



Lake Forest Board of Directors Meeting
December 20th, 2022
Minutes

Location: Evergreen Forest Elementary School

Board members present; Kathleen Emmett, Kim Busenbark, Deanna Rocamora

Member-at-Large; Alex Bromen, Shannon Hildreth

Board members/Member-at-Large absent: 0

Guests: 8

Time started: 6:35 pm

Called to Order

Welcome guests!

Announcements

A special thanks to Nancy and Paul Solis who have volunteered to be the new Hearing Park Volunteers.

Minutes

The November minutes were sent via email to board members for review. A motion was made, seconded and carried to approve the November minutes as presented.

President Report

November Report: A proposal was made to move the LFHA Reserve Fund from Timberland Bank to an Edward Jones Money Market to earn a higher interest rate. The current interest rate on the Reserve Fund is 0.4% annual yield at Timberland Bank. Edward Jones states a 3% annual yield on the Money Market account. Preliminary information from Edward Jones was emailed to the Board on October 28th for review. Discussion occurred regarding risk and accessibility of the funds. The bookkeeper pointed out that according to the RCW's, the Reserve Fund cannot be split into different accounts and must remain a liquid cash account. A suggestion was made to contact Timberland Bank and ask for a higher interest rate on the Reserve Fund. The President will contact Timberland Bank and research further details about the Edward Jones account and disburse to the board via email.

December Update (Addendum A): The President contacted Timberland Bank regarding matching or increasing the annual yield on the Reserve Fund. Unfortunately, they are unable to raise it any higher than it already is. Key information discussed:

- A) If the Reserve Fund has a higher rate of interest earned (more money for the LFHA operating expenses), it's considered income and will be taxed. Currently, the LFHA taxable income is less than \$1,000/yr. With this change, the LFHA taxable income could increase to \$5,000/yr.
- B) It was stated there are no fees for ACH transfers between Timberland bank and Edward Jones. Processes in place dictate that the special assessment amount paid by residents in their annual dues is transferred to the Reserve Fund.

- C) Tracking the transfers with Timberland bank allows for notations that provide transparency to the board, bookkeeper and auditors. It would be helpful if this notation was available in the Edward Jones account as well.
- D) A question was raised if the LFHA is required by state RCW's to keep funds in an FDIC insured account. This will be researched and reported on at the next meeting.
- E) Internal processes between the Treasurer and the Bookkeeper will need to be amended if the board moves forward with transferring the account to Edward Jones.

No action was taken at this time. Further research will be conducted and reported on.

Department of Natural Resources (Addendum B): There is a program (Western Washington Forest Landowner Financial Assistance Application) that could offer financial assistance to the LFHA community to remove invasive species of IVY. The Ivy in the greenbelts and common areas needs to be controlled or removed to prevent death and decay of the trees and surrounding areas. Our small volunteer group does the best they can to maintain the IVY (in addition to the numerous caretaking tasks the neighborhood requires). Removing the IVY is out of the scope of the work provided by the professional landscaper that services the neighborhood and could not be afforded with the current operating budget. To move forward with the application process, the DNR representative (Craig Higbyee) will tour the neighborhood and identify which trees are covered in IVY. The President will email the board when the tour date is set, all board members are invited. This is a cost share program. If approved, the program would pay half the cost and LFHA would be responsible for the other half. A query was made if the cost of removing the ivy is within the Reserve Fund usage parameters. If so, then the LFHA portion would not have to come from the operating budget.

Vice President Report

The board regretfully announced the VP resigned as of December 2nd. She was a wonderful asset, and we are thankful for her service. She also maintains the sign boards and pet stations and will continue to volunteer her time to those services.

Treasurer Report – Kim Busenbark/Shantel Jones

The Treasures Report and Book Budget were presented and discussed. Addendum C and D

The Board will meet on January 9th to discuss the roles and responsibilities of the Bookkeeper and Treasurer to improve communication and accountability.

