

Hilton Lake Homeowners Association Board <hr/> Annual Meeting Date: March 24th, 2015 Time: 7pm Location: Fire Station	Annual Meeting Minutes 2015 HOA Board Members <input checked="" type="checkbox"/> Jim Brandley (2017) <input checked="" type="checkbox"/> Costica Gheorghiu (2016) <input checked="" type="checkbox"/> Christian Mead (2017) <input checked="" type="checkbox"/> Von Kelly, President (2015) <input checked="" type="checkbox"/> Dave Flaming (2015) Chair- Architecture <input checked="" type="checkbox"/> Charlene Lind, Sec-Treasurer (2016) <input checked="" type="checkbox"/> Jade Miller (2017)
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Agenda Item	Topic & Discussion
Opening of Meeting	Annual meeting called to order at 7:02 PM by Von Kelly. It was noted that a quorum of the Board of Directors were present and 25 homeowners were present.

Report of Officers:

President Von Kelly	<ul style="list-style-type: none"> - Debunked the raising of dues - Reviewed the accomplishments <ul style="list-style-type: none"> o Refurbished signs, Block Watch, No Trespassing etc. around Hilton Lake for Longevity o Pressure washed, fixed cracks & paint repairs on Tennis Court o Cut Trees around North Lake trial o Replaced rotten wood steps from 107th Cul-de-sac downhill with new Beams. o Replaced steps and decking on Bridge on North Lake o Installed cement boarders at the play areas o Lake Treatment and Back flow tests o Fish Stocking o Sprinkler System -Winterized o Removal of Fence Blocking Public Easement o Board action for delinquent Homeowner dues o Financial audit completed o Electronic Payment for Utilities o Upgraded Website, switched email providers increasing reliability & reduced costs o Continued to maintain cost effective landscaping, saving homeowners over \$7000 per/year for the last 2 years. Expecting approximately the same savings for this year as well o Multiple BOD involved with Legal lawsuit against Hilton Lake Homeowners – Provide update o Board participation – Board members have worked to bring on new members, but people are busy and are not finding the additional time to participate. I had spoken with an HOA Management firm. Their charge was approx. \$2000 per/month for a community of this size. o Von read the financial audit report on Charlene’s behalf o Discussion revolving around the lawsuit regarding the fence <ul style="list-style-type: none"> ▪ What is the lawsuit ▪ What land is in question ▪ Access issue to the lake area if fence is allowed ▪ Poll: All but 2 present in the meeting were in favor appealing the judgement if Hilton Lake HOA
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Agenda Item	Topic & Discussion
	<p>loses the case</p> <ul style="list-style-type: none"> - Von read the benefits of join the city of Everett which was requested by prior homeowner <ul style="list-style-type: none"> o General discussion about the benefits and non-benefits o Von read the benefits which were provided by Everett: <ul style="list-style-type: none"> ▪ Higher level of police support. The city police staffing is 2 to 3 times higher (officers per thousand residents) than the sheriff with smaller areas to patrol. The sheriff is professional but have less resources compared to Everett. This equals faster response times. ▪ Code enforcement is at a higher level. The City responses to issues on a complaint basis. This would be like junk cars in the yard to other issues that affect residents. ▪ Fireworks are prohibited in Everett. This was a motivation for a group of citizens. ▪ No charge access to the Everett Public Library ▪ City takes over responsibility and cost of street lighting and drainage facilities. If there is a drainage facility which serves your subdivision and your homeowners group is responsible for the maintenance the city takes over that responsibility if desired. ▪ The costs of annexation – comparison of taxes paid in the County versus the City are approximately equal or less in the city. The numbers would have to be updated for specific areas. ▪ Some areas utility costs are less like water and sewer rates. If someone receives water service from the city and they are located outside the city they receive a 25% surcharge on the water as an example. This is one where we would need to research the topic for current rates. ▪ More direct representation with the City Council and Mayor who you get to vote for if you are part of the city. ▪ More direct services from one source instead of the fragmented service delivery of many special districts. ▪ More orderly and logical service delivery areas by a primary service provider. o Poll: All but 1 person present are not interested in joining Everett
<p>Secretary Christian Mead</p>	<ul style="list-style-type: none"> - Migrated to a new hosting provider for email and webhosting. <ul style="list-style-type: none"> o Reduced cost by migrating o Increased reliability of email communication - It's important for homeowners to contact the board with issues or concerns - Suggestions on better ways to communicate with homeowners would be appreciated
<p>Treasurer Charlene Lind</p>	<ul style="list-style-type: none"> - Charlene reported on the budget for 2015 <ul style="list-style-type: none"> o Attached at the end of the document is the budget - There will be no raising of dues - Discussed projects for 2015 <ul style="list-style-type: none"> o Upgrade landscaping in turnarounds o Tree and bush planting along 35th o Long-term Playground Plan

