



Shelley Lake Estates Homeowners' Association
DRAFT MINUTES - REGULAR BOARD MEETING
November 19, 2009 – 7:00 p.m.
Bob Harris's Home

Board Attendees:

| | | |
|----------------|---------------------|------------|
| Dave Syrcle | Director | Zone 3 |
| Bill Martin | Director | Zone 4 |
| Bob Harris | Director, President | Zone 5 |
| Dan Pfeiffer | Director | Zone 6 |
| Claudia Hersey | Secretary | Non-Voting |
| Norene Green | Treasurer | Non-Voting |

Absent:

| | | |
|------------------|---------------------------------------|------------|
| Doug Wollan | Director, Vice President | Zone 1 |
| Marc Dershem | Director | Zone 2 |
| Diana Wilhite | Director | Zone 7 |
| Davianne Buckley | Chairperson, Communications Committee | Non-Voting |
| Derek Buckley | Chairperson, Architectural Committee | Non-Voting |

| # | TOPIC | DISCUSSION | ACTION AND/OR FOLLOW-UP INFORMATION CONTACT PERSON |
|---|--------------------------------------|---|--|
| 1 | Call To Order | President Bob Harris acted as Chairman of the meeting and Claudia Hersey acted as Secretary. | The Chairman declared the members present constituted the quorum necessary for the transaction of business at the meeting. |
| 2 | Minutes | Formal approval of the Minutes of October 8, 2009 Meeting. Minutes will be posted to the website. | Upon a motion made, seconded and carried, the Board approved the minutes. |
| | Proposed Amendment to Minutes | At the December 18, 2008 meeting the Board adopted a motion that intended to treat individual lot purchasers similar to builders i.e. including them as also exempt from dues assessments for six months from closing on a lot. The wording in the approved minutes is inaccurate. Therefore, a motion was made to amend the Board policy adopted at the 12-18-2008 meeting to more accurately express the intended action. | Upon a motion made, seconded and carried, the Board approved amending the wording of the policy adopted in Minutes of the December 18, 2008 meeting. <i>Motion carried. Amended procedures are at Exhibit A attached.</i> |

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| 3 | Financials | <p>October 31, 2009 financial reports. Cash Balance: \$50,373 (unrestricted); \$15965 (restricted-shoreline) Net revenue over expenditures is approx. \$40K.</p> <p>The Committee discussed the Independent Auditor's report that confirmed our accounting conforms to generally accepted accounting principles. There were a couple of recommendations for adjustments related to classification of the developer contributions funds, i.e. to treat as deferred income and, to recognize the revenue when we make the expenditure. Also recommended expensing rather than capitalizing improvements to common areas, as these areas have no marketable value. Recommended bank statements be provided the board for review. Cost of audit was \$2000.</p> <p>This report recommends establishing and funding a reserve fund for future major repairs and replacements. This would reduce and, hopefully, eliminate of large special assessments to fund major repairs and replacement for things such as fences, roads, gates, etc.</p> <p>The establishment of a reserve fund will be addressed at the Annual Meeting.</p> <p>Overall, results of the Independent Audit were excellent.</p> | <p>Upon a motion made, seconded and carried, the Board approved the financial statements provided for October.</p> <p>Related to internal control recommendation of the Independent Auditor, Norene will give Bob Harris the on-line bank account information for his review on regular basis.</p> <p>Upon a motion made, seconded and carried, the Board approved the recommendation for a reserve fund to for capital repairs/replacements.</p> |
| | | <p>2010 Budget and Capital Reserve Plan: Bob Harris presented two versions of the proposed 2010 budget. Both contained an estimated \$31K for approx. 1000 feet of fence replacement. We are hoping the apartment developers will assist along adjoining property lines.</p> <p>Related to road improvements, a good estimate on the number of miles on the roads x 40 year lifespan, using current costs, w/2" overlay, theoretically should have set aside \$90K. We have nothing set aside for that. Initially, will focus on the next 5 years and fence replacement, figuring on \$31K to replace 1000 ft of fence, x 3% increase per year. This year we put about \$30K into the budget. With a \$5 dues increase in 2011, our reserve balance would be in reasonable shape in the near term but we would most likely need an additional dues increase in 2013 or 2014, depending on inflation. But looking at next year, if we maintain dues at \$40 a month in 2010, we would draw down our reserves (or excess funds) by almost \$8K. Currently, we have approximately \$30,000 available for fence replacement.</p> <p>V2 of the budget provides no dues increase; V3 proposes a \$5 dues increase in July, which reduces the deficit by about \$6000. Although V3 is the more fiscally responsible budget, V2 would suffice in this economically challenging climate.</p> | <p>Upon a motion made, seconded and carried, the Board voted to approve V2 of the proposed budget, with no dues increase in 2010.</p> <p>With no dues increase in 2010, a \$5.00 increase would be anticipated in 2011.</p> |

