

Approve
Reject

BOARD RESOLUTION NO. 2024-08-21-01
A Resolution to Ratify the 2025 Budget

WHEREAS, according to the Amended and Restated Protected Covenants of the Semiahmoo Resort Association, the Board of Directors is responsible for enforcement of same; and,

WHEREAS, Article X – Assessments, Section 9.03 requires the Board of Directors prepare a budget for the following fiscal year and to call a meeting of the membership to ratify the proposed budget; and

WHEREAS, the Board of Directors has designated October 26, 2024, as the date of the Owners meeting (Annual General Meeting) to consider ratification of the 2025 Budget; and,

WHEREAS, as per the Revised Code of Washington (RCW) 64.90.525, the budget is ratified unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, whether or not a quorum is present.

THEREFORE, BE IT RESOLVED THAT the Board adopted the 2025 Budget to be ratified by the membership.

The Board adopted the following 2025 Budget on August 21, 2024. If this resolution does not pass, then the budget and assessments noted therein ratified at the October 28, 2023 Annual Meeting, will control.

2025 Consolidated Budget - Assessment Revenues									
	General Operational Fund Assessment			\$	1,116,555				
	Restricted Reserve Fund Assessment				301,132				
		Total		\$	1,417,687				
		# of Lots	Units per Type	Total Assessable Units	Operations Fund Assessment	Reserve Fund Assessment	Total Fund Assessment		
					330	89	419		
Proposed 2025 Annual Assessment Per Unit									
Assessable Lot Types									
	Residential vacant lot	89	89	2	178	178	\$660	\$178	\$838
	Residential lot with home	534	534	4	2136	2136	\$1,320	\$356	\$1,676
	Subtotal Lots & Lots with homes	623	623		2314	2314	\$1,980.00	\$534.00	\$969,566.00
	Villa (501 - 700 sq ft)	6	6	1.5	9	9	\$495	\$134	\$629
	Villa (701 - 960 sq ft)	4	4	2	8	8	\$660	\$178	\$838
	Special lots (Carnoustie/Prestwick Green	5	5	2	10	10	\$660	\$178	\$838
	Condo (Flat 1,210 - 1.400 sq ft)	34	34	2.5	85	85	\$825	\$223	\$1,048
	Townhouse (up to 1,249 sq ft)	25	25	3	75	75	\$990	\$267	\$1,257
	Townhouse (1,249 sq ft & Semiahmoo Shores)	194	194	3.5	679	679	\$1,155	\$312	\$1,467
	Subtotal multifamily residential lots	268	268		866	866	\$285,780.00	\$1,290.50	\$362,854.00
	Semiahmoo Resort	1	1	203.5	203.5	203.5	\$67,155.00	\$18,111.50	\$85,266.50
	Grand Totals	892	892		3,384	3,384	\$1,116,555.00	\$301,131.50	\$1,417,686.50

Semiahmoo Residents Association					
Proposed 2025 Budget - General Operating Fund					
Thousands of Dollars					
	2024 Budget	2024 Forecast	2025 Budget	% change 24 Budget	% change 24 Fcst
Revenues					
HOA Assessments	1,042	1,038	1,116		
ASC Income	68	79	50		
Other	7.45	17	9		
Total Revenues	1,117	1,134	1,175	5%	4%
Expenses					
Maintenance					
Salaries and benefits	258	242	276		
Utilities	79	78	89		
Vehicles	40	33	50		
Landscape/Grounds	115	96	129		
Roads	62	30	30		
SRA Center	11	7	11		
Other	7	5	5		
Total Maintenance	572	491	590	3%	20%
Administration					
Salaries and benefits	357	344	369		
Insurance	25	98	120		
Legal	25	16	21		
Audit & Tax	14	13	14		
Land Use Consultants	20	10	5		
Professional Services	59	58	36		
General administration	18	17	20		
Total Administration	518	556	585	13%	5%
Total Expenses	1,090	1,047	1,175	8%	12%
Total Projected Surplus/(Deficit)	27	87	0	-	-

2025 Budget Highlights

Dues

Total Dues are proposed to increase by 3% from 2024. The Operating budget has increased by \$24/unit while the Reserve budget has decreased by \$10/unit for a total increase of \$14/unit or 3%. The decrease of the Reserve budget compared with 2024 reflects that an additional \$18/unit over and above the required contribution for 2024 was contributed to the Reserve budget by the membership. This was done because the membership had the opportunity to keep membership dues unchanged from 2023 to 2024 while contributing an extra \$18/unit to the reserve fund in 2024.

The increase in the Operating budget reflects increased personnel cost due to higher medical insurance rates and budgeted salary increases as well as higher insurance costs, partially offset by lower professional fees required in 2025.

The dues for the Restricted Reserve Fund are budgeted to be \$86/unit compared with \$96/unit in the 2024 Budget. The 2024 Reserve Budget included a one-time \$220,000 cost of repairing a retaining wall on Goldfinch Way.

SRA Operations Revenue

Projected revenue from ASC fees, transfer fees, and other source is lower by approximately \$27,000 (57%) from 2023 budgeted levels. ASC fees are forecast to decline with reduced construction activity relative to 2024 and be lower than the 2024 forecast which includes the recovery of deposits that were not budgeted.

Operations Spending

Spending on operations is proposed to increase by \$85,000 (8%) from the 2024 budget and increase by \$128,000 (12%) from the current forecast for 2024.

Administration spending increased by 13% compared with 2024 Budget primarily due to higher insurance premiums than budgeted in 2024 which are forecast to continue to rise in 2025. Salaries and benefits increase to reflect increases in compensation as well as higher medical insurance costs.

Maintenance spending increases by 3% compared with 2024 Budget and by 20% compared with the 2024 Forecast. There are higher amounts budgeted for work on SRA ponds and tree removal that are partially offset by lower snow removal costs and lower street sweeping costs achieved by moving these services to in-house.

Restricted Reserves

Projected capital asset maintenance and improvement spending in 2025 is defined by the reserve study with inputs updated in 2024. In 2025 a full reserve study will be completed in accordance with WA state law.

Semiahmoo Residents Association 2025 Budget - Restricted Reserve Fund Thousands of Dollars			
	2024 Budget	2025 Budget	% Change
Revenues			
Reserve Assessments	340	287	
Interest	25	30	
Total Revenues	365	317	-13.2%
Expenditures			
Common Areas	8	50	
Entrance Gates	14	14	
Facilities	4	0	
Roadways	117	140	
Signage	38	17	
Stormwater	75	40	
Goldfinch Retaining Way	220	0	
Total Expenditures	476	261 *	-45.2%
Projected Surplus (Deficit)	-111	56	-150.5%

* plus \$33,443 in interest and \$37,667 in principle payments for SRA building

Common Areas

Ponds, lighting, park amenities

Entrance Gates

Gate Operator Replacements: 1 gate replacement plus repairs. All gates refurbished in 2022 and 2023.

Roadways

Road Repairs: Road and curb repairs required to be outsourced.

Signage

New Entry Signs: Final year for staged replacement of entry signs

Stormwater

Bioswale maintenance