Agenda Item	Topic & Discussion
	<ul style="list-style-type: none"> ○ Update entry signs ○ Permanent Benches ○ Remove moss/clean 35th sidewalk ○ Various rework/re-grade of trail locations ○ Solar power along lakes ○ Drainage pipe rework ○ Baseball field (off leash dog area, jogging loop, ?)
Report of Committees:	
Landscape Jade Miller	<ul style="list-style-type: none"> - Jade spoke about the grounds in the community and the need to focus maintenance of the grass and trails plus the playground equipment.
Architectural Dave Flaming	<ul style="list-style-type: none"> - Reported on the new roofs going in. <ul style="list-style-type: none"> ○ About 10 new roofs in 2014 meeting the requirements - Ask for a future motion to decide if prebuilt sheds
Lakes Jim Brandley	<ul style="list-style-type: none"> - Jim spoke about stocking of the lakes with fish. This led to the discussion of who really fishes in the lakes and the need to continue stocking the lakes at this time.
Homeowner Presentation/concerns:	
	<ul style="list-style-type: none"> - Voiced concern about the trash cans not being emptied <ul style="list-style-type: none"> ○ Do we get this into the contract of the landscapers - Voiced concerned about the cash flow. We need to prioritize the expenses because of the lawsuit. <ul style="list-style-type: none"> ○ If we win, do we get the fees back from the plaintiff - Voiced concerns with maintenance of the lake and breaking the laws. <ul style="list-style-type: none"> ○ Costica disused the issues with the lakes and grounds. <ul style="list-style-type: none"> ▪ Shoreline is receding ▪ Ground around the lake is sinking - Voiced concerned about the homes past due on HOA dues <ul style="list-style-type: none"> ○ Charlene responded <ul style="list-style-type: none"> ▪ 4 leans on homes. ▪ About \$5,000 is the amount outstanding in past dues ▪ 2 homes on the lakes are vacant

Agenda Item	Topic & Discussion
Annual Meeting Nominations:	
	<ul style="list-style-type: none">- There were two open positions on the board.- The following persons were nominated by those present:<ul style="list-style-type: none">o Dave Meythalero Rory Engel

