts specified in bylaws are superseded (see 64.90.080 (2))

RCW 64.90.545 – Reserve Study

(1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional
<...>

(2) Unless the governing documents require otherwise, subsection (1) of this section does not apply <...> (c) **when the cost of the reserve study or update exceeds ten percent of the association's annual budget.**

Notes: a reserve study examines the HOA's assets ("reserve components"), estimates the useful life and replacement costs of those assets, and recommends multiple options for funding a reserve account. Options include fully funding in 30 years, funding such that reserve account balance never goes below zero, and other alternatives chosen by the professional.

Reserve Account

Is	Is not
For replacement costs of reserve components	For normal maintenance and repairs, new projects or improvements
A dynamically changing amount based on anticipated needs	A fixed amount
A separate bank account	

Budget Review

Foxhall Insurance History



Budget Ratification

RCW 64.90.525 (1)(a) Within thirty days after adoption of any proposed budget for the common interest community, the board must provide a copy of the budget to all the unit owners and set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. **Unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget and the assessments against the units included in the budget are ratified, whether or not a quorum is present.**