

Crystal Ridge Board Meeting

March 3, 2015

Board Members Attending: Mark Crawford, Fred Herber, Time Evans, Mark Noll, Peggy Kloes & Eric Pederson

Committee Members Attending:

Landscape Manager (Fred Herber), ACC (Tim Evans & Vance Butler),
Neighborhood Watch (Vance Butler), Welcome Basket (none)

Homeowners Present: None

Proceedings:

Scheduled Board meetings:

- a. Apr 7, 2015 (Tue) – Board Meeting
- b. May 5, 2015 (Tue) – Board Meeting
- c. June 2, 2015 (Tue) – Board Meeting
- d. July 7, 2015 (Tue) – Board Meeting

1. **Approval of Minutes** – Reviewed minutes for Feb 10, 2015 Annual Meeting. Peggy asked a question about a resident’s suggestion at the Annual Meeting (ref: **10 d**) Install additional street light at the Shaw Road entrance to Janelle Estates). She asked if an additional light would be paid by the HOA. Also asked if the light there could be made brighter. Fred answered that the city would pay for it but could possibly, though not likely, create a special assessment for CRHOA to cover the cost. Fred expected that the lighting could be incorporated into the Shaw Road upgrade between 23rd and Pioneer but this is not funded yet and may not occur until sometime between 2017 or 2020. No amendments were added to the Annual minutes. Board approved the Feb 10, 2015 Neighborhood Annual Meeting minutes.
2. **New Member Orientation** – A brief overview of Board functions and processes was presented for our new Board members, Peggy Kloes & Erik Pederson. Topics covered:
 - a) Bylaws & CCRs requirements and enforcement.
 - b) Board responsibilities are outlined in the Bylaws and CCRs and should be reviewed by current and new Board members.
 - c) Board meetings to conduct business where discussions are open and agreements/disagreements are discussed to resolve issues.
 - d) Mark C emailed a redacted CCR that removed most references to the Declarant and initial development of Crystal Ridge. Board members should review this for discussion.

3. **ACC Report** – Vance gave brief summary of current ACC issues. Also discussed the house that still needs to be painted on Crystal Lane Loop. Vance & Eric L met with the homeowners to determine the issues and why it was delayed. They indicated that they had some medical and financial issues and “promised” that it would be finished by the end of June 2015. Vance recommended that a violation notice be sent to them that referred to their commitment to complete by the end of June 2015.
4. **CCR Enforcement** – Mark C discussed consistency and actions items for CCR letters. The main problem that the Board contends with is consistency in CCR violation notifications, enforcement and follow-up. The most frequent areas of violations are: Estates view protection, RVs, cars, trailers, trash, recycling & yard waste receptacles, submission of mod requests prior to start of work, painting, fences, etc.
5. **Landscaping** – Fred reviewed irrigation improvements, tree replacements, etc. He also said that JAC has hired TruGreen to spray for moss soon and JAC will rake high moss areas. Moss spraying should be done when areas are not frozen.

Homeowner that trimmed 5 trees in the planter strip has admitted to doing it without Board or ACC approval. Board plans to send a bill to homeowner for \$3000 (\$600/tree to remove, grind and install) and notify the other homeowners affected.

6. **Finances** - Mark C briefly reviewed 2015 budget and briefly mention the need for a financial audit. See Exhibit A (attached) for the types of audits and recommendations

Mark C also reviewed the 2015 capital improvements estimates:

<u>Item</u>	<u>Planned</u>	<u>Comments</u>
a) Trees (51)	\$17,500	Bid: approx. \$15,900 (\$750/tree to cut, grind & install)
b) Tot Lot	\$2,000	
c) Irrigation	\$10,000	for hardware
d) Monuments	\$6,000	for repairs & maintenance
e Drain Ponds	\$10,000	for cleanup & trimming

7. **Neighborhood Watch** - Vance gave a brief summary of the neighborhood watch plans based on a Feb 17th planning meeting (present: Janine, Andy, Vance and Mark N), his own involvement and emails from Janine and Andy.

Janine Parque (Email 3/3/15, CRHOA Board 4480 - Update on Block Watch Signs):

I spoke to Lisa Isaac's this morning. I told her that we have about 6-7 captains and it doesn't exactly cover the entire neighborhood, but it's a start and she is willing to work with us to get us

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our signs. In order to complete the process on her end, she needs to know exactly where we would want the signs.

My suggestion:

- 1 . Main entrance into Crystal Ridge, after speed bump (20th Ave Ct. SE & Crystal Ridge Dr. SE)
- 2 . Janelle Estates entrance - Higher up on 15th Ave SE or Amber Blvd somewhere
3. Entrance to Estates - Crystal Lane Loop and Crystal Ridge Dr. SE
4. ?

