

Minutes
Blue Ribbon Farms Homeowners' Association Board of Directors
January 4, 2024

1. The meeting was called to order by Vice-Chairman Drew Zacharias at 11am. In addition to Mr. Zacharias, also present were Board members Paul Allsing, via phone, Andy Baritelle, Carmen Lynaugh, Natasha Merkuloff Nichols and Dave Woodcock. Mark Long joined the meeting shortly after it started. Corby Somerville and Jeff Hecox, members of the public, was also present.
2. There was no public comment.
3. Secretary's Report
 - a. It was moved by Ms. Lynaugh, seconded by Mr. Woodcock and unanimously carried to approve the Board minutes of December 21, 2023, and the Airport Committee meeting minutes of December 22, 2023. Chairman Mark Long was noted present.
4. Treasurer's Report
 - a. Discussion ensued about replacing our current bookkeeper for the HOA. A new bookkeeper is required because Kathleen Temple, our current bookkeeper, is ill. Ms. Temple's hourly rate was \$50/hr and usually totaled about \$500/year. Ms. Lynaugh has spoken to a total of 4 candidates for this job. The most likely person has been Ellen Shanks of Sherry Bennett's CPA office. It appears that Ms. Shanks is very well qualified and handles a number of HOAs. However, she is extremely busy, and it has been hard getting her to respond. There is a concern that as we are a very small account, we could be relegated to the bottom of the workload. Also, we would likely be encouraged to increase the number of duties Ms. Shanks could perform for us. Ms. Shanks is \$65/hour and anticipates annual costs to be \$720. Ms. Lynaugh located another candidate; she has spoken to Martha Gordash, an independent bookkeeper who has a company called Success Profit Planning. She is not associated with a CPA office. She does not have the HOA experience of Ms. Shanks; however, we are only asking for services similar to what a small business would require, and we would be one of few clients. She has excellent references and lives quite close. She, too, charges \$65/hour and estimated between 10-20 hrs. per year. The duties of the position basically require recording what is taken in and what is sent out, preparing annual assessment invoices and statements, and preparing Balance sheets and Profit and Loss Statements quarterly. Because Ms. Temple has been ill, the costs for bookkeeping in 2023 was only about \$100. In the coming year, there will be a corresponding increase in costs, to catch up on the posting that was not accomplished in 2023. There also may be transition costs. So, while the budget for 2024 of \$2600 reflects an increase, for 2025 the budget request should return to normal. After more discussion, it was moved by Ms. Lynaugh, seconded by Mr. Long, and unanimously carried to hire Martha Gordash as our bookkeeper, and to authorize Ms. Lynaugh to develop and execute an engagement letter.
5. Discussion regarding upcoming general membership meeting
 - a. Budget overview: Ms. Lynaugh reviewed the proposed budget for the Board. Ms. Lynaugh told the Board that her research has convinced her the Board has no authority to require a mandatory pilots' assessment. She believes the action by a previous board at an annual membership meeting establishing the assessment was improper. Specifically, she referred to Article I, Section 6: Assessments **shall** (not will) mean charges levied by the HOA on an annual or as need basis **against each and every lot irrespective of size or multiple ownership** to be used (for) **...maintenance on property owned by the Association**. Therefore, the pilots' assessment line item has been removed from the budget. There are several other components of the budget which need further discussion.

- b. Attorney costs: Mr. Baritelle pointed out that that the Board may need attorney advice regarding the “Curve” project: the County’s project at the intersection of Kitchen Dick and Lotzgesell. He said attorney assistance will also be needed regarding the status of the encroachments into the 60’ general easement on Tyler View and Lands’ End. The Tyler View/Lands’ End easement issue will also require meetings with the property owners along those taxiways. Mr. Long reminded the Board there needs to be contact with the post office to get a definitive statement about where the mail can be delivered if mailboxes are moved. In other attorney matters, there may be attorney costs related to the anticipated closure of the Mason legal matter. For these items, and other issues which may require attorney advice, a budget of \$10,000 is being presented to the membership. Ms. Lynaugh reminded the Board we may need assistance with the collection of unpaid dues and assessments. There are five delinquent properties; \$300 is budgeted for this. Finally, an attorney will be needed to assist with the updating of our governing documents. There was lengthy discussion about the pros and cons of using an attorney to write changes to the governing document update versus “doing it ourselves” and letting an attorney review “our” work. Ms. Lynaugh said the budget as presented to the Board shows \$20,000 for estimated attorney costs for this project. This sum reflects a conversation with the Board’s attorney about what such an update and review may cost. The Board conversed about the wisdom of having a local attorney who may not have total HOA experience but may cost less than an HOA specialist in Seattle who would be much more expensive. Would we be wiser to pay an HOA specialist a high hourly rate for a smaller number of hours? The Board has developed a long-term relationship with the Board’s current attorney and that has been beneficial. Unfortunately, she is retiring. To develop another such a relationship would be wise. It was mentioned that our current attorney provided assistance and representation in the Cascadia water rates matter. There was a lengthy discussion about how to approach the review of the governing documents. It was moved by Mr. Long, seconded by Ms. Lynaugh to approve the proposed budget for 2024 and present it to the membership for final approval. On the question, Mr. Allsing asked if we did not have these one-time legal fees, would our budget be balanced? Ms. Lynaugh said yes, it would. Mr. Zacharias brought up the wisdom of initiating an annual cost of living adjustment to the dues, so that the HOA members are not confronted with a large increase intermittently. There was agreement on this concept; however, it was felt that should be looked at next year. Mr. Allsing stated that the \$10,000 in legal fees could look like a “slush” fund. He suggested it may be wiser to clearly state that \$5,000 is for right of way & other legal issues and \$5,000 is for closure of the current lawsuit. Mr. Sommerville mentioned it’s important to tell the HOA that we came in under budget this year. Ms. Lynaugh commented that perhaps the Board could prepare a “5-year look ahead” budget in the future for planning purposes. The revised motion was amended as follows: Approve the proposed budget for 2024 for presentation to the membership, with the legal line item showing \$5,000 for right-of-way & other issues, \$5,000 for closure of the current lawsuit, \$300 for collection and \$20,000 for review of the governing documents & general questions. The Secretary called for the question: the vote was unanimous.
- c. Governing document committee: There was clear agreement that participation of representatives from the membership is needed for this committee, and it is hoped volunteers step forward. Once more, discussion ensued about how to approach a review and revision of the association’s governing documents: the CC&Rs and the By-Laws. Mr. Sommerville stated he strongly felt the association should revise the documents, and then hand the revised documents to an attorney to ensure their compliance with state and local laws. There were members of the Board who felt it would be better to discuss the project with an attorney first, and perhaps put the revision into the hands of an attorney. Mr. Sommerville stated the Board had an obligation to be careful with others’