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| | | Along with a Newsletter, the proposed 2010 Budget will be distributed to homeowners (must be distributed within 30 days after the Board approves the budget and prior to the vote at the Annual Homeowners Meeting on January 11, 2010). | |
| 4 | Architectural | Derek Buckley was not in attendance to provide a report. | |
| 5 | Communication | Davianne Buckley was not in attendance to provide a report. Will help Bob prepare the next Newsletter. Bob will send email asking for volunteers for the Communications Committee as well as Committee Chairperson. | |
| 6 | Maintenance | Doug Wollen was not in attendance to provide a report. Bob Harris reported we contracted for some leaf raking and trimming in Common areas @ \$12.50/hr; this will reduce the more costly spring clean-up labor. Bob also reported that new gate entry signs that identify gates by number will be installed shortly. | |
| 7 | Old Business | Snow Plow Contract Update Approved by email. | Upon a motion made, seconded, and carried, the Board ratified the snow plow contract and fees. |
| | | Mail Box Location Update After careful consideration members agreed to postpone the recommended move of the mailbox clusters in Reflections until a safer alternative can be agreed upon. | |
| 8 | New Business | Annual Meeting Planning. Reviewed the 2010 Annual Meeting agenda items and identified roles and responsibilities of members at the meeting. | |
| | | Reviewed proxy voting procedures and accounting method. Discussed distribution of Proxy Statements along with the first half dues statements which will go out after Christmas (not due until February). Proxy Statements can be returned after Christmas and before the Annual Meeting on 1/11/2010. | |
| 9 | Exec Session | The Committee held an executive session to discuss attorney communications, certain homeowner CC&R violations, and homeowners in arrears on dues. | Two homeowners remain in arrears; one is involved in a foreclosure. |



ShelleyLake

Shelley Lake Estates Homeowners' Association

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PROCEDURE 9-4

NEW CONSTRUCTION ASSESSMENTS

Purpose: To adopt equitable new construction/lot sales regular assessment start dates for individual lot purchasers and builders.

Discussion: CC&R's Art 9.6 states that regular and extra-ordinary assessments may be waived under certain circumstances; those circumstances do not apply to the manner in which assessments are, in fact, calculated by the HOA. That article further establishes criteria after which individual lot purchasers may not be granted a waiver of such assessments; however, Art 9.8.3 applies a different criteria for a building contractor. This procedure is intended to treat individual purchasers and building contractors in a more uniform and equitable manner.

Procedures:

1. Regular and Extra-ordinary Assessments shall be waived for a period of six months from date of closing on a lot, except as outlined below.
2. Commencement of regular or extra-ordinary assessments shall begin on the first of the month following:
 - a. Six months from lot closing or
 - b. Issuance of a Certificate of Occupancy, whichever occurs first

References: Articles 9.6 and 9.8.3, CC&R's
Board of Directors' Meeting Minutes of 12-18-2008 and 11-19-2009