



Welcome  
2008 Annual  
Homeowner Meeting

Note: 3 large picture files were removed to  
reduce the file size and voting results added

Shelley Lake HOA 2008 Annual Meeting  
January , 2008

# Agenda

- Welcome
- Introductions
- Verify Quorum
- By Law Ballot turn in
- 2007 Report and 2008 Goals
- 2007 Financial Review and 2008 Budget
- Break
- New Business
  - Election
  - New Business before the Board
- Break
- Question and Answer Session

Please reserve your questions until the end of the presentations

# Introductions

- Davianne Buckley, Communications Committee
- Norene Green, Treasurer
- Christy Smith, Secretary
- Bill Martin, Director
- Bob Harris, Director
- Doug Wollan, Director
- Mike Syrcle, Director, Vice President
- Scotty Smith, Director, President

# Quorum Verification By Law Ballot Turn In

Mike Syrcle, Director, Vice President

- By-Laws state 40% of total lot owners to qualify as a Quorum (40% of 248 = 100)
  - Count Homeowner/lot owners present
  - Count proxies
- By-Law Change Questions
- Turn in remaining By-Law ballots

# Proposed By-Law Changes

- Do you approve the change in Article I, Section 2?  
(Changing address from the developer to HOA)
- Do you approve the changes in Article II, Section 1?  
(Grammatical changes)
- Do you approve the changes to Article III?  
(Allow for 7 Directors and other changes. See next slide for details)
- Do you approve the change to Article IV, Section 2?  
(Secretary and Treasurer are appointed. See next slide for details)
- Do you approve the changes to Article VI, Section 1 and Section 3?  
(Removal of gender for positions)
- Do you approve the change to Article VIII?  
(Change Quorum requirement. See next slide for details)

# By-Law Change Details

- **Explanation of Article III recommended changes**
- Section 1 – This is to allow future and present board to increase or decrease the board of directors as needed. The range of board members shall be no less than 3 with a maximum of 7 members.
- Section 2 – Removal of the declarant since Mr. Heitman has reserved his rights with respects to the Architectural committee.
- Section 4 – Fixing the annual meeting to the second Monday on January. Also, making sure the board of directors has at least one meeting every quarter.
- Section 5 – Allow the board members to conduct votes via email. This will give the board the ability to expedite decisions in a timely manner.
- Section 6 – Gives the ability to remove a board member without having all homeowners' approval at a regular or special meeting.
- Section 7 – Allows the board to seek members at large if no homeowner within the past directors area of responsibility steps forward.
- **Explanation of Article IV recommended changes**
- Section 2 – Removing the Secretary and Treasurer from being a elected position to a position determined by the board of directors.
- **Explanation of Article VIII recommended changes**
- Allows for amendments to the By-Laws at a meeting providing a quorum has been obtained. Presently, to change the By-Laws requires 2/3 of all homeowners.

# Review 2007 Goals

Bob Harris, Director, 3<sup>rd</sup> Addition

- Improve communications with homeowners.
- Establish key operational processes, record keeping, financial management, etc.
- Transfer and review important documentation from developer.
- Resolve major issues left over from developer.
- Establish committees and volunteers for timely and effective maintenance and improvements.
- Promote community events and activities.

# 2007 Report

- Pedestrian gate and walkways improvements
- Fence and road repairs
- Web site redesign and expansion
- Communication Committee
- Adopt-A-Commons program
- Trail improvements
- Shoreline clean-up and grass planting
- Extended Negotiations with Developer and City
  - Well Lease agreement
  - 5<sup>th</sup> Addition final plat approval

# Well Lease Update

- Well Lease Agreement Signed
  - Mr. Heitman to assume liability thru leasing of water pump to supplement lake level while working to resolve water right issue or find an acceptable alternative solution
  - Letter of credit provided for funding to cover:
    - Pump usage issues
    - Optional aeration if levels fall below requirement
  - Next step inspect pump so it can be used in the Spring/Summer of 2008