2023 Annual HOA dues will be \$214.54. Residents that have elected for electronic delivery of the invoices started receiving them 12-21-2022. They are emailed individually and by Division. Division I is complete, Division II is in process and Division III will be complete within the week. Residents who opted for paper invoices will be mailed out 12-22-2022.

The 2023 budget will be presented at the Annual Meeting 1-17-2023.

Secretary Report-Deanna Rocamora

Newsletter: The newsletter publication has been put on hold until after the first of the year. No other articles have been received. Additionally, there are budget concerns that should be addressed before moving forward.

Covenants, Conditions, & Restrictions (CC&R) Report -Update by Alex Bromen

Report submitted via email for inclusion with minutes. Addendum E.

The process of reporting owner contact information was discussed. There is concern the information is not being updated in a timely manner which delays owners receiving corrective action and violation notices.

Maintenance Lead -Update by Jeff Heard

Report submitted via email for inclusion with the minutes Addendum F.

An update was given about a problem with a tree that is compromising a cyclone fence located at the retention pond on Oxford Loop. The concern brought forward by the Maintenance Lead is that if the tree is not removed, it will damage the fence and will need to be replaced. The tree and ones like it in the area, have been nursed along for 15 years. Discussion occurred for and against removing the tree. Key concerns are: Whether the tree is in good health or not, the purpose of the fence (before the fence, ATV's and M/C would drive across that area), cost of removing tree vs. cost of replacing fence, the fence has been repaired multiple times from tree damage in the past. No action has been taken; the situation will continue to be monitored.

Maintenance Chair- Update by Shannon Hildreth

The Maintenance Chair sent out 8 bid proposals for the 2023-2025 Lawn Maintenance Contract. Responses were due by December 10th, 2022. One proposal was received, and it is from the current Lawn Maintenance service provider, RMR Lawn Service. Discussion occurred about the price of the bid and the affordability of it.

- A) The preliminary 2023 operating budget cannot afford the bid received which states an increase of \$900 per month (\$10,800 annually). The cost of maintaining the neighborhood (electricity, water, lawn maintenance etc) has seen an increase that far exceeds the annual assessments received from the residents.
- B) The HOA by-laws dictate the board can vote to increase the annual assessments 3% each year, however this is not enough to cover the increasing costs of maintaining the neighborhood.
- C) An additional special assessment was discussed to supplement the shortfall. This would require planning and a vote of the residents to implement.
- D) The maintenance contract does not include (nor has it in the past) maintaining the retention ponds in the neighborhood to keep them up to code. These ponds collect run off water, and it is required by the county, to be maintained or the LFHA can be fined. The small group of maintenance volunteers provide this service to help the association avoid fines and paying for this service.
- E) A query was made about using Reserve Funds for maintenance projects. This will be researched and reported on later. It was noted that the 2021 Reserve Fund report is considered underfunded. A new review/report will be due in 2023.

Architectural Review Committee (ARC) Report - Kathleen Emmett, Shannon Hildreth

No request received.

Events.

The Christmas House Decorating Contest was 12-17-22. There were so many festive and beautiful homes that brought the Christmas Spirit to the neighborhood. Santa even made an appearance courtesy of the Lacey Fire Department. Four homes received Home Depot gift cards for their lovely displays.

Waterfront/Shoreline Project

October report; The President, Vice President and Maintenance Lead met with Designer Concrete to go over his bid for the project. (Addendum E) The bid was distributed via email to the board for review. The

bid amount is \$53,425 to replace the failing bulkhead, add metal railings along the walkway, add sand to the shoreline and cap the steps already in place. The Maintenance Lead suggested an inexpensive test to see if placing large stones in front of the bulkhead would be sufficient and be a less expensive option for the HOA. He will email cost details to the board for further action. If the test works, we would need community volunteers to help with this project and remove that portion of the project from Designer Concrete's bid. Designer Concrete would require 40% of the bid in advance to begin the project.