Hilton Lake Homeowners Association Budget	2012 Budget	2012 Actuals	2013 Budget	2013 Actuals	2014 Budget	2014 Actuals	2015 Budget
Beginning of Year Bank Balance							\$ 13,901.60
Starting Balance checking	10,522.41	10,522.41	9,718.21	9,718.21	10,663.35	10,663.35	
INCOME							
Lien Fees/collection	0.00	0.00	0.00	0.00	0.00	0.00	
Outstanding Dues	2,400.00	887.67	1,750.00	1,640.00	1,750.00	1,121.62	2,100.00
Current Year Dues	40,950.00	40,210.00	40,950.00	38,360.00	40,950.00	37,800.00	40,950.00
Special Assessment							
Other		250.29					
Total Income	43,350.00	41,347.96	42,700.00	40,000.00	42,700.00	38,921.62	43,050.00
Total Income and Cash	\$ 53,872.41	51,870.37	\$ 52,418.21	49,718.21	\$ 53,363.35	49,584.97	\$ 56,951.60
EXPENSES							
Administrative							
Activities(Fees/Welcome baskets)	50.00	55.61	50.00	10.00	10.00	55.00	50.00
Liens/Collection	600.00	1,627.75	600.00	0.00	600.00	0.00	600.00
Post Office(Box Rental)	50.00	58.00	58.00	60.00	60.00	62.00	62.00
Office(Copying & Mailings)/Keys	300.00	135.84	300.00	458.92	300.00	126.15	300.00
Annual Audit of Books		265.00	265.00	345.00	345.00	0.00	345.00
Insurance	2,900.00	3,052.00	3,060.00	2,140.00	3,060.00	2,826.00	2,900.00
Internet fees	180.00	409.95	180.00	180.75	180.00	140.70	180.00
Legal Fees	50.00	0.00	2,500.00	5,005.50	5,000.00	287.00	5,000.00
PUD	600.00	371.67	550.00	1,340.20	550.00	1,151.90	1,100.00
Silverlake Water	<u>360.00</u>	<u>375.20</u>	<u>375.00</u>	<u>480.25</u>	<u>375.00</u>	<u>434.20</u>	<u>434.00</u>
	5,090.00	6,351.02	7,938.00	10,020.62	10,480.00	5,082.95	10,971.00
Maintenance & Special Projects							
Landscape Contract	23,454.96	23,454.96	18,958.40	17,707.58	18,958.40	18,290.88	18,958.40
* Land Projects	5,500.00	0.00	5,500.00	5,816.09	10,000.00	3,939.62	10,000.00
* Trail Maintenance	1,500.00	1,577.33	0.00	0.00	0.00	0.00	0.00
*Other Contracted Services (tennis ct)	50.00	912.60	950.00	45.00	600.00	2,417.04	1,200.00
* Playground	2,600.00	1,365.06	1,200.00	0.00	4,000.00	2,607.47	4,000.00
Fish Stocking	600.00	600.00	600.00	641.50	600.00	500.00	600.00
Work Parties	250.00	60.36	100.00	961.30	100.00	87.48	100.00
Lake Treatment/Mosquito Abatement	9,000.00	7,340.74	9,000.00	3,770.40	6,000.00	1,830.00	5,000.00
Repairs (sprinklers, paint)	400.00	490.09	400.00	92.37	150.00	927.93	900.00
Total Maintenance	43,354.96	35,801.14	36,708.40	29,034.24	40,408.40	30,600.42	40,758.40
TOTAL EXPENSES	48,444.96	42,152.16	44,646.40	39,054.86	50,888.40	35,683.37	51,729.40
Gain/Loss for Calendar Year	(5,094.96)	(804.20)	(1,946.40)	945.14	(8,188.40)	3,238.25	(8,679.40)
Ending Balance/Reserves	5,427.45	9,718.21	7,771.81	10,663.35	2,474.95	13,901.60	5,222.20
Projected Balance/Reserves							\$ 5,222.20

*** 2015 Projects Discussion**

- Upgrade landscaping in turnarounds
- Tree and bush planting along 35th
- Longterm Playground Plan & Add chips or pea gravel
- Permanent Benches
- Entry signs
- Remove moss/clean 35th sidewalk
- Various rework/regrade of trail locations
- Solar power along lakes
- Drainage pipe rework
- Baseball field (off leash dog area, jogging loop, ?)



2/16/15

Hilton Lake Homeowner's Association
P O Box 13111
Mill Creek, WA 98082-1111

Re: Financial condition of the records

To the Board of Hilton Lake Homeowner's Association,

Charlene Lind Requested that we go over the treasurer's bookkeeping for last year.

We performed the following procedures looking at the records from January 1 through December 31, 2014.

- 1) We traced the bank balances on the check register to the balances on the corresponding bank statements.
- 2) We reconciled the check register entries to the amounts reported on the bank statements.
- 3) We checked that each transaction on the bank statements was correctly entered in to the check register.
- 4) We traced a selected group of invoices to the cleared checks recorded on the bank statements.
- 5) We compared a selected group of check numbers listed on paid invoices to the check numbers in the register.
- 6) We checked the cleared checks for continuous number of checks.
- 7) The cash flow statement (called the Operating Statement) reported balances that matched the balances on the bank statement. This appears to be a very useful document.

We did not identify any errors recorded in the check register. We did not find any unaccounted for checks. The register balance as of December 31, 2014 reconciled with the bank statement balance.

We recommend the check register be recorded in ink. We recommend that you build on the cash flow statement and include a column showing the difference between the year-end totals and the budgeted column. This could be helpful for planning purposes. We recommend that you prepare a brief balance sheet so that you could record what funds are to be reserved for capital projects or other expenditures.

Being a treasurer of three exempt organizations, I appreciate the voluntary work your treasurer performs. Your record keeping method represents good stewardship for your organization.

Very truly yours,

Robyn C. Warren CPA
LANGABEER MCKERNAN BURNETT & CO PS

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