# 5<sup>th</sup> Addition Agreement

- 5<sup>th</sup> Addition Agreement signed October 30th
  - Binding agreement with Mr. Heitman to insure proper completion of 5<sup>th</sup> Addition and several issues with current PUD through 4<sup>th</sup> Addition
    - Install Bridge/Culvert and 3<sup>rd</sup> lake trail access
    - Install auto and pedestrian gates for 5<sup>th</sup> Addition
    - Perimeter fence installed by June 2008
    - Replace missing or incorrect street signs
    - Contribute funds for shoreline enhancement
    - A few addition other items

# 2008 Goals

- Shoreline/habitat improvement - Phase II
  - Remove selected trees
  - Install irrigation and new vegetation
- Continue trail improvements
  - Repair trail edges
  - Benches & picnic area
- Monitor 5th Addition & Well lease agreements
- Monitor Lake Health
- Fence & Road Repair/Replacement Planning
  - Financial plans established for large projects
- More Community Events
  - Socials, BBQ's

# Shelley Lake Committees

- **Architectural Committee**

Chairman: Mike Syrcle

Manage new home requirements and existing home changes

- **Lake and Shoreline Committee**

Chairman: TBD

Create a comprehensive lake and shoreline management plan

- **Communications Committee**

Chairman: Davianne Buckley

Help with general communications, mailings, newsletters, web site, garage sale, event planning, activities, etc.

- **Maintenance Committee**

Chairman: Bob Harris

Manage and maintain common areas, sprinklers, fencing, obtain bids for work, volunteer labor, Adopt-A-Commons, etc.

# ★ Thank you Volunteers

Sam Jacot

Derek Buckley

Fred Samuelson

Doug Wollan

Lorna Cobb

Sharon McHugo

Bill Martin

Mike Kenney

Earl Chapman

Robert Towne

Vern Glassley

Sharon Molter

Donna Jacot

Joe Tran

Mike Syrcle

Sandie Wollan

Doug Duer

Dave Schmitt

Bob Harris

Dan Pfeiffer

Mike Kenney

Norene Green

Orene Harder

Claudia Hersey

Davianne Buckley

Judy Glassley

Jason Coffin

Dave Syrcle

Jennifer Duer

Cindy Schmitt

Mike Andrews

Christy Smith

Scotty Smith

Tom Green

Randi

and more

# Your Input and Help is Needed

- Shelley Lake PUD currently has 188 with 59 new homes approved for the 5<sup>th</sup> Addition.
- To manage the multiple tasks and help make improvements happen faster, we need more volunteers. Without enough volunteers our options include raising dues to buy labor or services, slower response for services, and/or delays with improvements.
- Great opportunity to meet each other and contribute to the quality of our neighborhood.

# 2007 Financial Report

(Cash Basis)