November update: The test to see if placing large stones in front of the bulkhead was completed. The Maintenance lead reported that while this option is possible, it's not practical. Discussion occurred regarding the permits and scope of the project. The permits acquired for this project expired in March 2022. The President will reach out to the county and find out about having the permits extended. The scope of the project, based on cost and priority, continues to be discussed. There is concern about funding the entire project which would use the majority of the Reserve Fund. Instead, suggestions were made to break the project into smaller parts and address specific issues one at a time. The Maintenance lead will contact a company that provided a quote last year for an updated bid.

December Update: The President would like to move forward with a vote to proceed with the bid received in October. Discussion and opinion were shared about the direction and scope of the project. The proposal from Designer concrete does not address the bulkhead but does address safety concerns. Cons for moving forward without addressing the bulkhead is the risk of ruining the work done to improve safety. To address the bulkhead, heavy equipment, machinery and supplies would be brought to the water shore and would damage the work done to improve safety. Arguments for moving forward with improving safety and waiting on the repair/replacement of the bulkhead is the photographic evidence from a resident that the bulkhead has not moved very much over the last few years. Overall funding of the project was discussed in both scenarios. No decision was made at this time.

Permitting update: An email was received from the Assistant Planner, Erika Smith-Erickson stating that the permits obtained originally are not expired and that construction must be completed within 5 years. If there are any questions about the permits, the contact is Scott McCormick with Thurston County.

Old Business

2021 Audit- Ballots were sent December 1st to residents either by Election Buddy or by mail. The ballots are due January 17th at 7pm and results will be announced at the annual meeting.

Streetlight Conversion to LED- The remaining lights were already paid for but had not been completed by PSE. Maintenance Lead will follow up with the contact, Lars.

A motion was made, seconded and carried to move \$3588.46 for check #6374 from the Reserve Fund to the Operating Budget.

Collection Policy: Current contracts with VF collection have been uploaded to the LFHA website. No further action taken to change the current collection policy/process. It was reported that VF collected on all accounts that were turned over to them in previous years.

Welcome Committee: There were 3 new homeowners reported to have moved into the neighborhood. The treasurer will email their information to the President and the bookkeeper.

Motion made, seconded, and carried to adjourn @ 9:00pm

Emailed to the board 12-8-22, From Kathleen Emmett

Reserve Fund Investment - I called Timberline Bank and found out that there will be no change to our checking account if we move our reserve funds. (no new fees)

Timberline Bank charges \$25 per wire fund transfer but we won't need to use that method. There is **no cost** to ACH (Automatic Clearing House) funds on demand from the bank to Edward Jones. The call needs to be made to Edward Jones to do a transfer, the Bank cannot do it. The transfer can be either to or from each account. But, all transfers must be done through Edward Jones to avoid charges.

Transfers are made when a client calls the Edward Jones Office at 1-800-441-2357. Only verbal requests initiate a transfer – No voicemail or email will work. Funds will be sent to the bank account on file at no cost. Only authorized signers can initiate a transfer - if received before 1 pm PST – expect 2 business days for the funds to arrive at the bank.

We can create an online account at Edward Jones, if we want to. It's not required. Only authorized signers on the account would have access.

When board members change, we provide personal information of the new authorized signers like we do with the bank. No notary or fee is required.

There is NO limit on the number of times or time limit we can make withdraws from the money market account and no cost to ACH funds to and from the bank to Edward Jones.

The VP also had questions/comments about CD accounts. To be clear this is NOT a CD account.

The VP did say that according to hoamanagement.com, an HOA should consider investing its Reserve Funds with the following considerations:

- Safety above all else
- Liquidity is a must
- Consider yield last

Their list of safe options are:

- S. Treasury – Bonds, etc.
- Money Market Deposit Accounts
- Certificate of Deposits (through a bank – will have an early withdrawal penalty, but you'll know that amount ahead of time) They recommended a CD "ladder" – investing regularly with smaller amounts so that the maturities will be happen regularly.

