

China Falls Homeowners' Association

March 18, 2020

Annual Meeting

Members Attending:

David and Virginia Hong, Jeff Sanford, Robin & Brian Wall, Charles & April Liu, Scott Maresh, Alyson Mendez (President), Ben & Jessica Scrace (Vice President), Eric Hasson (Treasurer), Nora Chen (Secretary)

- 1) Welcome and introductions.
- 2) Feb 19th, 2020 meeting minutes reviewed and approved.
- 3) Officer comments
 - a. Nora (Secretary): Welcome and thanks for coming to our first online meeting. Meeting was originally to take place at the Library before Library shutdown due to COVID-19 public health response. Location change was communicated via signs on mailboxes and via email to homeowners.
 - b. Ben (Vice President): Thanks for coming and well wishes during this challenging time.
 - c. Alyson (President): Thanks for coming. Meeting online has many benefits for our community.
 - d. Eric (Treasurer): The neighborhood closed 2019 with a strong budget.
- 4) Budget discussion.
 - a. Review of 2019 budget:
 - i. Challenges in 2019 in collecting fines from a small number of homeowners contributed to new rules and regulations, which were mailed to all homeowners in fall 2019.
 - ii. Electric expense budget decreased at year end due to PSE street light and billing changes.
 - iii. Neighborhood entertainment was not used as there was no neighborhood gathering in 2019.
 - iv. Question: What will be done with the cash reserve? Answer: Currently it's about 3 years of operating expense. No current plan to decrease the reserve, but it may be needed for repairs or capital expense for common property such as the mailboxes.
 - b. Proposed 2020 Budget includes increase in annual dues from \$250/lot in 2019 to \$450/lot in 2020 for professional neighborhood management. As discussed in last year's annual meeting and other past meetings, professional management would benefit the neighborhood by providing more consistent enforcement of the CC&Rs and timelier follow up to all neighborhood concerns.
 - i. Question: How do the budget line items change with professional management? Does the management service have an incentive to collect fees from homeowners? Answer: Many of our expenses don't change, e.g. some property managers will cover landscaping, but we already have an established service. Electric and mailing costs will remain. The service contract would include certain services such as monthly inspections and reviews of the neighborhood. Some management companies charge fees

for specific items such as certified mail, copies, transfer fees for real estate transactions.

- ii. Question: What's the reason for hiring external management? Is it because we don't have enough volunteers? Answer: More volunteers would help, but there have also been more issues with increasing complexity in recent years, which have taken up significant time from the volunteer Board members.
 - iii. Question: Would we consider compensating the Board members by waiving their fee? Would that increase volunteer participation? Answer: It's unlikely that compensation would resolve the ongoing need for time and effort of an all-volunteer board. There have been very few new volunteers in several years.
 - iv. Question: Do management service companies have guidance on reserve amount? Answer: This has not been specifically asked yet, however it's a good question to discuss with prospective services companies. The amount of annual dues can be also adjusted in future years if needed.
 - v. Motion to approve was made, seconded, and supported by all members present. Proposed budget was approved.
- 5) There were no new volunteers or nominations for the Board.
- 6) Open questions.
- a. 2019 Airbnb/short term rental issue was reviewed (reference past minutes). Scott Maresh noted that the City of Newcastle is also currently considering new laws regarding short term and vacation rentals.
 - b. Persistent dog feces issue in the north entrance. Board to look into putting up a sign to encourage proper disposal.