

Teal Lake Village Association (TLVA)  
Annual Members Meeting  
Monday, 17 September 2018, 3:00 pm

**DRAFT MINUTES**

Steve Hammond called the meeting to order at 3:02 p.m. Christine Spagle, Jen Portz, and Peggy Ponto were present; Glenn Waldenberg and Bob Logan were absent. Thirty two (32) homeowners were in attendance and 69 ballots were collected. A quorum was determined. (**Note:** Member questions and comments from throughout the meeting are noted at the end of this narrative.)

Hammond moved to approve the 18 September 2017 Annual Member Meeting Minutes; the motion passed unanimously.

Hammond thanked members of the community for their volunteerism and noted the Board's efforts during the past year: to keep the grass cut and the common areas tended; a new bookkeeper was hired; common area trees were surveyed; the lower entrance electrical problems were fixed; progress was made on detention pond maintenance; sidewalk repair was underway and ongoing; input had been given to South Bay Community Association (SBCA) regarding Design Standards revisions; mailboxes had been cleaned; and a nuisance issue was resolved.

Spagle discussed the Treasurer's Report and attendant documents (see attached) explaining that most items were in line with what was expected, except the accounting budget was lower and pond maintenance was far higher than expected (approximately \$9,300 this year and possibly \$19,000 next year). Therefore, there will be no "Dues Holiday" for the fourth quarter of this year and possibly none next year to cover pond expenses and replenish savings. As the landscape contract is due to be renegotiated this year, the 2019 Budget reflects a 5% increase in landscape costs.

Hammond asked for nominations from the floor; none being heard Clark Ruggles moved to close the nominations; Gil Skinner seconded and the motion passed unanimously. Chuck Gerstenberger, Gary Hicks and Craig Morley, left to count ballots.

As Waldenberg was absent, Hammond summarized the Landscape Report (see attached) and explained the history of past landscaping companies. Portz noted that many local landscapers did not have the personnel or equipment to handle a homeowner's association of TLVA's size and therefore would not bid or would only give partial bids. The survey of "Legacy Trees" in the Common Areas had noted three trees they felt needed removal (2 between Seaway Place and Clear View Place and one on Teal Lake Road near the intersection of Woodridge Drive. None of these trees are a danger to structures.) For all other trees they recommended maintenance. The costs for tree removal could run \$10,000 to \$14,000 while the cost of maintenance for the remainder of the trees (over 100) is approximately \$360 per tree. As these costs are not budgeted and there is no immediate danger, trees will be monitored on a regular basis and tended as needed.

Logan joined the meeting.

Ponto discussed her Architectural Review Committee (ARC) Report (see attached) and gave a recap of the past year's ARC applications. Hammond moved to accept all committee reports, Tom Sprandel seconded and the motion passed unanimously.

Hammond opened various discussions regarding Old Business:

- The new TLVA Rule 7 regarding replacement of exterior light fixtures was intentionally left non-standardized to allow homeowners more latitude in replacement options. Ponto noted any replacement required an ARC application.
- The ballot measure was to bring the number of Board members into agreement with the CC&Rs and required a vote of the membership.
- An audit would be expensive. To a member's question Spagle noted SBCA had paid \$5,000 for this year's audit.
- An overview of the Bayview Pond history was given. TLVA will seek from Bayview a schedule of future pond maintenance so costs can be budgeted more consistently.
- SBCA is finalizing a Compliance Program Schedule; it is flexible and not onerous.
- Permissive Land Use Agreements (PLUAs) are contracts between TLVA and individual homeowners regarding care of vegetation in Common Areas behind homes. They were addressed in the January 2018 Board Meeting as a change to SBCA's Design Standards caused a conflict with TLVA PLUAs. Specifically, SBCA will no longer hear appeals regarding issues in a Village's Common Area. Common Areas are owned by each Village and SBCA has only limited jurisdiction there. Regarding maintenance of vegetation within a PLUA, Northwest Landscape Services (NLS) will mow and trim, however homeowners are responsible for any removal or replacement of vegetation there. "Legacy Trees" in PLUAs are the responsibility of TLVA. Members may request PLUA information by contacting the Board.
- Newspaper boxes need maintenance or to be removed (at a cost of \$3,500 and \$1,500, respectively); costs are high as TLVA Board must hire workers that are licensed, bonded and insured. After a lengthy discussion a show of hands determined maintaining the boxes was preferred. After further discussion the new Board will gauge volunteer support to fix up the boxes.
- Members were reminded not to feed birds as the seeds attract vermin that can cause expensive damage to private property.