This is a **money market account** which considers Safety and Liquidity first when investing the LFHA funds, not the yield first. Our yield will go from .004 to .0382 on money in the reserve account.

From email dated 12/8/22 Kathleen Emmett

DNR Forest financial assistance. Today I sent an application to DNR for financial assistance with invasive plant removal. If approved, they may pay up to half the costs of removal. I figure with the \$500+/month that we could make with better yields on our reserve fund account, we could afford to hire a contractor to remove invasive plants from our common areas at least once a year. We could develop a plan to do this, and eventually have all 22+ acres free of ivy, tansy weed, holly and other invasive plants.



Lake Forest Home Association

December Treasurer's Report

December 20, 2022

- VF Accounts accounts for collections
 - o Lot XXXX - \$719.85 Home in Foreclosure postponed until 02/05/2023
 - o Lot XXXX - Judgment for \$5,332.52 now owes add'l \$1,300.96

ACCOUNTS RECEIVABLE

20	2022 TOTAL UNPAID AS OF November 30, 2022
1	2021 & 2022 UNPAID AS OF November 30, 2022 - Sending 10 day demand letter
16	Owe nominal amounts less than \$20.00 from online payment fees -
2	Was able to make payment agreements with homeowner
1	Unable to locate homeowner of record

BALANCES as of 11/30/2022

CHECKING \$42,815.99

RESERVE \$215,648.15

Interest Information

Checking Account earns 0.00%, there is no monthly fee

Reserve Account earns 0.400000%
 November earnings \$ 70.80
 2022 Interest YTD \$763.41

ACCOUNTS PAYABLE

Check #	Date	Amount	Whom	Description
ACH	11/07/2022	6.56	Google	Cloud Storage
6394	11/15/2022	165.80	Nancy White	Gift Cards Halloween \$100 HOA Academy \$35, Entrance Signs \$30.80, Ink \$20.00
6395	11/15/2022	200.12	Jeff Heard	Dump fees \$69, Shed paint \$6.38, Compost \$17, Copies \$107.73
6396	11/15/2022	1800.85	Shantel Jones	July - Nov Bookkeeping @\$360.17/month
ACH	11/16/2022	12.95	Pacific Disposal	Trash service @ Park
ACH	11/17/2022	35.30	Consumer Cellular	HOA Phone
6397	11/21/2022	2004.84	RMR Lawn Services	Nov 2022 Inc \$150 fuel surcharge
ACH	11/23/2022	120.13	PSE	Streetlights
ACH	11/23/2022	658.13	PSE	Streetlights
ACH	11/25/2022	10.87	PSE	Streetlights
ACH	11/25/2022	11.76	PSE	Streetlights
ACH	11/28/2022	33.27	City of Lacey	Front Entrance Water
ACH	11/28/2022	58.95	City of Lacey	Front Entrance Water

- Communication
 - Phone - calls regarding gate codes, account status, CCRs, home sales, solicitation and speeding in the neighborhood.
 - Email - HOA demands for homes selling in the neighborhood, account status, gate codes, new contact information.

