

Teal Lake Village Homeowners Association

Board of Directors Meeting

November 25, 2002 [Return to Meetings](#)

The meeting was called to order by Acting President Tim Perry at 3:30 PM. The board members present were; Earl Yim, Jim Richards, Fran Wickeham, Jack Piper and Bob Duncan. The homeowners present were; Barbara and Bill Collins, Bill Taylor, Bert Goldstein, Marti Duncan, Clark and Lois Ruggles.

There was a review of the agenda and two items were removed.

A motion to accept the minutes from the October 28th meeting was made and seconded. There was no discussion and the motion passed.

The **Treasurers Report** was given by Bob Duncan in four parts. Bob reviewed the budget reporting procedures he is currently using (discussed in the last Teal Squeal). In sum, he said that for any given month he must prepare from two to three budget execution reports. The first report for any given month is an estimate. It is presented to the Board at the monthly meeting. It shows all expenses that have been incurred by the Association during the month and an estimate of the dues received for the month; it does not include interest income. Because this report is completed before the end of the month reported on, it cannot be reconciled against bank statements (they do not arrive until the second week of the following month). Actual figures for dues deposits and interest income are taken from our bank statements. The following month, after reconciling the bank statements, Bob updates the previous month's budget execution report and submits it for printing in the Teal Squeal. This report will vary somewhat from the earlier estimate and is a much more accurate report. Occasionally, a third report may be necessitated for a given month. This occurs when dues deposits are made at the end of the month after the bank statement is closed. As a result, those dues actuals are not seen for two months. This necessitates a third and final report. A discussion followed to seek a way to simplify the reporting process. The board determined that the Treasurer's report should focus on the previous month. If anything unusual occurred in the current month (eg., major unforeseen expenses, lose of income), the Treasurer would bring those to the attention of the Board at the meeting.

Bob continued with **Budget Execution Report** for the period: July 1, 2002 through November 30, 2002. This report showed that our total income for that

period was \$78,668.32 and our total expenses for that same period were \$76,045.58. The report showed that our total assets are \$47,618.65. (This will be the last of these current month reports.)

Bob then gave the **Financial Review of FY 2001 Records**. He shared with the board and the homeowners present the findings in the independent financial review report done by Garth Lindsey. Bob also shared his responses to specific findings in the report. Based on this limited review, Mr. Lindsey found that there were no major discrepancies in the recording income and disbursements or in following of established internal control procedures. The complete report and Bob Duncan's response is attached to these minutes. A question was raised by a board member as to whether the accountant is authorized to issue any checks for direct disbursements and if so for what. Bob explained that while the accountant cannot sign any checks, there are two instances in which the accountant is authorized to cut checks – for the cost of his services and for tax payments. All other checks are issued at the sole direction of the TLV Treasurer. All checks are sent to TLV HOA for signature (two Board members are required to sign a check).

Bob explained that the accounting firm that has been doing our accounts (J. Graham Pierson, CPA) has been sold to Gary V Anderson, doing business as Anderson PLLC, CPAs. He stated that he has spoken with the new owner who assured him that the charge for that service would be the same. Bob produced a letter of engagement which was signed by acting President Perry.

Lastly, Bob gave the **Mid-Year Budget Review**. He distributed a report on the mid-year review of the Budget. His handout showed the Actual expenditures for 2001-2002, the original budget for 2002-2003 as well as the revised budget. He emphasized that this was a summary report as every change to the initial budget had previously been noted as soon as it was identified. The result of the mid-year review showed that at this time we are \$7,499.00 over budget. This results from a decrease in anticipated revenues of about \$2,200 and an increase in various expense categories of about \$5,300. Bob went through the document and clarified the larger expenditures. Earl Yim informed the board that the amount for the maintenance of the pond was not an actual amount but rather an estimate until the work is done and the actual figures are known. Bob said that he had just received a notice from Millennium Digital Cable saying that his residential cable TV bill is increasing in January. He indicated that this could also impact our association bill; this is yet to be determined. Bob asked the Board if it was their wish that adjust the FY 2002 budget to show the revisions. The Board decided to not adjust the budget at this time. Bob also included a report, for the board's information, on the estimated cash position as of December 31, 2002. This entry to the minutes is a recap of what took place and the documents for this report are attached to these minutes and can be reviewed by individual homeowners who wish to do so.

The **Landscaping Report** was given by Jim Richards. He stated that Wild

Flower is done for the year and will not be back until March of next year. The activity for All Care is slowing down. They will do one more fertilizing this year that will keep the lawns looking good next spring. The cutting of the common area, by contract, is done once a year. The purpose is to cut back the tall brush and new trees that have popped up. He stated that if anyone has a problem with the trimming they should call him and he will look to see if there is a problem. All Care is still picking up yard waste when they are in the area. The staking program is still in affect and a new survey sheet will be coming out to ascertain what your preference is as to weeding, spraying and pruning. From this survey a report is generated to All Care and Wild Flower so they know the preferences of each homeowner. Jim stated that All Care is doing a very good job and has been very responsive to the homeowners needs. A question came up regarding the blowing out of the irrigation lines and if everyone knows about it. It was explained that the system is shut down and cannot be turned on by an individual homeowners. All Care will turn the system on and set the timers in the spring. They will also check the sprinklers to assure that they are covering the areas they need to. Jim stated that if a homeowner does succeed in activating their system and it freezes and breaks it will be the homeowner's responsibility to make the repairs.

