

FGHA Budget, FY 2024

Frequently Asked Questions

1. What is the budget adoption process?

CPI assessment increase provisions in the FGHA CC&R were superseded by RCW 64.90.080(2) and RCW 64.90.525 of the Washington Uniform Common Interest Ownership Act (“WUCIOA” or the “Act”), that became effective July 1, 2018. The Board may propose assessment increases without regard to CPI figures by complying with the usual Budget procedures in RCW 64.90.525. RCW 64.90.525(1) of the Act requires the FGHA Board to propose a Budget for owner review and, if not rejected by a majority of all members, it is considered ratified and adopted. RCW 64.90.525(2) lists what must be in the proposed Budget. The list includes “the projected common expenses” and “the amount of assessments per unit [lot]” that will be due from each owner in order to cover the financial needs of the Association for the upcoming year.

WUCIOA applies only to Associations created after July 1, 2018, except for a small number of sections that expressly apply to ALL Associations, including those pre-existing the Act. RCW 64.38.095 of the Owners Association Act lists the sections in WUCIOA that apply to all HOAs regardless of when created. RCW 64.90.080 of WUCIOA also lists the sections within its provisions that apply to all Associations. RCW 64.90.525 (on Budgets) in WUCIOA is one of the sections that applies to FGHA.

RCW 64.90.080(2) in WUCIOA provides the language that results in provisions being superseded by Budget provisions in RCW 64.90.525. RCW 64.90.080(2) states in part that “To protect the public interest, RCW ... 64.90.525 supersede[s] existing provisions of the governing documents of all plat communities and miscellaneous communities previously subject to chapter 64.38 RCW.” This language clearly states that the WUCIOA statute on Budget adoption supersedes the governing documents of all Associations under the Owners Association Act, RCW 64.38. Budget adoption requires listing the amount of assessments and futures expenses they will cover in the Budget. In other words, the statute states that the amount of assessments will be established through the Budget procedures. Accordingly, because RCW 64.90.080(2) says that section .525 supersedes provisions of the CC&R of all HOA regarding Budgets, FGHA’s CC&R provisions that tie assessment increases to a CPI index are superseded and no longer apply.

The superseding result of WUCIOA regarding Budgets and the setting of assessment amounts is this. Boards send a proposed Budget to all owners. The Budget lists the amount of assessments needed to cover costs of the HOA. Owners have full notice and opportunity to vote to reject the proposed Budget. Even if they are unable to attend the annual Owners meeting they can provide a proxy to register their negative vote if that is their position. We believe the legislature wanted to alleviate the problem of unreasonably restrictive assessment increase provisions in CC&R, and allow HOA Boards to propose Budgets based on addressing actual financial needs.

Owners receive notice and have the opportunity to exercise a negative vote if they wish. A majority of Owners must exercise a negative vote in order for the budget to be rejected. If rejected, the budget of the previous year will be in force until the next annual Owners meeting. If a majority of Owners do not vote negatively, then the Budget is considered to be ratified. It is important to note that the budget homeowner vote is not a proxy vote.

It is the Board’s responsibility to propose assessment increases believed reasonably necessary for the FGHA’s financial needs.

The 2023-24 budget consists of two parts: 1) the normal operating budget and 2) a single-year special assessment for projected costs to replace the play equipment in the community’s two parks, Allen and Toddler. (For more information about these planned improvements, please visit FGHA website www.fairwoodgreens.org.) With guidance and recommendations from FGHA legal counsel and the association’s CPA, the board determined that projects should be funded with a one-time special assessment added and tracked as a separate line item to the 2023-24 budget. The budget for 2024-25 will consist of normal operating costs only and Owners will receive a copy of the 2024-25 budget in advance of the annual Owners’ meeting slated for the 4th Tuesday in September 2024.

2. What has been the history of FGHA dues?

FGHA Annual Fee History				
	6 mnth	12 mnth	YOY	Increase
1/1/2023	\$189.00	\$378.00	\$63.00	20.0%
1/1/2022	\$157.50	\$315.00	\$15.00	5.0%
1/1/2008	\$150.00	\$300.00	\$60.00	25.0%
1/1/2004	\$120.00	\$240.00	\$24.00	11.1%
7/1/2002	\$108.00	\$216.00	\$72.00	50.0%
7/1/1999	\$72.00	\$144.00	\$144.00	

The Association's Board has worked diligently to control rising costs and minimize assessment increases to FGHA Owners. 2022 budget included the first fee increase since 2008. In order to fulfill the Board obligations to Owners to keep FGHA a safe, family friendly, well-kept residential neighborhood that increases in property values, it is necessary to balance the costs with the fee revenues. A survey of surrounding HOAs, condominium complexes, etc., reveals that FHGA has historically had much lower annual fees for a community of this size, largely in part to the significant efforts on part of an all-volunteer Board and many Owners who volunteer their time and efforts to serve on subcommittees and various projects.

3. What is the history of Allen Park and Toddler Park upgrade/maintenance prior to 2021 work?

Prior to the major maintenance and repair projects conducted at Allen Park between 2021 and 2022, little upkeep has been performed the parks over the last 20 years, resulting in much needed maintenance and repair work.