Portz moved to take a 10 minute recess until 4:25 p.m. to await the ballot count. Roger Ponto seconded and the motion passed unanimously. At 4: 27 p.m. Portz moved to return to the meeting, Hammond seconded and the motion passed unanimously. The following election results were noted:

- The 2019 Proposed Budget passed;
- The Audit was waived;
- The measure to clarify the number of Board Members passed; and
- Hammond, Portz, Sheila Twohey and Joe Guillien were voted onto the Board.

Member questions and comments throughout the meeting included:

- Where are the ponds located? They are east of Bayview Village, adjacent to Ludlow Bay Road on land owned by Bayview Village.

- Is this pond maintenance a regular issue? The pond maintenance is a responsibility of Bayview Village. Bayview pays 38% and TLVA pays 62% of all maintenance costs; the percentages are based on the volume of run-off into the pond from each village.
- Portz asked if there would be a need for a special assessment to cover the cost of pond maintenance. Spagle noted none is foreseen at this time.
- Carol Katuzny asked who controls the Bayview Pond maintenance. Hammond explained that the Bayview Board controls pond maintenance and as the landowner has liability for the pond. TLVA merely pays its share to help maintain the pond.
- Will NLS be given the contract for landscape maintenance in 2019, or will the project be put out for bid? Companies who provide landscape services in our area and are capable of handling a homeowners association of our size will be asked to bid the project. Then bids will be reviewed by the 2018-2019 Board.
- Dan Darrow asked why ballots had to be signed. This opened a discussion and Hammond asked for a show of hands as to who would like to have future ballots be anonymous. As a significant number favored that, the issue will be taken up by the 2018-2019 Board.
- Marleen Merritt voiced concern regarding chemicals NLS uses and new studies indicating problems with these chemicals. Waldenberg will be notified of the concern and will advise.
- Of the tree survey, Ruggles noted there were several trees at the lower entrance with dead limbs that needed tending. Hammond noted tree maintenance would be prioritized based on need.
- Bob Kent advised that many "Tent Caterpillars" have been seen in the area and explained how destructive they are. They may be killed by removing the impacted limbs and either burning or bagging disposing of them in the trash. Harvey Portz noted NLS had removed several infestations. Merritt noted, once the limb is cut, the nests may also be destroyed by spraying with vegetable oil and bagging them.
- Katuzny advised there would be a TLVA Flag Changing Ceremony at the lower entrance on Flag Day 2019 (Friday, June 14). After the ceremony, which Veterans may volunteer to help with, all attending are asked to bring refreshments to share. Anyone who wishes to help may contact Katuzny for more information. ([ckatuzny@q.com](mailto:ckatuzny@q.com)) Simeon Baldwin advised he will donate a new flag for the ceremony.

At 4:32 p.m. Ruggles moved to adjourn the meeting, Hammond seconded and the motion passed unanimously.

**Please Note:** Regularly scheduled TLVA Board Meetings, held in the Bay Club Conference Room, are as follows:

- December 17, 2018 at 10:00 a.m.;
- March 18, 2019 at 10:00 a.m.;
- June 17, 2019 at 10:00 a.m.; and

Additionally, the Annual Member Meeting will be September 16, 2019 at 3:00 p.m. in the Bay Club Auditorium.

**Teal Lake Village HOA  
Treasurer's Report  
September 17, 2018**

**\*Cash**

Checking	\$49,323
Savings	\$35,290
Total	\$84,613

The above total includes \$1,650 in prepaid dues for calendar year 2019.

**\*Statement of Revenues, Expenses and Fund Balances (P & L)**

We are on track for most items.

Landscape maintenance, our largest budget item, is also on track.

