

**MINUTES**  
**Blue Ribbon Farms Homeowners' Association Board of Directors**  
**DECEMBER 21<sup>st</sup> at 11am**  
**The Nichols' Home 202 Land's End**

1. The meeting was called to order by Chairman Mark Long at 1pm. In addition to Mr. Long, present were Board members Paul Allsing, via phone, Andy Baritelle, Carmen Lynaugh, Natasha Nichols, Dave Woodcock and Drew Zacharias. Members of the public, Corby Somerville and Gary Gordon were also present.
2. There was no public comment.
3. It was moved by Ms. Lynaugh, seconded by Mr. Long and unanimously carried to approve the corrected minutes of the December 8, 2023 meeting.
4. Treasurer's Report
  - a. There was a lengthy discussion about finding a replacement for the HOA's current bookkeeper, Kathleen Temple. Ms. Lynaugh spoke to three potential candidates: Colleen Bell, Sherry Lacey and Ellen Shanks. Ellen Shanks at Sherry Bennett's office was highly recommended by Jeanne Martin, an HOA resident, and a retired local CPA. Ms. Shanks currently handles 12 other HOAs. She said if she was out of the office, there are two other bookkeepers who could help us if there was an urgent need. Ms. Shanks has been willing to look at our data and analyze how best to transfer it to online Quickbooks. We do not have a price for her services yet. We will need the services of Sherry Bennet, CPA this year to prepare our taxes. In the past the Treasurer has prepared them. There was considerable discussion about the other candidates, costs for their services and other considerations. Ms. Bell said she would charge \$325/quarter to do our quarterlies, plus set up time. Ms. Shanks is \$60/hour. After much discussion Ms. Lynaugh will hopefully have some cost estimates from Ms. Shanks and will bring the matter back to the Board at its next meeting; however, it was the clear inclination of the Board to hire Ms. Shanks for the work.
5. Discussion regarding upcoming general membership meeting
  - a. Proposed Budget - There are currently five lots who are delinquent, for a total of \$1,890. Looking forward, Ms. Lynaugh prepared a draft proposed budget for 2024. The anticipated income is \$17,200. The draft proposed expense is \$39,275. This is the worst-case scenario, accounting for a \$12,800 amount for legal services

and \$12,550 repayment of the loan made by some HOA members to the legal fund for the Mason case. For comparison, the 2023 budget had \$44,190 in approved expenses. Actual expenses for 2023 are \$21,241. The fund balance at 12/31/23 is \$65,345. The fund balance would allow for the payment of additional attorney fees if required. If the Board deemed the likelihood of additional Mason expenses to be small, the fund balance would allow for repayment of the personal loans to the HOA. There was also discussion about what it would take to actually collect from Mr. Mason should the appeal be denied. Seizing vehicles like a plane or car is extremely difficult, said Mr. Baritelle, while placing a lien on real property is relatively easy. However, real property payout could come many years after filing the lien. Mr. Long agreed there is a lot of work to do to initiate collection of various sorts.

There was a discussion about an annual audit. The HOA Bylaws state: "At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. In the event the Association has ANNUAL assessments of fifty thousand dollars or more, the financial statement shall be audited by an independent certified public accountant..." The Board had voted in May of 2023 that the annual assessment discussed in Article VII, Section 3 of the HOA Bylaws is, in fact, the HOA's annual assessment (that is the "dues") and does not include the one-time SPECIAL assessment enacted in 2023. Therefore, the association does not require an annual audit. The Bylaws do state that an audit may be waived if such a waiver is approved by 67% of the votes cast by owners, in person or by proxy, at a meeting of the Association at which a quorum is present. Mr. Woodcock thought an annual audit would cost about \$300-\$400. Mr. Somerville said putting a waiver of the annual audit to the full membership would keep the association protected. The Secretary was directed to place the waiver of an annual assessment on the homeowners' meeting agenda.

- b. Attorney Costs - No information about the appellate court's decision on the Mason appeal has been provided. Other attorney fees which may need to be considered are costs of obtaining an attorney's help regarding code violations and other issues. Also, updating the CC&Rs may be as high as \$20,000 to \$30,000. Mr. Zacharias told the Board of his very informal discussion with an attorney about finding an attorney who specializes in HOAs. He told the Board the attorney pointed out that updating the CC&Rs is not really the issue; usually updating is necessary because of an enforcement issue, or the changing character of the HOA members. The attorney mentioned that there would likely be organized opposition within the HOA to any changes, and you could spend much time and money updating the CC&Rs only to have it all vetoed at the membership meeting. Mr. Zacharias presented information about acquiring the services of an attorney