Toddler Park –

Removed unsafe play equipment in 2020, replaced lights in 2020, cleared brush to improve visibility for security, planted trees in agreement with KC DNR to protect deep ravine (within 50-foot buffer zone), added play equipment on lower portion of park particular to 'toddler' age, added play chips, maintained equipment and ensured safety. The park was surveyed and FGHA ownership confirmed with King County.

Allen Park –

Replaced lights in 2020, maintained equipment, and ensured safety.

4. What upgrade/maintenance work was done to Allen Park in 2021 and 2022? How much was spent?

In early 2021, the FGHA board sent out an email request for volunteers to form a subcommittee made up of volunteer Owners to develop and execute plans to revitalize Allen Park and Toddler Park. Early on, the subcommittee decided it must first focus on Allen Park. An email survey was sent to all Owners asking for input on what was perceived as needed improvement. Distillation of survey results revealed desire to: 1) renovate basketball and pickle ball courts; 2) add new play equipment and replace existing play equipment; 3) add circumference walking/cycling paths; and, 4) refurbish/replace and add picnic tables and benches. An evaluation of Allen Park with our on-call arborist was conducted and it was determined that ~25 trees would need removal and/or trimming. FGHA ownership was confirmed with King County.

The subcommittees developed plans, gathered bids from vendors, and created proposals and recommendations for the board to review and approve. The work was divided into phases, with Phase 1 focused on the much-needed maintenance and repair work. The play equipment replacement and expansion was deferred to Phase 2. To prepare for Phase 1 work, a property line survey and utilities line maps were created. The major maintenance and repair projects completed were to:

- Repair and renovate electrical and irrigation systems. Create site surveys and maps. Complete significant work on the irrigation system.
- Remove or trim unhealthy trees and bushes as identified by Arborist.
- Add 747 lineal feet of 8-foot-wide walking paths to existing 988 feet of paths.
- Replace or renovate park benches and tables and add two additional benches along the walking paths.
- Regrade potentially dangerous uneven ground with topsoil and reseeded, improving safety and drainage.
- Reconfigure, expand, resurface, and repaint the basketball court.
- Install 100 feet of 3-foot-high black chain link safety fencing with rolling gates along the side facing the street.

- Renovate hoops and add a new third “junior” hoop.
- Add new hedge plantings and ground treatments along the sides of the court.
- Reconfigure, expand, resurface, and repaint existing pickle ball courts and add new nets and surrounding 4-foot-high black chain link fencing and gate.
- Repaint and move Allen Park storage shed.
- \$1,650 of donations from Owners paid for three black bear carvings out of the remaining cedar tree stumps.

The work was completed in first half of 2022. The cost of all of these projects was approximately \$230,000. This was funded from existing FGHA savings account, requiring no additional homeowner money. Many volunteer hours enabled significant savings to complete these projects.

5. What is the Phase 2 work to be done in Allen Park and Toddler Park and how much is that going to cost?

Phase 2 planning and work consisted of the expansion and replacement of current older and unsafe play equipment. The volunteer homeowner parks subcommittee was divided into two groups, one focusing on Allen Park and the other on Toddler Park. A subcommittee member is a professional landscape architect with past experience in designing and installing playground equipment around the Seattle area, leveraging industry knowledge and expertise, and professional connections. In early 2022, a survey was sent out to all Fairwood Greens residents gathering input for expansion and replacement. The subcommittees gathered design ideas and proposals from vendors, suppliers, and contractors and narrowed to final options. In May 2023, a survey of students at Fairwood Elementary was conducted for final options. In addition, presentations at several monthly homeowner meetings and at several of the August concert in the park series and posted on the FGHA website and Facebook page provided updates and gathered more input. Progress updates were published in FGHA newsletters January and July 2022, and January and July 2023, all of which were emailed and USPS mailed along with dues statements to all Owners. Toddler Park is currently planned for Spring 2024 and Allen Park is planned for Fall 2024.

With guidance and recommendations from FGHA legal counsel and the association’s CPA, the board determined that these projects should be funded with a one-time special assessment added as a separate line item to the 2023-24 budget for FGHA Owners to review prior to the Sept 2024 annual meeting. Updates concerning the parks and the special assessment were communicated in the July 2023 newsletter and dues emailing and USPS mail to all Owners. Detailed breakdown of the proposed 2023-24 budget including the special assessment, explanation and impact on each homeowner was emailed and USPS mailed to all Owners at the end of August along with proxy vote forms and board candidate information in preparation for the 26 Sept 2024 annual meeting. The 2023-24 budget including the special assessment was not rejected by the majority and therefore accepted by the FGHA Owners at the annual meeting. The minutes of the September annual meeting were posted on the FGHA website. Details of the park project studies and proposals can be found in the park improvement documents on the FGHA website.

Allen Park project is budgeted for \$305,500 and Toddler Park project is budgeted for \$227,000.

This means for each of the 1,500 FGHA Owners:

- Yearly Dues Assessment = \$406.50
- Special Assessment for Parks = \$355.00
- Total Assessment = \$761.50

Payments may be made once in full in January 2024 or in installments January and July 2024.