Unexpected expenses this year include repairs at the front entrance for about \$4,000, and additional pond maintenance expense totaling \$11,200 (\$1,811 expended already and \$9,377 anticipated prior to the end of the year).

We also had an unusually large water bill in August due to a broken valve at the entrance, that has been repaired.

Because of the anticipated costs to maintain the pond, it is unlikely we will have a dues Holiday this year, and perhaps not next year (due to another large pond maintenance expense). However, no Special Assessment is anticipated to meet our budgetary needs.

**\*Proposed 2019 Budget**

The Proposed 2019 Budget was sent to all members with their Annual meeting packet and included a comments section with some detail as to how the number was determined. Pond maintenance is the only item that is unusual when compared to prior years. Because of this there may be no dues Holiday in 2019.

## TLVA 2019 Adopted Budget

ADOPTED BUDGET 2018	CATEGORY	ADOPTED 2019 BUDGET	
50,614	BEGINNING CASH BALANCE:	49,736	
	<b>REVENUES</b>		
176,400	HOMEOWNER'S DUES	176,400	98 residents * \$1,800
30	INTEREST INCOME (CD)	20	
115	OTHER	130	
(14,700)	DUES CREDIT	0	No dues credit due to holding pond costs
161,845	TOTAL REVENUES:	176,550	
	<b>EXPENSES</b>		
	<b>ADMINISTRATIVE EXPENSES</b>		
8,500	ACCOUNTING	7,000	\$4,000 review/audit + estimated bookkeeping of \$250 per m
	BANKING CHARGES		
2,350	INSURANCE	2,475	based on current year increase and 2019 anticipated increas
500	LEGAL	500	contingency for unforeseen items
900	POSTAGE/OFFICE	612	based on prior and current year estimated costs
12,250	TOTAL ADMINISTRATIVE EXPENSES:	10,587	
	<b>LANDSCAPING EXPENSES</b>		
137,474	LANDSCAPING CONTRACT	141,440	assuming 5% increase in contract amount
6,000	LANDSCAPING MISC	1,000	
12,371	WSST at %	12,730	
155,825	TOTAL LANDSCAPING EXPENSES:	155,170	
	<b>REPAIRS AND MAINTENANCE</b>		
6,200	HOLDING POND	19,260	based on information from Bayview = TLV pays 62% of costs
500	GENERAL MAINTENANCE	1,000	
6,700	TOTAL REPAIRS AND MAINTENANCE:	20,260	
	<b>TAXES</b>		
	FEDERAL TAX		
20	JEFFCO COUNTY PROPERTY TAX	18	County property tax on common areas
375	TAX PREPARATION	375	for preparation of Federal 1120H
395	TOTAL TAX EXPENSES:	393	
	<b>UTILITIES</b>		
410	ELECTRIC	500	Lights at entrance + light at Teal Lake Rd & Crestview
480	WATER	650	estimate slight more than \$50 per month
150	WEBSITE	-	completed in house at no cost
1,040	TOTAL UTILITIES EXPENSES:	1,150	
176,210	<b>TOTAL EXPENSES:</b>	187,560	
(14,365)	<b>ANNUAL NET INCOME/(LOSS)</b>	(11,010)	
36,249	<b>ENDING CASH BALANCE</b>	38,726	
NOTE: Dues Holiday is budgeted at 0.00 (zero) per household as a target only. The TLV Board reserves the right to set the final amount based on revenue and expense projections at the time.			

