

Sunset Cove Homeowners Association
Monthly Board of Directors Meeting
June 24, 2023
Doug Berard's home

Minutes

Attending: Doug Berard, Dawn Bachmann, Kathy Edmonds, and Lori Campbell

Absent: Claire Colson and Annie Hayes

Members Present: The meeting was available via Zoom but no members logged in.

1. Call to order:

The meeting was called to order by Doug at 9:00 am

2. Meeting Minutes:

The April meeting minutes had been circulated electronically and were approved as written.

3. Finance Report:

Dawn presented the June month-end financial report (the final June report is attached to the minutes). The Washington Blvd. lighting project has been completed. \$10,700 was transferred from Reserves to Checking and ProScapes was paid in June. The Observation detention pond cleanup has been completed. Although the work cost \$4,460.80 which was slightly over the \$3,000 budgeted we may be able to cover this due to the lack of landscape costs in February with the ProScapes contract renewal change. As of June 30, 2023, the Checking Account balance is \$16,022.52 and the Reserve Unallocated balance is \$25,807.25.

Doug Berard and Dawn Bachmann have been working on an HOA budget projected to 2036. The objective is to address inflationary increases in service expenses as well as ongoing projects to understand how to manage financial obligations going forward while minimizing HOA dues increases. The spreadsheet identifies detail of expenses that are allocated to budget line items to provide definition as Board membership changes. Projects include Refresh for Washington Court, Sundown Court, Washington Blvd., and Gazebo Trail; Buffer Zone Assessment; Detention Pond (2) cleanup; Mailbox replacement; and a potential Washington Blvd. street tree replacement project.

Our current budget/financial process does not address expense inflation increases nor consistently contributing to Reserves. Doug and Dawn have included a 5% expense inflation increase per year. Three versions have been created to analyze options. Minimal dues increases were included. They found that the budget could not support the inflation expense

increases, a yearly Reserve build out of operating funds, and needed projects. Project frequencies of every 7 and every 10 years were reviewed.

Variables are the yearly HOA dues amount, Reserve build, and timeline of projects (using estimated costs with inflation increases). The current HOA budget has included \$5,000 for new projects each year out of the operating funds. As neglected projects have recently been completed the expense has exceeded the \$5,000 with some funds being withdrawn from Reserves. If we do not increase Reserves over time, we will deplete funds beyond the emergency cushion. The budget does take into account that a project repeat will likely cost less than the recent ones which were more work as the projects were overdue.

The Board agreed that we should remove the New Landscape Projects line item, but add a Reserve Build line item perhaps at perhaps \$4,000 per year. The HOA would use Reserves to support various projects. This makes it easier to calculate the timing and impact of projects. Doug and Dawn will work with this budget platform, analyzing scenarios with different HOA dues amounts and project timelines. The goal is to budget in the "black" for Income to Expense variance, and to preserve a reasonable Reserve balance while using Reserves for projects. This analysis will provide a planned timeline for projects for future Boards, a balanced budget, and anticipate HOA dues increases. After Doug and Dawn have worked further with the spreadsheet analyzing scenarios it will be presented to the Board, and to HOA members as part of the annual meeting.

4. Committee Reports

4a. Landscape Committee:

Doug Berard presented the Landscape report for Claire Colson. Doug consulted with Dan Jones from the city of Anacortes regarding the upkeep of Tract A and Observation Dr. The city will mow Tract A and the sides of Observation Dr. but wants to keep them "natural", so they might not be as well-groomed as some people had wanted. They also removed some poison hemlock from Tract A.

ProScapes still is not doing a thorough job. Doug will talk with Jerod, owner of ProScapes, to see what can be done.

Owners at the Crest condos are worried about fire safety in Tracts C and D. Claire, Doug and Dawn met with representatives from the Department of Natural Resources and the Conservation District. They advised that there is a Home Ignition Zone that recommends that trees be 100 ft. away from structures. DNR has a program under which they will advise home owners and perhaps share in the cost of making a fire break. Dawn is looking into whether or not an HOA would qualify for that program.

Current projects:

- The Washington Blvd. lighting has been completed.
- The Observation Dr. detention pond has been cleaned.
- The clean-up at Washington Ct. is almost finished.
- Kim Graf will work with Claire Colson to design the rest of the project. We have approximately \$15,000 over two years budgeted.

4b. Architectural Review Committee:

Doug reported for Annie Hayes. There are two lots left in the HOA, both of which are on Washington Ct. SCE 6 is on hold until the builder finishes another project but should start soon. Lori Campbell asked that the owner be reminded again that he needs to maintain the lot. It has been mowed once and now has thistles and tall grass again. SCE 16 is not in the building process. The owner is waiting to build at a later time.

4c. Publicity Committee:

Doug will get the third quarter newsletter out soon.

5. Old Business:

There have been several complaints from owners at The Crest and The Gardens and about maintenance of individual yards as well as fire safety around Tracts C and D and Observation Dr. Most of these issues have either been resolved or the Board is researching solutions.

6. New Business:

- Kathy Edmonds has serviced all of the mailboxes. We hope that will prolong their life.
- Is it time for an HOA picnic? If we can find someone to organize one, Jackie Etsell has the supplies.

7. Upcoming Meetings: The next meeting is scheduled for August 26, 2023 at 9:00 am at Doug Berard's home. There will also be a Zoom link available for HOA members at the Sunset Cove website.

The meeting was adjourned at 11:00 am.

Respectfully submitted,

Lori Campbell, Secretary