that was local versus an attorney with specific HOA expertise located in the Seattle or Tacoma area. Locally, the attorney's costs would likely be lower, the attorney would have a better handle on how long it would take for any adjudications, they would know the typical outcomes for HOA cases should it go to court and would be familiar with the expectations from a judge and from opposing attorneys. An attorney specializing in HOAs may take less time when required to review our governing documents even though the hourly cost may be higher. The attorney with whom Mr. Zacharias spoke said any attorney could match up the CC&Rs with state and federal codes, but someone who knows specific problems of an airport HOA may be better. The discussion then ranged over whether the Board and/or a committee should simply match up the current CC&Rs to the state and federal codes. Ultimately, it was felt the attorney costs should be budgeted at \$20,000 for 2024.

- c. Bookkeeper Costs – Ms. Lynaugh will return with more information on this number at the Board's next meeting. The costs for bookkeeping as well as the postal costs, PO Box costs, the website costs, tax preparation and other administrative costs are under the Administrative Cost line item.
- d. Webmaster costs - Ms. Nichols reported on speaking to three people about taking over the BRF website. The current web manager, volunteer Dan Masys, would like to retire. He no longer lives here and has been doing this for several years, gratis. He has said he would do a changeover from our current configuration to an updated one, like WordPress. However, we'd need someone familiar with that, who could learn our server configurations and our mail forwarders. We will also need regular postings and updates to our site. Amber Deihl, who was proposed as someone to do this work several years ago said she would not do the ongoing monthly work for us, although she'd be happy to help with the conversion. Jenn Gibbings, who is an HOA resident said she does not specifically do this work; however, she can put me in touch with someone in Portland who is very good, very reliable and has much experience. Finally, Pam Pifer is a local person who does this sort of work. She charges \$100/hour and could not give us a precise quote for the conversion work. She had some good ideas and if we decided to rework the entire website, she thought it would run \$4000 - \$7,000. However, Ms. Nichols said at this point, her thoughts are we should focus first on transferring the website to WordPress and then reviewing the various specific components to determine what needs to be changed/updated. Ms. Pifer pointed out that there was some private information that should probably be held confidential. Finally, Mr. Masys said there are likely 1-4 web page text edits per month, 102 documents sent as WORD to be converted to PDF and posted monthly with links added, and 1-2 Mailchimp group emails monthly to about 180

addresses. Mr. Sommerville asked if the Board needed a Board member to serve as the “web officer” to oversee the web operation. It was decided to have the secretary place a standing item on the agenda about web matters to make sure the Board knew what was happening on the website and the secretary was the logical person to track that. It was moved by Ms. Lynaugh, seconded by Mr. Woodcock and unanimously carried to budget \$2500 to update the website, hire Pam Pifer to be the webmaster and to pay Mr. Masys \$500 in recognition of his volunteer service to the Board.

- e. Mailing proxy notices – The Proxy letters and notice of meeting will need to be mailed 30 days before the meeting. Mr. Long will prepare the Chairman’s letter. Ms. Lynaugh will print the address labels; she has the envelopes. She will mail a copy of last year’s proxy form to Ms. Merkuloff who will see if she can update it. Mr. Zacharias will ask Wendy Zacharias if she would be willing to assist Ms. Nichols in preparing the PowerPoint. Ms. Nichols told the Board a Zoom account would cost \$149. Ms. Lynaugh said that was about what was spent last year. Ms. Nichols will contact Rachel May to ask about the arrangement for Zoom last year. Ms. Lynaugh presented the board with a draft Work Plan to present to the membership at the meeting to highlight the Board’s work in the coming year.
- f. CC&R Committee – Mr. Sommerville stated he would like to be involved. He presented the Board with three objectives for this committee: Have the new CC&Rs conform with Washington State law, impose as few requirements and constraints on members as possible while preserving the privileges and obligations in the original CC&Rs and finally, have the new document as brief, concise and understandable as possible. The discussion moved to whether we should try to do this ourselves, by a committee of the membership and Board, or have an attorney do it. Mr. Zacharias indicated his willingness to be involved, and stressed we should keep it simple. However, Mr. Zacharias said he thought it would be more appropriate to have an attorney simply update the CC&Rs to comply with state law. There was more discussion with no resolution. This item will be agedized for further consideration at the next meeting.

6. There was a request to agendize discussion and possible action property actions in the HOA.

7. There was no closed session discussion.

8. The Board adjourned at 12:54 pm

Respectfully submitted,

Natasha Nichols, Secretary

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