Scotty Smith, Director, President

Cash Balance January 1, 2007 \$21,540  
2007 Revenue (dues/remotes/other) 74,230

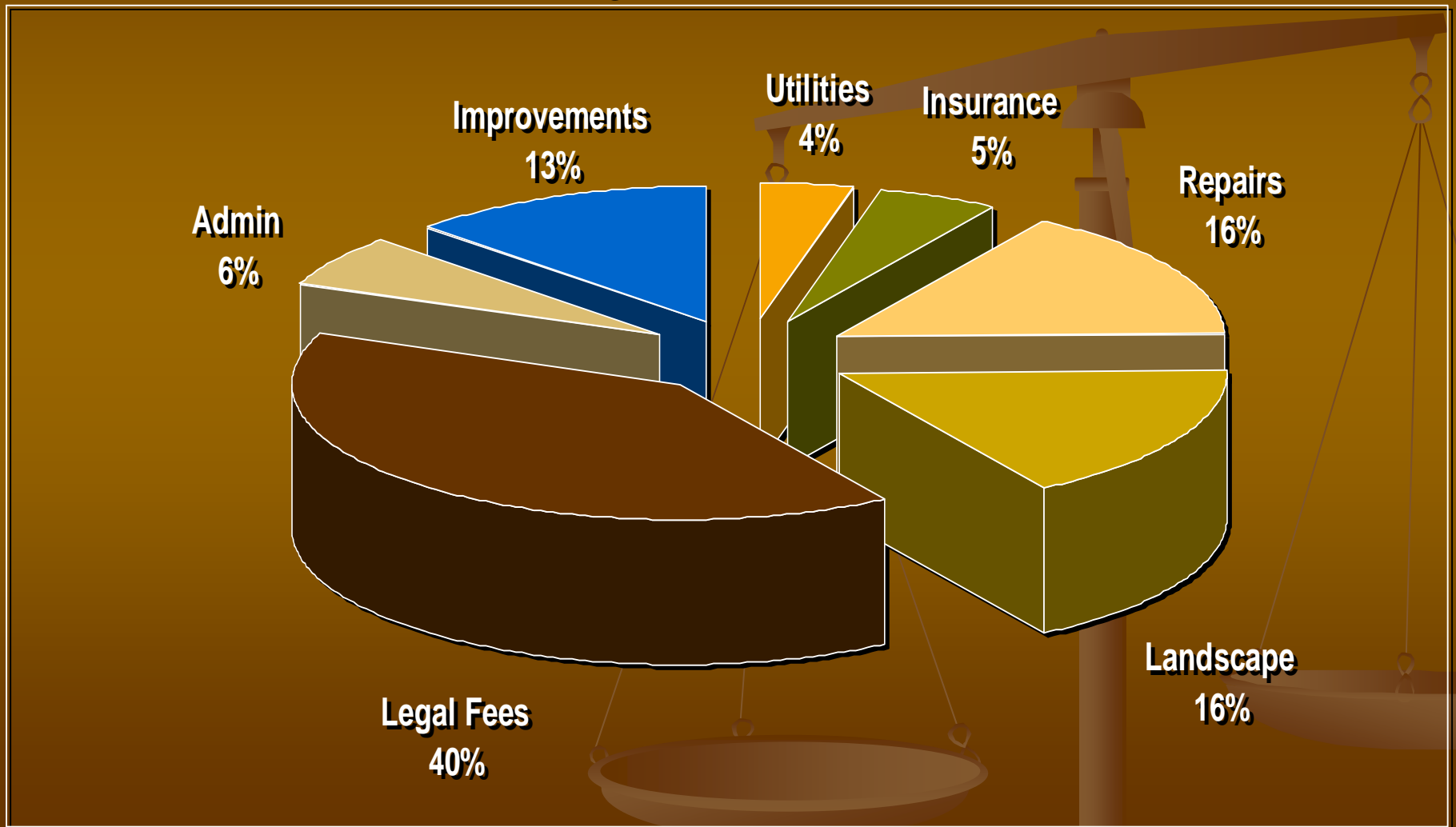
## Expenditures

Landscape Maintenance	15,237	16%
Utilities (power/water/phone)	3,690	4%
Repairs/Maint (fence/roads/snow)	14,756	16%
Insurance (liability/equipment)	4,466	5%
Improvements (pedestrian walkways)	11,897	13%
Admin/Office (taxes/letters/meetings)	5,553	6%
Legal (consulting/processes/liens)	<u>37,121</u>	40%
Total Expenditures	92,720	

2007 Revenue less Expenditures (18,490)  
Habitat Management Plan Fund 28,175  
Cash Balance December 31, 2007 \$31,225

# 2007 Financial Report

- How was the money used



# 3 Year Analysis and 2008 Budget

Expense Category	Actual 2005	Actual 2006 <sup>(1)</sup>	Actual 2007	Budget 2007	Budget 2008 <sup>(5)</sup>
Landscape Maintenance	15,200	17,123	15,237	18,000	18,500
Utilities (Power/water)	17,354	12,473	3,690 <sup>(3)</sup>	15,810	14,000
Repair/Maint (Fence/Road/Gate/Snow)	15,339	8,665	14,756	11,000	15,000
Insurance (Liability/Property)	0	3,589 <sup>(2)</sup>	4,466	4,200	5,000
Admin/Office (Meetings/Letters/Taxes)	1,775	4,715	5,553	2,225	1,500
Improvements (Gates/sidewalk/Trail)	0	0	11,897	10,000	5,000 <sup>(6)</sup>
Legal Consulting	2,568	7,991	37,121 <sup>(4)</sup>	5,000	12,000
General Reserve (Fence/Road/Gates)					18,000 <sup>(7)</sup>
<b>Total Expense</b>	52,236	54,556	92,720	66,235	89,000
<b>Total Income (Dues)</b>	51,076	67,269	69,600	68,040	89,000 <sup>(8)</sup>
Special Reserve (Lake Shoreline/Trail)			32,690 <sup>(9)</sup>		65,000 <sup>(9)</sup>