Teal Lake Village Association				
Statement of Revenues, Expenses, and Changes in Fund Balances				
For the Month and Year to date Ended August 31, 2018				
	<b>Actual</b>			
	<b>Operating Fund</b>	<b>Operating</b>	<b>Annual</b>	<b>% of Budget</b>
	<b>Month</b>	<b>Fund</b>	<b>Budget</b>	
	<b>AUGUST</b>	<b>YTD</b>		
<b>Revenues</b>				
Contribution	0.00	0.00	0.00	
Utility Recovery	0.00	91.50	0.00	
Homeowner Fin. Charges	0.00	4.50	0.00	
Late Fee Income	9.00	9.00	90.00	10.00%
Escrow Fee Income	0.00	175.00	25.00	700.00%
Homeowner Dues Income	0.00	176,400.00	176,400.00	100.00%
Interest Income	4.50	22.69	30.00	75.63%
Dues Credit	0.00	(200.00)	(14,700.00)	1.36%
<b>Total Revenues</b>	<b>13.50</b>	<b>176,502.69</b>	<b>161,845.00</b>	<b>109.06%</b>
<b>Expenses</b>				
<b>Admin Expense</b>				
Accounting	94.00	2,554.00	8,500.00	30.05%
Insurance	0.00	1,336.64	2,350.00	56.88%
Legal	0.00	0.00	500.00	0.00%
Postage/Office	198.42	353.81	900.00	39.31%
<b>Landscape Expense</b>				
Landscape Contract	11,399.91	91,199.28	137,454.00	66.35%
Landscape Contract Discount	(248.52)	(1,988.16)		
Landscape Contract WSST	1,025.99	8,278.66	12,371.00	66.92%
Landscaping Misc.	327.00	1,113.00	6,000.00	18.55%
<b>Repairs &amp; Maintenance</b>				
Holding Pond	0.00	1,811.89	6,200.00	29.22%
General Maintenance	0.00	4,947.11	500.00	989.42%
<b>Tax Expense</b>				
Jeff County Property Tax	0.00	17.90	20.00	89.50%
Tax Preparation	0.00	375.00	375.00	100.00%
<b>Utility Expense</b>				
Electricity	44.91	322.21	410.00	78.59%
Water	461.73	671.51	480.00	139.90%
Website	13.50	13.50	150.00	9.00%
<b>Total Expenses</b>	<b>13,316.94</b>	<b>111,006.35</b>	<b>176,210.00</b>	<b>63.00%</b>
<b>Excess (Deficiency)</b>				
<b>Revenues Over Expenses</b>	<b>(13,303.44)</b>	<b>65,496.34</b>	<b>(14,365.00)</b>	<b>-455.94%</b>
<b>Fund Balances Beginning</b>	<b>129,954.98</b>	<b>51,155.20</b>		
<b>Fund Balances Ending</b>	<b>116,651.54</b>	<b>116,651.54</b>		

Landscape Committee Report  
Teal lake Village Annual Meeting  
September 17, 2018  
By Committee Chair Glenn Waldenberg (unable to attend the meeting in person)

### **Legacy Trees In Common Areas:**

At the 2017 TLVA annual meeting some residents requested that the HOA determine the cost to retain a certified arborist to survey all the legacy trees located in the common areas to determine their health, to mitigate loss from high winds, and to determine risk of property damage and or human injury due to dropping limbs or tree blow-over.

### **History Of Common Area Trees:**

These trees are estimated to be 70-80 years old and are of mixed species, including Cedars, Hemlocks, and Firs. These trees have an expected life span of 150-200 years, according to DNR and UW Forestry data. To my knowledge there has been no effort by the developer or our HOA to preserve these trees from blow over due to an overgrown crown, disease or insect infestation since TLV was developed.

The number of trees in each common area include:

A - 39 Sea Breeze Lane  
B- 8 Sea Vista Place  
C- 0  
D- 17 Sea Way Place  
E- 16 Clear View Place  
F- 17 Behind Crestview Drive only a partial count due to density

There was a loss of three large trees above Clear View Place as a result of high winds in the winter of 2015. The cost for removal of the blown down trees was \$2000.00 or \$666.00 for each.

### **Proposal For Survey:**

I contacted six arborists in Jefferson and Kitsap county to request a proposal to survey all the trees in the common areas. I received only one response back from the six I contacted, which was from Monarch Tree Service located in Tacoma WA.

### **Survey Request Criteria:**

I met with the Monarch Tree Service arborist a number of times on site to identify the village common areas and to address what the survey should include in order for the HOA Board to make informed decisions regarding preservation of trees, managing risk of property damage and human injury, in a cost-effective long term plan. The priorities were as follows:

- 1- Preserve healthy trees that continue to add shade and natural beauty to the village.
- 2- Prevent and forecast potential risk of property damage and harm to people from falling limbs or blow-overs.

3- Determination of disease or infestation of insects to trees and if so, the remedies.

