

Teal Lake Village Association (TLVA)
Board of Directors Meeting
Monday, 18 December 2017 10:00 am

DRAFT MINUTES

Steve Hammond called the meeting to order at approximately 10:00 a.m. Peggy Ponto, Jen Portz, Chris Spagle, Glenn Waldenberg, Bob Logan and ten (10) homeowners were in attendance. A quorum was determined.

Spagle moved to approve the 26 June 2017 Board Meeting Minutes, Ponto seconded; motion passed. Portz moved to approve the 30 August 2017 Special Board Meeting Minutes, Spagle seconded; motion passed. Ponto moved to approve the 30 September 2017 Special Board Meeting Minutes, Spagle seconded; motion passed 5-1 (Logan against).

Spagle opened a discussion of the Financial Report (see attached), specifically regarding:

- Cash balance on-hand exceeds “Rule 5” advisory recommendation, however discussion of an extra 2018 “Dues Holiday” should wait until Detention Pond maintenance and potential landscape costs are known - late spring 2018.
- Recommendation to create a Reserve Fund for Common Area landscape costs. Board Members will review all governing documents regarding Reserve Funds, including RCW 64.38 prior to March Board Meeting.
- TLVA’s contract with Glessing ends 12/31/17 but as of 6/2018 they will no longer provide bookkeeping services. Glessing will continue, month-to-month, until another service is found. Spagle will advise.

Logan asked about extra administrative expenses. Spagle explained TLVA is charged approximately \$25 for information sent to escrow companies. (TLVA is reimbursed when escrow closes.) Ponto moved to accept the Financial Report, Waldenberg seconded; motion passed 5-1 (Logan against).

Ponto noted the few Architectural Review Committee (ARC) requests: two new roofs and one deck re-design that fall within guidelines.

Waldenberg opened a discussion regarding Landscape issues, specifically:

- A \$700 proposal from Monarch Tree Service (the parent company of Northwest Landscaping Service (NLS)) for an arborist to inventory Common Area “Legacy Trees” - those large evergreens which remained after the Developer clear-cut the area in preparation for construction. The proposal includes a detailed report of each tree’s health and a plan for tree maintenance. Four other arborists were contacted, none responded. Portz moved to expend \$700.00 plus tax to have an arborist evaluate Legacy Trees in the Common Area as proposed, Spagle seconded. Logan moved to amend Portz’ motion to state a tree inventory and assessment of all trees over twenty feet tall in the Common Area, no second; amendment failed. Original motion passed 5-1 (Logan against). The assessment will be late spring 2018.
- An electrical issue at the lower entrance to the Village. Waldenberg explained the history. A discussion ensued. Spagle noted there was money to cover the cost. Logan

moved to allocate up to \$5,000.00 to resolve the electrical issues at the (lower) entrance, Portz seconded; motion passed. Carol Katuzny noted the US Flag should be removed until electricity is restored so it may be respectively lit at night; Soozie Darrow agreed to remove and store until such time.

- NLS's approximately \$4,000.00 mulching bid for common area beds. Spagle noted \$3100.00 was available for miscellaneous landscaping. No action was taken.

Hammond opened a discussion regarding failing light fixtures on the front of homes next to garage doors. As any change would require a South Bay Community Association (SBCA) ARC permit, Portz moved to have the Board write a letter to SBCA ARC requesting they create standards for these lighting fixtures so as to have a consistent appearance with the original fixtures and if one of these fixtures is replaced, all such fixtures on the home should be replaced at the same time, Ponto seconded. A discussion ensued. Portz to amend the motion to add "TLVA only", Ponto seconded, amendment passed then motion passed 5-1 (Logan against). Portz will compose the letter, send it to the Board for feedback and include a photo of the original lighting fixtures with the letter.

Portz gave a brief update on TLVA Emergency Preparedness efforts. Homeowners are advised to locate and have at hand the informational packet with the "HELP / OK" placard that was sent with their 2017 Annual Packet.

Hammond opened several lengthy discussions regarding:

- Maintenance or removal of newspaper boxes. Members will be polled electronically regarding the issue. This will be addressed at the March Board Meeting.
- A motion, made from the floor at the 2016 Annual Meeting, to amend the By-Laws to have seven (7) Board Members. Fran Wickham explained the motion was out of order as it was and is in conflict with our governing documents which state the Board should consist of between three and nine Members. No action was taken. This will be on the 2018 Annual Meeting Agenda.
- SBCA ARC's Design Standard, Revision 5, now defines SBCA Limited Common Area (a Village's Common Area) as the responsibility of the Village in question, not the SBCA ARC. So as to ensure TLVA governing documents do not conflict with SBCA governing documents, Hammond moved to strike from the "TLVA Board of Directors Resolution Pertaining to Common Area Improvements by Homeowners" the statement, "Let it be Known, to all homeowners that a decision to disapprove a common area improvement made by the TLV ARC may be appealed to the Architectural Review Committee of the South Bay Community Association." And to strike from the "Resolution Teal Lake Village Association Board of Directors" the statement, "BE IT FURTHER RESOLVED that a decision to disapprove a limited common area Permissive Land Use Agreement made by the TLV ARC may be appealed to the Architectural Review Committee of the South Bay Community Association.", Portz seconded; motion passed 4-1 (Spagle abstained, Logan against). Logan moved to have the TLVA resolutions in question regarding Permissive Land Use Agreements (PLUAs) be amended to read: Be it further resolved that the decision to disapprove a Limited Common Area PLUA made by TLVA ARC may be appealed to PLVC (Port Ludlow Village Council), no second; motion failed.
- SBCA ARC's work to implement a Fine Schedule and Enforcement Procedure and TLVA Board input regarding same. After a discussion, Logan agreed to create a

questionnaire and send it to the Board for feedback prior to it being electronically sent to Homeowners. Bill VanRy shared concerns which all felt should be included, specifically that 1) fines should be proportional to the infraction, 2) fines should be substantial so as to hurt but not harm, 3) there should be an appeal process, and 4) fines should be put into a “welfare fund” so as to become beneficial for all. Spagle added that SBCA ARC needed to address the collection process.