# 3 Year Analysis & 2008 Budget Notes

## Notes:

- Shelley Lake Estates Homeowner Association transferred control from Developer to Homeowners on June 22, 2006.
- Insurance expense began after Association transferred from Developer.
- The supplemental lake water pump was not run in 2007.
- Majority of professional expense (approximately \$28,000) for addressing 5th Addition conditions of approval and previous development issues with the Developer, City of Spokane Valley, Department of Ecology, and other government agencies. Agreements resulted in over \$120,000 of direct and indirect financial benefits. Remaining professional expenses are for legal services on clarifications and/or changes for CC&R's, By-Laws, Architecture Committee abilities, and legal assistance is processing fines, liens and/or foreclosures.
- 2008 budget includes added expenses for 5th Addition maintenance and general reserve to address aging fence and road repairs and/or replacement.
- No major improvement projects planned for 2008 except what is covered in the General and Special Reserve funds.
- General Reserve fund to address major projects like fence and road replacement and/or repairs. Example: To replace existing wood fence would cost \$132,000 over next 10 years at a cost of \$13,200 per year.
- Dues increased to \$40 per month required to meet new 2008 budget to establish General Reserve fund
- Special Reserve fund negotiated with the Developer and the City of Spokane Valley specifically for the purpose of enhancing the Shelley Lake shoreline habitat environment and trail system as part of the 5th Addition final plat approval. Received first payment of \$32,690 November 2007 with second payment of \$32,690 due June 2008
- Volunteer labor saved over \$20,000 in labor fees for 2007 for lake shoreline clean-up, trail improvement, fence repairs, entry lighting repairs, sprinkler repairs, etc. The 2008 budget projects a similar level of contribution.

# Financial Analysis



- In 2007, 189 lots at \$30/month \$360/year = potential \$68,040/year
- Support costs have gradually increased over past 6 years
- Added costs for insurance and major projects or repairs
- 5<sup>th</sup> Addition increases support costs before new dues can be collected from new homeowners
- \$30 per month dues barely able to cover the basic expenses even with volunteers. There is no reserve for major repairs/replacements like fence and road.

# Reserve Funds Explanation

- \*6,000 ft of perimeter wood fence
  - Painting = \$12,000/every 3 years
  - Repair = \$5,000/year
  - Replacement wood \$22/foot = \$132,000/10 years  
Requires \$22,000 per year
  - Replacement vinyl \$36/foot = \$216,000/10 years  
(Requires \$36,000 per year)
  
- \*1.8 miles of private road
  - General repairs/crack sealing = \$5,000/year
  - Major repairs 10% per year = \$10,000/year  
(Requires \$15,000 per year)

(\* adding 3,600 feet of fence and .8 miles for 5<sup>th</sup> Addition will increase maintenance costs 30-40% over next 5 to 10 years)

