

# Crystal Ridge Board Meeting

October 7, 2014

**Board Members Attending:** Mark Crawford, Fred Herber, Time Evans, Mark Noll

Absent: Eric Lynn (due to work schedule)

**Committee Members Attending:**

Landscape (Fred Herber), ACC (none), Neighborhood Watch (none), Welcome Basket (none)

**Homeowners Present:** None

**Consent Calendar:** No items

**Next Board meeting:** Nov 4, 2014 –

**Proceedings:**

## 1. ACC Committee Report –

- a. Report below submitted by Vance Butler (ACC member):
- b. ACC Report for HOA BOD meeting 10/7/2014
- c. We've had a very busy ACC this summer with 22 Mod Requests received and processed.
- d. Our most recent activities have been to approve paint at 1405 Amber Blvd, respond to inquiry regarding shed from a new homeowner (Kasey Hanson) and a front yard rehab @ 3526 Crystal Ridge (Judy Payne residence). We are monitoring on-going work at the Oldright residence to ensure a timely completion of the addition, as well as work at the Walia and Payne residences.
- e. In addition to our normal business the ACC was challenged on our approval of the Walia house addition in The Estates. Walia's neighbor Glenda Anderson consulted with an attorney regarding the ACC approval and possible violation of potential view protections. The HOA BOD responded to the attorney's letter requesting a stop work order, advising that per our CCR's the ACC had acted in good faith. I have not heard anything more in this regard, so unsure of current status. I am of the opinion that the complaint has no merit and it appears that possibly the Anderson's have decided to not pursue. If anybody has more specific knowledge of the situation, I'd appreciate an update.
- f. Submitted for your review and approval.

## 2. Landscape Committee

- a. Discussed budget spent, budget remaining, work accomplished, reports of sprinkler problems, tree removals and replacements

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- b. Also discussed needs/changes for 2015.
- c. Fred addressed the possible need to upgrade sprinkler heads to help cut down on water usage.
- d. Fred also presented a rough estimate of landscape work for 2015. (see table in Attachment #02). These items will be discussed via email and at next Board meeting on Nov 4<sup>th</sup> to see what items fit into our 2015 budget.
- e. Water usage was discussed further to see how the expense can be reduced. Adjusting the water distribution to provide more water in dry areas and less in wet areas would help. New sprinkler heads may help to make these type of adjustments. Current practice to cut costs is turn on the water in June, turn it off in September and time watering to occur in early morning only 2 or 3 times a week.
- f. 2015 Landscape Contract Renewal – Discussed whether or not to go out for bids for a new landscape contractor and reviewed JAC's overall effort in 2014, improvements and proposed 2015 costs. Proposed to keep JAC for 2015 and reassess for 2016 contract. JAC submitted 2015 budget at same cost as for 2014. This might be adjusted depending on the number and frequency of cuttings and edgings are in the contract.

### 3. Finances

- a. Budget 2015 – List of capital projects was requested by Mark C for budget development.
- b. **ACTION:** Board members to consider possible projects and submit via email for consideration
- c. 2015 budget will be discussed at next Board meeting on Nov 4, 2015
- d. Accounting review –Discussed to need for an audit. Mark C contacted our CPA who recommended a Compilation Statement for our audit which would run between \$1000 and \$1500 (see Attachment #01 for explanation). Years to be included in this audit will be further discussed as to how many years to include and the estimated impact on the cost for additional years.
- e. Saba dues collections contract was discussed and whether or not we wanted to switch services. Board decided to stay with Saba.

### 4. Board Membership

- a. Recruiting new Board Members was discussed. Current Board member's terms are expiring and the need for new Board members to take over was discussed.
- b. Status of existing Board members for 2015. One Board member's term may end in January 2015 and two others' terms may end in January 2016.
- c. **ACTION:** Board members contact possible replacements for themselves that have an interest in serving on the Board. Normal terms for BOD members is 3 years.

