

**Point Richmond Ridge HOA
Board of Directors One-Off Meeting
In Advance of the Annual HOA Meeting
Thursday, November 8, 2023, 5:00 PM PST
Streeby Residence and Online
Meeting Notes**

In attendance / Tom Huffman, Steve Treese, Marc Janes, Bruce Harjehausen, Tom McKee, Karen Streeby

1. This meeting was conducted outside of our regular monthly meeting schedule in order to prepare in advance of the upcoming annual HOA meeting.
2. Bob Malady brought to the board's attention some concerns that homeowners did not receive the meeting notice in the mail 14 days prior.
 - a. It was postmarked at least 14 days prior, so we are in compliance.
3. Bob Malady raised a list of questions and concerns to the board before the meeting. The board proceeded to discuss Bob's points, listed below, in detail.
 - a. Comment: "Using 5% as an inflation factor for our major expenses is grossly inaccurate. Historically the national inflation rate is c3%. (Over the last 20 years the average inflation rate has been 2.47% - includes the last 2 years at 4.7% and 8.0%). The Federal Reserve's target is 2%."
 - i. Inflation
 1. We had estimated higher inflation estimates to align with actual past experience.
 2. Our inflation rate for asphalt has been 4.8% per year, so estimating 5% is reasonable.
 3. Bruce ran a scenario where he changed everything to 3% inflation
 4. Bruce also ran a scenario with asphalt/sealcoating every 8 years rather than 5 years.
 - a. If we crack seal every year and sealcoat every 8 years starting next year; we still run out of money in 2027; it gets worse as the years progress.
 - b. We are asking AC Moate for the average yearly inflation rate for asphalt paving, and history. Unsure as to whether they will be able to provide.
 - c. We need to sealcoat next year
 - d. We propose sealcoating every five years, based on the recommendations from professional sources.
 5. For asphalt work, the inflation rate is higher.
 - a. We can ask AC Moate to give us an average (as discussed above)
 - b. Asphalt Binder Reference; Friday to Friday reference cost (<https://wsdot.wa.gov/business-wsdot/contracts/about->

public-works-contracts/payments-reporting/asphalt-binder-reference-cost)

- b. Comment: "Tree Removal: A 3-year cycle and \$3,000 cost are projected. In the previous section, this work was excluded from inclusion in the Reserve Fund work and covered in the annual operating budget"
 - i. BOD suggestion; We can feasibly remove the tree maintenance budget from the reserves but leave it in the operating budget.
- c. Comment: "Playground Equipment Replacement: A 30 year cycle and \$30,000 future cost are projected. Considering the fact that the equipment is very seldom used and then by a very few people, some serious thought should be given as to what equipment (if any) should really be replaced."
 - i. BOD Response; Our responsibility is to maintain the facilities we have.
 - ii. It is also untrue that the playground facilities are seldom used.
- d. Comment: "Catch Basin Cleaning/Repairs: A 2 year cycle and \$2,500 cost are projected. The storm drains were cleaned in 2002, 2004 and 2018. When home construction in the community had been completed, contractors were no longer draining concrete mixer trucks and other debris in the streets so the system didn't require the same amount of cleaning. It would seem that a more reasonable cycle would be in the order of 8 to 10 years. The projected cost is reasonable and in line with previous costs."
 - i. BOD response; This is not in the reserves study or the operating budget. We have never carried it in our reserve study.
- e. Comment: "Playground Surface and Border Replacement: This work would depend on what would be decided in review of the previous item."
 - i. BOD Response; This falls under maintaining the equipment we own.
- f. Comment: "Tract D Resurfacing: A 5-year cycle and \$7,000 are projected: Prior to 2022, no surfacing work had been done in this area after 2005. I have no idea why the BOD decided to place bark in this area last year (and thereby set up a regular maintenance issue). In any case, there would seem to be no reason to project a regular maintenance cost for this tract."
 - i. In the past it has taken about 30 yards of bark.
 - ii. The bark beautifies the area and protects the trees which have exposed roots. Maintaining our property values is the main responsibility of the board
 - iii. We propose going forward, tract D every 5 years, next time in 2027, \$8,100 for 2027 and factoring in 3% inflation per year.
- g. "Tract B Tables: These tables should be addressed in the review of the Playground Equipment (Item 6. Above)."
 - i. We should keep these in the budget going forward.
 - ii. We anticipate about a 20-year life span.
- h. Comment: "General Signage: A 5 year cycle and \$636 cost are projected. We have spent money on signage twice since the original development was set up. "No Outlet" signs and "20 MPH" signs were installed c2013 and "Children Playing" and additional "Stop Signs" were installed in 2018 (\$400 cost). The cycle and projected cost for this item would seem excessive."
 - i. We can remove this from reserves and cover it in our operating budget.
 - ii. We can revise this to \$600, change it to a 10-year cycle, starting in 2030.
 - iii. There are several other signs that have been added, beyond those listed in the comment.

4. Board proposes increasing dues to \$600 for the next 2 years, then \$700 in 2026.
5. Action Items;
 - a. After discussion and if we make changes, we need to get a vote at the meeting to accept the amended reserves
6. Adjourn