

Teal Lake Village Homeowners Association

2002 Annual Meeting

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Teal Lake Village Annual Meeting Minutes
July 28, 2002

President Perry opened the meeting at 3:15 after it was determined that there was a quorum of homeowners represented at the meeting.

The board members present were: Tim Perry, Dick Padilla, Jim Richards, Bob Duncan, Earl Yim and Jack Piper. Board members missing were Lynn Gauche and Marg Haverstick.

President Perry introduced the members of the board and presented the State of the Association Report. He explained the difference between regular meetings and work sessions was that the board couldn't vote on issues during the work sessions, as work sessions are not an open meeting. He went on to state that because of a 26% increase in the cost of living index over the last 10 years the current dues being paid by the homeowners would not be sufficient to cover the cost of services provided. He said that the board would be requesting a dues increase for the upcoming year.

President Perry's report included the creation of a web page for the Association. This will assist in keeping the Association Homeowners informed on what is taking place in our community. The Board of Directors is also continuing to produce the Teal Squeal newsletter that is distributed every other month. Between these two processes the homeowners will be able to see what is happening. (A copy of the full text is attached to the annual meeting report.)

President Perry explained the board's interpretation of CC&Rs section 5.5 regarding board approval of multi year contracts. He stated that after seeking legal advice it was determined that the one-year requirement applied only to agents of the Association and did not apply to the board.

Bob Duncan gave the Treasurers report. He gave the bank statement accounting for the time period through May 30, 2002 showing a balance of 28.5K before the clearance of all transactions and a balance of 14K after the clearance of all transactions from the checking account. The savings account balance was 23K and we have a 5K certificate of deposit for a balance of 57K.

He estimated that the ending balance for June 30, 2002 at the end of our Fiscal year would be 43.5K. He also produced a pie chart for the homeowners showing a breakdown of what our expenses are by percentage.

Earl Yim gave the ARC report. He explained that the SBCA had restructured the approval process to allow greater autonomy to the villages. The new standards allow the TLV ARC to make the final approval for most of the changes and additions to the community by individual homeowners. This will speed up the process. The TLV ARC has reviewed LCAs that are new to assure that they are landscaped properly to avoid erosion. They found deficiencies and worked out an agreement with PLA to take care of the problem areas. The ARC has been in the process of reviewing mailbox stations to see if they needed maintenance. The structures that did need it were maintained by the homeowners with the Association paying for the materials to fix them. This will be an ongoing process. He also reported on the collection pond for Bay View Village and we are responsible for. It now meets standards and we will share in the cost of repair and maintenance of the pond. The total amount estimated for next year will be \$1100.00. Lastly he reported on the projects that were approved last year in TLV. (See full report attached to agenda and minutes.)

There was no landscaping report however, it was reported that the landscape contract had been purchased by a new company that has been doing the landscaping for the last two months. They will continue to fulfill the contract requirements as agreed to by Allcare. A breakdown of the bid process was given to show how the contract was let. There was concern expressed by some homeowners that felt the cost of landscaping was too expensive. It was explained by the board that all of the bids for landscaping were well above what had been charged in the past. The cost of doing business and the vastness of this job cause the costs to go up. Concern was expressed that the board should not have entered into a three-year contract and that they had exceeded what was budgeted for this expense. It was explained that the board could enter into a multi-year contract and did so to gain some cost breaks over the first two years of the contract. By entering into this contract, the board was able to save a considerable amount of money over the three years. It was further explained that by law the board could move monies around within the budget structure to cover costs that may increase. In this case, the money was there in the budget to get us through the first year of the contract but a small increase in dues and a spending down of our assets to cover costs over the next two years would be required.

A homeowner expressed concern over the CC&RS clarity and content. President Perry explained that our CC&Rs were put together by the builder and were created to favor the developer's interests. President Perry had discovered that the CC&Rs are made up from bits and pieces of other CC&Rs from a variety of homeowner's associations, both in and out of state. A petition to review the CC&Rs for the purpose of updating and clarifying them

was presented to the Board. This petition was signed by 54 homeowners. The Board stated that it would form a committee of homeowners to review the CC&Rs and present their finding to the Board. (See petition attached to this file.)

The Board presented the ballot issues to be voted on by the homeowners.

The first item was a change to the By-Laws extending the length of terms for Board Members from one year to two. This would allow for a smoother transition of the board.

The second item was the homeowners who were running for election to the board. There were six candidates for the board positions. They were; Bob Duncan, Jack Piper, Jim Richards, Earl Yim, Lynn Gauché and Tim Perry. It was stated that if anyone wanted to be on the board they were welcome to volunteer at the first regular board meeting and the new board could appoint them at that time. There would still be three openings if all candidates were elected.

The last item was the Budget for fiscal year 2002-2003. Bob Duncan presented the new budget by showing a comparison of the budgets for 2002, 2003 and 2004 to show the increase in costs that the Village will incur over time. He demonstrated this while also reflecting the dues increase that was proposed by the Association Board of Directors. There were questions regarding the amount of the dues increase and Bob showed a comparison demonstrating the problems with using a lower amount rather than the amount proposed. He stated that the amount of the dues increase to support this budget and not require a larger dues increase next year would be \$50.00 per quarter. This would amount to a \$16.66 a month increase in dues. This would mean that the homeowners would be paying \$150.00 per month to operate the association at its current required level.

A motion was made from the floor to mandate a committee be formed to review the landscaping contract and present it's finding to the board for action. The motion was seconded and approved by a voice vote of the homeowners present.

The ballots were marked and colleted. Together with the proxy ballots they were all counted by three volunteer homeowners, Bill Taylor, Clark Ruggles and Frances Wickham, with the following results.

All of the candidates running for the Board were elected.

The issue of changing the By-Laws to extend the board terms passed 74 yes, 5 no.

The issue of the Budget and Dues increase passed 47 yes, 28 no

(The Ballots and count are attached to this report.)

With no further business before the Board, the meeting was adjourned.