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### 5. Dues status for 2015

- a. Discussed possible 10% increase in 2015 dues. The Board is leaning towards not raising the dues or possibly raising them less than 10%. Decision on whether or not to raise dues pending review of 2015 budget at Nov 4<sup>th</sup> Board meeting. Decision needs to be made early enough to advise Mae before dues statements go in early December.
- b. Newsletter – Board needs to discuss need for a newsletter to go out with dues statement.

### 6. Volunteer work day in Feb

- a. Trees along CRD, entrance to Janelle Estates and near the ponds that are starting to encroach on the sidewalks in these areas may need to be removed. Board is planning on a 1 day work party in Feb 2015 to remove some of these trees.

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### Attachment #01 - CPA discussion of audit types

**Accounting:** Per explanation below by our CPA, Mark C recommends we perform a Compilation Statement audit which costs about \$1000 to \$1,500 per year.

*Per Melani Joyal, CPA*

*There are three levels of CPA prepared financial statements ~ Audit, Review and Compilation. Often times HOA bylaws call for an audit, but in reality it's not economical, nor necessary for what is really desired by the board. A board generally wants to know that the following things are happening.*

- Dues are being billed appropriately, collected timely, and put in the bank without error.*
- Bills are being paid for approved invoices.*
- Accounting records are maintained in a neat, accurate and timely way, and communication with the board is periodic and presented in an understandable and simple manner.*

*If these things are happening, I think everyone will stay happy.*

*An audited financial statement can run between \$5k (very cheap) - \$25k depending on how clean the books and records are. I don't think this is something you want, and it doesn't accomplish what you need.*

*A reviewed financial statement can run between \$3-\$5k.*

*A compilation can be done for about \$1,500*

*All three of these things would generate the same numbers on the financial statements, but with different level of analytics, testing, review, etc.*

*There are other services that can be provided, including internal control reviews, or just agreed upon procedures. Either one of these may be beneficial.*

*As we discussed on the telephone, determining a good segregation of duties and bill approval system (which you already have partially in place) can accomplish a good sense of controls for the board. Having a committee, which might include Mark, one other board member, and me as an outside CPA could probably analyze the books and records and be comfortable with things in a few hours.*

*The items I would suggest get looked at/happen with this committee:*

*Look over books and records (in quickbooks) to see where items are posted*

*Look at bank statements to verify that the money on the books is actually in the bank*

*Look at the past due account balances for homeowners. Do an analysis of revenues to make sure that all homeowners have been billed and collected.*

*Review vendor files to make sure things are posted in quickbooks as they should be.*

*Present potential control changes/processes that could be improved, etc.*

*After just looking over and feeling comfortable with these things, it will be evident whether we need to dig deeper or not. Because there is already a bill approval process, it should be easy for Mark to remember whether something was approved or not...or at least it will jog his memory.*

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*If you want me to just participate, it would be my hourly rate (\$200)—probably done in less than 3 hours. If you want me to actually write something up and present it to the board, I may need to do “agreed upon procedures” which would require some additional time/paperwork with the same results.*

*I’m sorry this took so long to get to you. I appreciate your patience and hope I can help out!*

*Melani*

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Attachment #02 - Proposed budget items for 2015

	Number	Cost	
Crystal Ridge HOA Landscape Work 2015			
Ice Storm Missing Trees	62	\$ 255.00	\$ 15,810.00
Diseased Trees (Sap) Remove and replace	35	\$ 550.00	\$ 19,250.00
Trees Damaging Sidewalk Remove and Replace	55	\$ 550.00	\$ 30,250.00
Monuments in Estates	4	\$ 3,500.00	\$ 14,000.00
Playground Maintenance	1	\$ 1,500.00	\$ 1,500.00
Pond Planting	2	\$ 2,000.00	\$ 4,000.00
Irrigation Upgrade		???	
			\$ 84,810.00