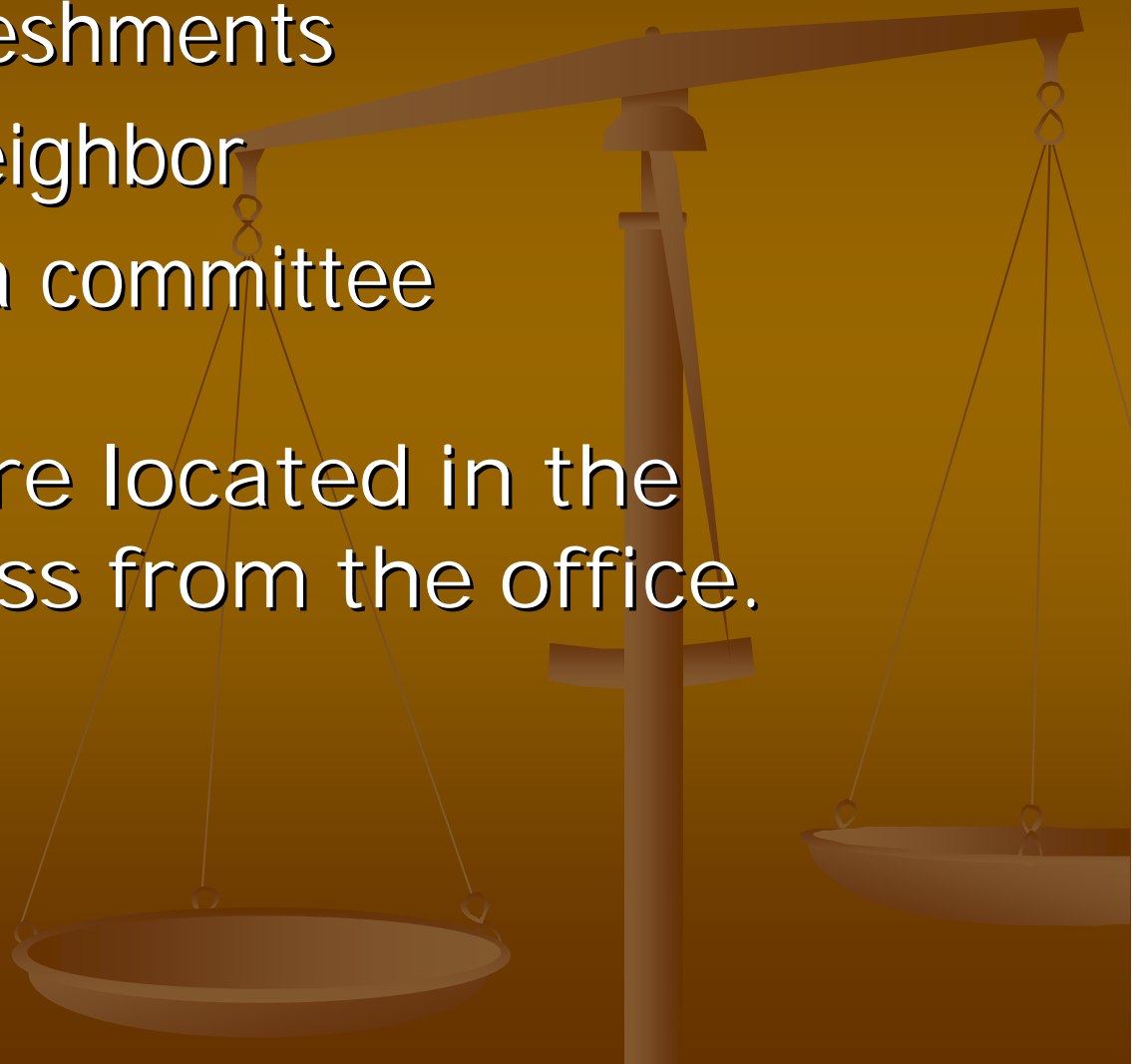
# Dues Increase Approved

- After careful consideration, the Board approved a \$10 per month dues increase to create a general reserve for major road repair, fence repair and/or replacement, gate repair, etc.
- New dues are \$40 per month per lot = \$480 per year with \$240 due in January and \$240 due in July.
- 59 additional lots in 5<sup>th</sup> Addition provide potential funds of \$28,320 per year upon completion.

# Break

Enjoy some refreshments

- Meet a new neighbor
- Volunteer for a committee
- Restrooms are located in the hallway across from the office.



# New Business

- Mike Syrcle, Director, Vice President
- By-Law Change Ballot Results
- Nominations
- Elections
- Any other new business before the Board

# By-Laws changes

- Results of the homeowners' vote regarding the recommended changes of the By-Laws.