money, indicating the actual work done by the committee would be less expensive, in his opinion. Ms. Lynaugh pointed out if we hired an attorney to do any work on the governing documents, we would develop the scope of work and closely monitor the costs and scope of work being completed. As stated earlier, \$20,000 has been proposed as a budget for an attorney to assist with this project. While there was some disagreement as to how to approach the review, it was clear that whatever path was chosen, it will require legal advice. Once formed, the committee can determine how best to proceed, including perhaps identifying specific items which are no longer practical and suggesting new topics which the CC&Rs should address. It was agreed to ask for volunteers at the HOA meeting and asked Mr. Long to include that request in his chairman's letter.

- d. Ms. Lynaugh discussed the time frame for mailing proxy notices and having them returned so that they could be tallied in time for the meeting. It was decided to mail the proxy notices by January 15th, together with the Chairman's letter. The proxy notices and chairman's letter as well as the proposed budget will also be posted on the website that day. Proxies must be returned by February 1st. NB – Subsequent to this meeting, after counting days, Ms. Lynaugh felt that members should have a bit more time to return their proxies. Therefore, she said February 8th will be the due date by which all notices must be returned, either by mail or into the "proxy box" located on Ms. Lynaugh's front porch. The Power Point presentation will be posted that day as well. Wendy Chalk has agreed to prepare and Power Point presentation and project it during the meeting. The content of the slides each director will be presenting must be to Ms. Chalk by January 20th. Ms. Merkuloff asked the directors to try to use the slides as bullet points, not as notes for your presentation.
- e. It does not seem possible to offer Zoom this year. Zoom was instigated primarily because of the Covid crisis. Last year, Rachel and Josh May operated the Zoom system and Ms. Chalk handled the Power Point. There were several issues despite everyone's best efforts. It is not possible to see all the people on Zoom while the PPT is in progress. It is not possible to see whether a question is being asked or if a Zoom hand appears, there is no way to see who is asking the question if not all people appear on one screen. Several Zoom users could not hear and at times the audience could not hear the Zoom users. There were dropped signals, so people either could not get on or had to get on again. Some Zoom users did not understand the process to access the meeting, and so they called members of the Board during the meeting to get help. Finally, a Zoom account would need to be purchased at a cost of about \$200 for use once annually. If the HOA conducted Zoom meetings more often, it would make sense to set up training for people who needed it, but there is only one HOA meeting a year. At this point, there simply are not enough technologically savvy people to ensure Zoom and Power Point runs smoothly. Therefore, it was moved by Ms. Merkuloff and seconded by Ms. Lynaugh to remove the \$200 Zoom cost from the budget and not use Zoom for this upcoming meeting. The motion carried. The Power Point slide show will be on the HOA website for people to review. The proxy form reminds members to give any questions they have about the topics in the Power Point to their proxies so the questions can be answered at the HOA meeting. Mr. Allsing was excused.
- f. Mr. Zacharias will attempt to provide the status update on the Mason litigation. Mr. Woodcock pointed out that HOA members who are not interested in the airport forget that Blue Ribbon is one of only three Clallam County emergency airfields, which is one of the reasons it needs to be maintained. Mr. Long and Mr. Zacharias spoke about the importance of remembering this is an airport community. Residents forget that having a functioning airport improves their property values. Another topic to cover may be the lack of involvement by the HOA community.
- g. Mr. Sommerville reminded the Board that they need an HOA meeting agenda item to waive the annual audit requirement. There are two sets of eyes looking at the budget numbers, the Treasurer and the bookkeeper, and it would cost thousands of dollars to perform a full audit.