4- Install a visible tag with identification number on each tree for future reference and evaluation.

5- Provide pricing for all the recommended services or remedies included in the survey.

#### Survey Costs:

The TLVA Board retained Monarch Tree Service to conduct the survey at a cost of \$700.00.

#### **Survey Results Summary:**

##### Hazardous Risk Trees:

1 - Douglas Fir tree #5 - recommended removal located in common area F adjacent to Teal Lake Road. This tree is heavily overweighted and on a saturated steep slope. Wind sail can have a great effect in severe weather. This is not a total red flag tree, but definitely a yellow. The removal is very technical and is a dangerous scope of work, which requires traffic control measures and specialized equipment. This tree presents the greatest risk to the general public and vehicular traffic in the event of tree failure. (You may recall there was a Port Ludlow resident who was killed while driving on Oak Bay Road when a tree blew over and crushed her car a few years ago.)

2 - Hemlocks #1&2 - recommended removal located in common area along Seaway Place. Trees are in decline. There is not much that can be done to clean them up or restore their health.

Estimated pricing for the three trees is still not finalized - \$10K -14K

##### Preventative Pruning/ Restoration Proposal for 97 trees (less three to be removed)

Monarch Tree Service's proposal includes a program to maintain the overall health and performance of trees in Teal Lake Common areas. The proposal includes labor and tools to crown clean, crown thin, reduce sail, end weight reduction, deadwood removal, removal of water sprouts and ivy where applicable. Any cross branching or structural defects will be removed. All debris removed from trees will be chipped and disposed of properly off-site.

The average estimated cost for each tree is \$325.00 per tree when work is planned at ten trees per mobilization.

#### **Summary/My recommendation:**

It is my opinion that overall it is much more efficient and less costly to implement a program for maintenance, restoration and preservation estimated at \$325.00 per tree, scheduled over a period of years, rather than allowing the trees to take their own course, becoming susceptible to disease, insect infestation and blow-over. If nothing is done, this would set up the village for risk to property damage and human injury, as well as reducing the overall beauty of our community. As each tree dies and blows over, the cost of removing them becomes at least twice as costly, as noted above on the trees that blew down and were removed above Clear View Place at a cost of \$666.00 per tree in 2015.



We do need more estimates from other tree service companies on the removal of the three hazardous trees. My intention is to do this in the next few months.

### **General Landscape Maintenance Report.**

At the TLV annual meeting in September 2015, a majority of the membership raised concerns about the performance of Tru-Green, the landscape contractor, over the last 12 to 18 months of their services. At that time there were a number of deficiencies, poor condition of lawns, lack of pruning and clean up and inconsistent overall quality of services.

As a result, the landscape committee began an interview and selection process which resulted in a new contract with Northwest Landscape Services beginning in January 2016.

Almost three years into their contract, I have heard from many residents that NLS has improved the overall appearance of the village, including common areas, entrance, and resident's homes. They have been willing to help homeowners with questions and help them resolve small issues, such as adjusting irrigation controllers, questions on pruning, questions on health of plants, etc. One recently new homeowner has told me the excellent quality of the landscaping is why they bought their home in Teal Lake Village, compared to any other village in Port Ludlow.

The contract with Northwest Landscape Services expires at the end December 2018. We will begin the review process with NLS regarding the scope of services and do the best we can to control costs to maintain and continue to improve the landscape areas throughout the village.

## **Teal Lake Village ARC Report**

During the past year 28/29 applications from TLV were passed along to SBCA ARC.

The largest number of requests was for roof replacements, followed by exterior painting of the house.

Other applications were for, deck replacement, front door painting, removal of trees too close to the building (too large to be removed without approval) new, enlarged window in kitchen /family-room area.

Applications not needing SBCA ARC approval were handled on a case by case basis. Usually removal of small trees/shrubs, and the addition of one very nice birdhouse.

I had contact with a home owner that wanted removal of trees to regain the view from when they moved in, these trees are on Jefferson County Property, and they were put in touch with the necessary people in county government.

I also looked into a dispute from another home owner regarding trees on property over a block away, and after consulting the CC&R's sent off a copy of the proper paper work.