At 12:42 p.m. Portz moved to adjourn, Ponto seconded; motion passed. The next regularly-scheduled TLVA Board Meeting will be held Monday, 19 March 2018 at 10:00 a.m. in the Bay Club Conference Room. All members are encouraged to attend.

| Teal Lake Village Association | | | |
|--|---------------------|--------------|---------------------|
| Balance Sheet | | | |
| November 30, 2017 | | | |
| Assets | | | |
| | Operating Fund | Reserve Fund | Total |
| Cash and cash equivalents | \$ 59,454.10 | \$ - | \$ 59,454.10 |
| Dues receivable | 250.00 | | 250.00 |
| Utility recovery receivable | | | - |
| Prepaid expenses | 11,938.60 | | 11,938.60 |
| Prepaid insurance | 1,521.64 | | 1,521.64 |
| Total Assets | \$ 73,164.34 | \$ - | \$ 73,164.34 |
| Liabilities and Fund Balances | | | |
| Dues collected in advance | \$ 8,989.50 | | \$ 8,989.50 |
| Accounts payable | 425.00 | | 425.00 |
| Federal income tax payable | | | |
| Total Liabilities | 9,414.50 | - | 9,414.50 |
| Fund Balances | 63,749.84 | - | 63,749.84 |
| Total Liabilities and Fund Balances | \$ 73,164.34 | \$ - | \$ 73,164.34 |

Substantially all disclosures ordinarily included in the financial statements are omitted, and no assurance is provided on these financial statements.

| Teal Lake Village Association | | | | | |
|---|-------------------------|---------------------|-------------------|----------------|------------------|
| Statement of Revenues, Expenses, and Changes in Fund Balances | | | | | |
| For the Month and Year-to-Date Ended November 30, 2017 | | | | | |
| | Actual | | Annual Budget | % of Budget | Reserve Fund YTD |
| | Operating Fund November | Operating Fund YTD | | | |
| Revenues | | | | | |
| Contributions | | \$ 50.00 | \$ - | | \$ - |
| Utility Recovery | | - | - | | |
| Homeowner Finance Charges | 5.00 | 67.50 | - | | |
| Late Fee Income | | | 75.00 | 0.00% | |
| Escrow Fee Income | | 100.00 | - | | |
| Homeowners Dues Income | | 176,400.00 | 176,400.00 | 100.00% | |
| Interest Income | 0.86 | 9.68 | 75.00 | 12.91% | |
| Dues Credit | | (19,600.00) | - | | |
| Total Revenues | 5.86 | 157,027.18 | 176,550.00 | 88.94% | - |
| Expenses | | | | | |
| Administrative Expenses: | | | | | |
| Accounting | 400.00 | 3,525.00 | 9,220.00 | 38.23% | |
| Insurance | 185.00 | 2,043.36 | 2,350.00 | 86.95% | |
| Legal | | | 2,000.00 | 0.00% | |
| Postage/Office | | 481.85 | 500.00 | 96.37% | |
| Miscellaneous | | 33.00 | - | | |
| Landscaping Expenses: | | | | | |
| Landscaping Contract | 11,176.38 | 122,908.68 | 133,516.00 | 92.06% | |
| Landscaping Contract Discount | (243.65) | (2,673.14) | - | | |
| Landscaping Contract WSST | 1,005.87 | 11,035.65 | 12,853.00 | 85.86% | |
| Landscaping Miscellaneous | | 4,865.71 | 8,000.00 | 60.82% | |
| Repairs & Maintenance Expenses: | | | | | |
| Holding Pond | | | 4,500.00 | 0.00% | |
| General Maintenance | | | 500.00 | 0.00% | |
| Tax Expenses | | | | | |
| Jefferson Co. Property Tax | | 17.90 | 20.00 | 89.50% | |
| Tax Preparation | | 375.00 | 250.00 | 150.00% | |
| Utilities Expenses: | | | | | |
| Electricity | 32.25 | 361.38 | 270.00 | 133.84% | |
| Water | | 577.82 | 300.00 | 192.61% | |
| Website | | 117.50 | 300.00 | 39.17% | |
| Reserve Expenses | | | | | |
| Total Expenses | 12,555.85 | 143,669.71 | 174,579.00 | 82.29% | - |
| Excess (Deficiency) | | | | | |
| Revenues over Expenses | (12,549.99) | 13,357.47 | 1,971.00 | 677.70% | - |
| Fund balances beginning | 76,299.83 | 50,392.37 | | | - |
| Fund balances ending | \$ 63,749.84 | \$ 63,749.84 | | | \$ - |

Substantially all disclosures ordinarily included in the financial statements are omitted, and no assurance is provided on these financial statements.