

Notes from Willowick Lane HOA Annual Meeting
Saturday, 21 March 2015 10:00 am
Conference Room
First Baptist Church
17319 Larch Way
Lynnwood

1. Call to Order

The meeting was called to order at 10:00 am. A quorum was achieved, with the following people in attendance:

Pete Sandoval, Property Manager, ProRealty Solutions
Elyce Newton
Hoang Ho (also representing Dat Nguyen via proxy)
Thao Nguyen
Jim Weber
Carolyn Weber
Cynthia Manderscheid
Rajendra Pal
Michael Manderscheid, Board Secretary
Clemente Salazar, Board President

2. Minutes of Previous Annual Meeting

Because a quorum was not achieved for the previous Board meeting, no minutes were required or taken.

3. Nomination for Board of Directors

Rajendra Pal, Elyce Newton, Michael Manderscheid and Clemente Salazar were nominated.

4. Election

Rajendra Pal, Elyce Newton, Michael Manderscheid and Clemente Salazar were elected as the four Board members.

5. Old Business

- A Board member is working on developing a Facebook page for the Willowick Lane community. We might want to post flyers on everyone's door to let them know about it when it is ready. When the development was first built there were neighborhood events like work parties and picnics; a Facebook page might be a good way to bring these back.

- Pete recommended that Board members not use their main personal e-mail accounts for Board business, due to the possibility of the e-mails being brought into any type of litigation that might occur in the future.
- The ProRealty web site, www.prorealtyoptions.com, has a lot of useful information specific to Willowick Lane, including bylaws, declarations and insurance. Just click "Associations" in the upper right corner, and enter "Willowick" as the keyword.

6. New Business

a. Financials

The HOA currently has \$21,458.56 in its Operating Account, and \$7,150.00 in Assessments Receivable.

It was noted that our budget includes \$1000 annually for snow removal, even though most of our streets are county-owned and therefore county responsibility. It was explained that our streets will always be a low priority for the county, which probably will address Larch Way but not 176th or 177th in the event of a major snowstorm.

A question was raised regarding the "Landscape Extras" item in the budget. Pete explained that this includes special maintenance required in the common areas, tree trimming, and other items not covered in the regular landscaping contract.

b. Maintenance Reserve

State law requires that we move unspent designated funds to a reserve account, or return it to the homeowners. The Board agreed that we need to move these funds to a reserve account.

A general rule is that we should have enough for 2-3 months' expenses then the rest as a maintenance reserve.

c. Collections

There are homeowners with unpaid HOA dues, some several years' worth. We want to initiate action on these before the 3-year mark. The Property Manager recommended and the Board agreed that we need to act at the 2-year mark.

First Pete prepares demand letters. Last year Clemente hand-delivered a few of them in order to highlight how important it is that everyone pay their HOA dues. Then the next step is going to a collection attorney, who sends out a letter at a cost of \$75 to the HOA. When the judgment is issued it includes all legal fees, so the HOA recuperates its \$75 and whatever else is spent. In general this can be a 2-year process.

Three years ago the HOA didn't have enough funds to adequately pursue delinquent dues, but thanks to cost savings and other improvements, the HOA is now in a position to take the needed actions.

d. Budget Confirmation

The Board approved the budget as presented at the meeting.

It was noted that the HOA Treasurer, and not the Property Manager, needs to establish the HOA's investment policy, including how much liquidity to maintain, and to be aware of the costs and fees. The Property Manager can help with this.

e. Neighborhood Watch Program

The Snohomish County Sheriff's web site links to a page with all incident reports from given areas.

The Property Manager recommends that we set up a Neighborhood Watch program, which typically would have groups (e.g. a 176th Pl. group and a 177th St. group) each with its own captain. The Sheriff will send someone to meet with us, but only if we show that we are serious about starting a program.

Also recommended: leave your outside lights on overnight! This is well worth the extra electricity. Also, one of the homeowners has installed security cameras with a view of the entire area surrounding their home. The cost is not prohibitive although installation can be a lot of work.

f. Lot Owners' Encroachment on Common Areas

Two homes along 8th Pl W have already expanded their back yards into the common area easement along the trail. This did not come to the attention of the HOA until a 3rd home started a project to expand its back yard into the common area, and another homeowner reported construction material blocking the trail.

There was some support for allowing the 3rd home to proceed with its project, but even though this meeting had a quorum, a vote of the homeowners present would not be sufficient to allow the project. The common area is owned by all 53 homeowners, and consent from two thirds of all homeowners would be required.

The other issue is fire department access. We would need an OK from them for this easement encroachment.

If the project is approved, the 53 homeowners essentially would be giving the common area land to the one owner, so we would have to re-record the plats, at a cost of approximately \$1800-\$3000.

Based on all of the above, the homeowner said that he would not attempt to get approval for expanding his property into the common area, and instead would build only up to his property line, even though building into the easement would appear to offer better soil stability.

This means that the other two homes would eventually need to tear down their projects. The Board will put these homeowners on notice that the Common Area will be restored to the HOA upon change of ownership, and the work will need to be removed.

g. Other Subjects

- A homeowner expressed concern about the condition of the fence at the end of 8th Pl W.
- A homeowner requested that there should be a rule that homeowners keep up the outside appearance of their properties, as some houses are in serious need of sprucing up. Pete will write something up on this.
- Two homes have floodlights, and the question was raised whether this is OK under the HOA rules. The relevant part of the Declarations is that these lights should not be a nuisance to other homes in the neighborhood. It was agreed that the floodlights are not installed in such a way as to be a nuisance.
- Basketball hoops are not allowed on Willowick Lane property. Liability, safety and noise are the reasons.

7. Announcement of Election Results

Rajendra Pal, Elyce Newton, Michael Manderscheid and Clemente Salazar were elected as the four Board members.

*** HOA Board Meeting Immediately Following Annual Meeting**

Pete will mail out the financials by the end of March.

The following positions were determined:

Clemente Salazar – President
Elyce Newton – Vice President
Rajendra Pal – Board Member
Mike Manderscheid – Treasurer and Secretary

The Board discussed whether the HOA dues should be raised. For example \$300 annually instead of \$275 would allow for more maintenance. The Property Manager advised that our finances are in good shape and we do not need to raise dues at this time, although we should have periodic increases to keep up with inflation. The Board

agreed to revisit the topic for next year, since it has been a while since dues were raised.

The Treasurer needs to develop a bottoms-up budget starting with the needs, then working to how much the dues need to be.

We could have a reserve study, but this is usually just for condo HOAs with more amenities and expenses.

It would be good to have a landscaping committee. This should be considered in the future.

We need to have budget meetings each October to set the budget for the following year.

Meeting ended at 12:10 pm.