The **ARC Report** was given by Earl Yim. He stated that at the last meeting there was a question regarding the maintenance of the pond. He stated that Bay View wanted us to sign an agreement as to our paying 62% of the cost of maintenance. There was a question raised as to the money that was paid by Pope to Bay View for maintenance. He stated that the money was spent for expenses incurred for inspection and consulting and some repairs. The money left amounted to \$3,696.97 and that Bay View would hold that money for an emergency repairs contingency fund. He produced a Detention Pond Maintenance Agreement for us to sign. The estimated costs would amount to \$1,240.00 and after discussion it was agreed that the agreement would be signed. It was signed by Acting President Perry.

Earl submitted the meeting minutes of the TLV view task force. This committee is looking at trees that my block views in the future. The committee is made up of; Al Preston, Bert Goldstein, Arlene Malone, Jack Naye, Fran Oxtan, Shari Ernst, Marg Haverstick, Dan Clinkenbeard, Earl Yim and Jim Richards. He stated that He and Jim Richards are non-voting members as they are on the board. The committee, at the first meeting on the 18th of November defined what a view is. The committee decided that a view is; "A view of the water (Port Ludlow Bay, marina, Sound Hood Canal), The Mountains, (Mt. Baker, Olympic and Cascades) and the golf course that would substantially enhance the real estate value of the property over the other lots in TLV."

Earl stated that the maintenance is restricted to only maintain the same view that was there at the time of purchase by the current homeowner. Earl recommended that homeowners should photograph their present view to

document what it looked like if there is a dispute in the future. The committee will review any problem areas and then the committee will determine what maintenance should be done and who will pay for it. The committee will then submit a report to the board. Earl clarified that this maintenance applies only to TLV and not to problem trees in other areas.

The paperwork associated with Earl Yim's report is attached to these minutes for review by homeowners.

The **Communication Report** was given by Jack Piper. He reminded that he is starting to put the Teal Squeal together and that there is a December 15th deadline for articles. The web site is still ongoing and he has been told that there are two web sites out there and he is checking into it. He stated that it is not yet perfect but he continues to improve the content.

Fran Wickeham, gave the **Village Council Report**. He stated that he has attended two village council meetings and the South Bay meeting. He said that the village council has elected a new treasurer and the trail committee has now posted directions on all the trails in the area. The information on Community Block Watch is still being disseminated. The Village Council is moving forward to look at future needs of the community. He stated that no decisions have been made but rather this is just an issue of discovery process. The council is looking at the limits on moorage in the bay and that there is a Port of Jefferson County requirement that you cannot moor a boat for more than 30 days.

At the village council meeting there was a concern regarding the cutting of trees by TLV and they wanted to be sure that we knew that any cutting of trees over 6 inches round or 5 feet tall could not be cut without permission of the South Bay ARC. The auditorium at the Bay Club is being refinished at this time and will be closed for several days. The South Bay Association is trying to negotiate with various clubs as to rental fees at the Bay Club. The concern is about non-members of South Bay using the facilities. That problem is ongoing. A discussion took place regarding this matter and was terminated when it went beyond a reasonable amount of time.

Under **Old Business**, the matter of the review of the CC&Rs was discussed. Bob Duncan started the discussion by reviewing of the review, as identified in the original petition to the Board back in June, and the recommendations of the review committee. He stated that there is material in the CC&Rs that needs to be deleted. CC&R references to Board authority needs to be reviewed and consolidated in the By-Laws. The document is written in confusing language and needs to be clarified. The services provided by the Association need to be reviewed. Association members need to be polled as to what services they want and are willing to pay for. Bob produced a four year projection that shows if we continue at the present level of services and allow for a moderate increase in cost of 5% a year in the third and fourth years our quarterly dues would jump dramatically. It was determined that the best process to follow is to assemble a packet for each homeowner to explain what

the future holds and to ascertain which services are wanted and which are not. This will allow the board to determine when and if additional monies are needed to support the services. Some services are required and some may be discretionary. Those areas will need to be identified and a vote taken at a special meeting to determine where changes need to be made. Board members unanimously emphasized that this is a work in process and that everyone in the Association must be involved in the process.

Under **New Business**, the problem of delinquent dues was discussed. It was stated that only one homeowner is currently delinquent in the payment of their dues. It was stated that per the CC&Rs that dues are to be paid within 30 days of the receipt of the invoice. The comment was made that we could place a lien on the homeowner's house. This was done by the South Bay Association and a court ruling required the homeowner to pay the dues as well as the legal costs. Tim Perry asked for the board to hold off on placing a lien until he could talk to the homeowner and see if they were willing to pay the delinquent fee. He stated that the board could impose a fine for delinquent accounts if necessary.

There being no further business before the board a motion was made to adjourn the meeting, it was seconded and passed. The meeting was adjourned 4:48 PM.