Received 179

Need 166 yes votes to pass

	For	Against	
Article I, Section 2	178	1	Passed
Article II, Section 1	178	1	Passed
Article III	166	13	Passed
Article IV, Section 2	161	18	
Article VI, Section 1 & 3	171	8	Passed
Article VIII	156	23	

# Election

- Due to the results of the By-Laws changes, the Board has decided to Increase the Board of Directors to 7 members
- Voting on 3 Directors during the Annual meeting.
- Nomination and Election of Officers

# Director Length of Terms

Zone	2007	2008	2009	2010	2011	2012	2013	2014	2015
1	Doug W.								
2	N/A	New Example							
3	Mike S.								
4	Bill M.								
5	Bob H.								
6	Scotty S.								
7	N/A	New Example							



# Election Process

- Ask for nominations for homeowners located in areas up for election
- Have the nominees introduce themselves
- Vote for open Director position
- Present the results of the vote
- Election of Officer(s)

# Election Process

- Nominations of Board members
  1. Vacant positions are open to homeowners within the vacant areas.
    - Only present homeowners and proxies for the vacant area will vote.
  2. In the event no homeowner from the vacant area accepts nomination:
    - This position will be open to all homeowners in good standing.
    - Voting of this board member will be open to all homeowner occupied lots in good standing.

# Election Process

- Requirements for eligibility
  - Member of Shelley Lake HOA and in good standing
  - Ability to make decisions based on factual information keeping in mind “what is in the best interest of Shelley Lake HOA.”

# Dan Pfeiffer

I'm currently the Director of Regulatory Affairs for Itron, a leading provider of metering, data collection and software solutions to electric, gas and water utilities across the globe. Earlier in my career in Spokane, I spent 14 years at the Avista Corporation in a range of environmental, regulatory and government relations capacities.

I've been a resident of Shelley Lake for a little over a year and have participated on the Association's Shoreline Committee. I live at 16512 E. 9th Lane with my wife, Ami, and two children, Matt and Jessie. While my wife has spent most of her adult life in Spokane, I was born and raised in Pennsylvania and moved to the NW in the early 80's to finish my education in fisheries science at the University of Idaho in Moscow.

My view of government in general, whether federal, state or our Homeowner's Association Board, is that it should only do what we ('The People') can't do for ourselves. Hence, my priorities for the Board will focus less on parking and landscaping issues that neighbors ought to be able to resolve on their own, and more on the larger issues that threaten to impact our entire community - that is, the quality and quantity of the water in our lake, ensuring the developer keeps his commitments in the 5<sup>th</sup> Addition, and maintaining our infrastructure.



# Director Nominations now open for Zone 2, 6, and 7

- Director Nominations
  - Sue Watilo nominated and elected for Zone 2
  - Dan Pfeiffer nominated and elected for Zone 6
  - Scotty Smith nominated and elected for Zone 7

# ★ Nominations now open

- President
  - Must be a Board member
  - Scotty Smith nominated and re-elected
- Secretary
  - Christy Smith nominated and elected
- Treasurer
  - Norene Green nominated and re-elected

# Any other Business before the Board

- Please state your name and address
- State the business or proposal to be considered
  - Motion that all future dues increases be voted on by Association members. This requires a change to By-Laws. There were not enough members present or in proxy to vote on this at the meeting. The Board will prepare this as a future vote item.

# Break

Enjoy some refreshments

- Meet a new neighbor
- Sign up for a committee
  - Architecture Committee
  - Communications Committee
  - Maintenance/Adopt-a-Commons
- **Restrooms are located in the hallway across from the office.**

# Q&A

- Please state your name and address
- Please keep your question generic (for example don't use your neighbors name.)
- Please be respectful of others. Limit your time per question and allow others an opportunity to ask questions
- Your area Director is also a resource available to answer your questions anytime
- Q&A session will end at 9:00 PM

# Q&A

- Davianne Buckley, Communications
- Norene Green, Treasurer
- Bill Martin, General
- Bob Harris, Maintenance
- Doug Wollan, General
- Mike Syrcle, Vice President, Architectural
- Scotty Smith, President, Shoreline/Lake/5th