From what I gathered, Lisa said about 2-3 will be allocated by the city. They are fairly reasonable if we want more (around \$30). I think we should have at least 4 signs.

Board decision: Approved installation of 8 signs. Locations: Puyallup Highland entrances (3), Crystal Ridge Drive (1 near speed bump), Amber & 15th (1 near intersection coming up from Shaw Road), 20th Ave SE (1 on street when coming from Rodesco), both entrances to Estates (1 on CRD and 1 on 15th). Vance to follow-up with Janine. [Note: Fred contacted Janine after the meeting suggesting to meet with her to determine the best location for each sign and to mark the location.]

Andy McCurdy (Email 3/3/15, CR Watch (136) - Draft minutes for 2/10/15 Annual Meeting)

I propose that we host an informational meeting for all people interested in participating in block watch (either as a captain or just an active participant) on a weeknight in April or May. I would prefer waiting until Late-May when the weather might be better so we could have the meeting in the neighborhood in a backyard (We can use mine if no one else has a better one) to have a presentation about safety and block watch (Operation ID) and answer questions about the programs. I don't think this should cost the HOA anything and can be advertised via the email lists. We can get someone from PPD to be here to answer questions.

Board decision: Approved tentative plans for the May meeting and National Night Out (NNO). Vance to follow-up with Andy and Janine. Vance will also contact Eric L about the bouncy house and Schwan sales (ice cream).

8. **Mar 21st Work Party** – Discussed a planned neighborhood work party to clean up common areas. Board decided to advertise it using a post card mailing, email DL and Facebook. Eric L is ordering the post cards from Vista print and Mark N plans to label, stamp and mail post cards no later than Mar 13th. Approved wording for ad:

Crystal Ridge Neighborhood Work Party

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The Board has a scheduled a neighborhood work party. Please consider helping us clean up our neighborhood. Our landscaper, JAC, will be here to provide additional help and a wood chipper.

When: Saturday, March 21, 2015, from 8 am to 5 pm

Meet: At corner of Crystal Ridge Drive and 20th Ave SE

(If you can't come the whole time, please come when you can and look for work parties around the neighborhood and join in then.)

Provided: Water, coffee, donuts and lunch

Purpose: To help clean up common areas of debris, weeds, bushes, small trees, etc.

What you can bring: Gloves, rakes, hoes hand pruners, loppers, heavy duty weed trimmers

We appreciate your help and assistance. If any questions, please contact us at board@crystalridgehoa.org.

9. Audit - Mark C requested all Board members to submit their top 10 capital improvement projects.

10. Action items – Reviewed the action items for Board. A summary email was sent to the Board on 3/4/15:

1) Mark N

a. Process rush order for post cards to send out for neighborhood work day on Mar 21st. Contact Eric L and Mae for info.

b. Talk to neighbor about trailer still parked in driveway and report back to the Board with status and any recommendations.

2) Vance

a. Draft a letter to house still requiring painting for Board approval based on the discussion you and Eric L. had with the homeowner.

b. Contact Janine about 8 crime watch signs being approved.

Locations: Puyallup Highland entrances (3), Crystal Ridge Drive (1 near speed bump), Amber & 15th (1 near intersection coming up from Shaw Road), 20th Ave SE (1 on street when coming from Rodesco), both entrances to Estates (1 on CRD and 1 on 15th)

c. Let Andy know to proceed to organize the May & NNO meetings for neighborhood watch, keep Board advised and let Board know what support is needed.

3) Erik P - Talk to resident about RV parked in their driveway and report back to the Board with status and any recommendations.

- 4) Mark C - Draft a letter to the homeowner who trimmed planter strip trees without permission.

11. Tentative Agenda Items for next Board Meeting (4/7/15):

- a. Property Management Company – Discuss possibility of hiring a property management company or paying a CCR enforcer for \$5K as an alternative.
- b. Neighborhood Yard Sale – Decide to have yard sale in either May, July or both...then decide on dates. Discussing advertising with post cards, email DL, Facebook and web site.
- c. Next Newsletter – Need one and when?
- d. Redacted CCRs – Discuss CCR revisions proposed by Mark C, should this be done, how to use and how to get the word out.
- e. Financial audit – Discuss need, type and schedule for an audit. (see Exhibit A attached)

12. Meeting adjourned at 9:05 pm.

Exhibit A

These comments were provided by (tax prepare for the HOA)

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Accounting Review: 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.

An audited financial statement can run between \$5k (very cheap) - \$25k depending on how clean the books and records are. Is this something we want, however it doesn't accomplish what we 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.

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 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.

Suggested items to 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 the Board to remember whether something was approved or not.

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Outside assistance is an hourly rate (\$200)—probably done in less than 3 hours. If the Board wants a written presentation to the Board we may need to do “agreed upon procedures” which would require some additional time/paperwork with the same results.