Projected 20212Budget						TOTAL		Deficit	-\$5,373.85
		Sep 22 Actual	Oct 22 Actual	Nov 22 Actual	Dec 22 Actual	Budget Bal Left	2022 Budget		-\$14,225.64
Ordinary Income/Expense									
Income									
2022 Association Dues (\$169.46 & \$84.74 Dues with Credits Applied \$0.00)		-5,349.00	1,831.77	-2,388.54	-422.67	210.56	71,637.87		\$6,587.94
2022 Special Assessment(\$40.00 & \$20.00 Reserve with Credits Applied \$0.00)		-201.54	-360.00	-440.00	0.00	1,038.46			10% Possible Unpaid
Misc Deposit		0.00	0.00	-135.74	0.00	-135.74			\$8,851.79
Total Income		-5,550.54	1,471.77	-2,828.54	-422.67	1,249.02	88,517.87		
Expense									
2 Tax Preparation Fee/IRS/Property Taxes		0.00	0.00	0.00	0.00	-72.35	150.00		11/30/2022
3 Insurance (April)		0.00	0.00	0.00	0.00	-1,500.00	6,010.00		Reserve Fund
4 Licenses & Fees (May)		0.00	0.00	0.00	0.00	-10.00	10.00		\$215,648.15
Maintenance									
Reserve Fund Contribution Special Assessment (\$40 & \$20 \$0 with Credits Applied		-401.54	-40.00	-520.00	-280.00	-1,441.54	17,000.00		\$18,441.54
5 Fence/Signage Repairs-Maint.		0.00	0.00	0.00	0.00	279.47	300.00		
6 Common Area Maint/Mowing (at \$1,854.83) for 12 months)		-2,004.84	-2,004.84	-2,004.84	-2,004.84	-3,529.98	22,257.96		Grimm
7 Volunteer Projects/Petty Cash/Garbage		-93.54	-93.68	-213.07	0.00	-631.22	600.00		12/31/2019
8 Hearing Park Maintenance/Waterfront		0.00	-221.76	0.00	0.00	3,007.25	1,500.00		\$1,083.10
10 Other Landscaping/Trees		0.00	0.00	0.00	0.00	-10,916.75	10,000.00		
12 Theft & Vandalism		0.00	0.00	0.00	0.00	-91.35	50.00		VF Collections
* Total Maintenance		-2,499.92	-2,360.28	-2,737.91	-2,284.84	-13,324.12	34,707.96		10/31/22
Office Expenses									
15 PO Box Rental (Due in February)		0.00	0.00	0.00	0.00	-89.00	275.00		
16 Postage		-60.00	0.00	0.00	-121.20	817.90	1,300.00		
18 Supplies		0.00	0.00	-65.80	-69.32	235.28	800.00		
19 Telephone (at \$50.00 per month)		-35.42	-35.42	-35.30	0.00	16.97	360.00		
20 Website/Email		-6.56	-6.56	-6.56	0.00	-61.26	260.00		
* Total Office Expenses		-101.98	-41.98	-107.66	-190.52	919.89	2,995.00		
21 Community Events		0.00	0.00	-100.00	0.00	100.00	300.00		
Professional Fees									
22 Legal Fees		0.00	-91.00	0.00	0.00	-771.00	400.00		
23 Accounting Fees/Reserve Study		0.00	0.00	0.00	0.00	5,000.00	5,000.00		
24 Bookkeeping (at \$360.17 per month)		0.00	0.00	-1,800.85	0.00	-356.50	4,322.04		
* Total Professional Fees		0.00	-91.00	-1,800.85	0.00	3,872.50	9,722.04		
Utilities									
26 Electricity (at \$825.00 per month)		-797.17	-796.52	-800.89	0.00	-2,477.29	9,900.00		
27 Port-a-potty (at \$40.00 per Service at 15 Services)		0.00	-118.92	0.00	-59.46	-15.88	600.00		
28 Water - Irrigation		-101.46	0.00	-92.22	0.00	-96.47	500.00		
* Total Utilities		-898.63	-915.44	-893.11	-59.46	-2,589.64	10,500.00		
Total Expense		-3,500.53	-3,408.70	-5,639.53	-2,534.82	-12,603.72	81,895.00		
Net Ordinary Income								6,622.87	
Other Income									
Interest Income (at \$25.00 per month approx)		75.28	68.33	70.80	0.00	-463.41	300.00		YTD Interest
Total Other Income		75.28	68.33	70.80	0.00	-463.41	300.00		\$763.41
Net Other Income		75.28	68.33	70.80	0.00	-463.41	300.00		
Total Net Income								6,922.87	
1st Qtr	Totals					1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2022 Assessments	\$1,179.19	1525.49	1367.06			\$59,306.08	1,839.43	2365.60	
Previous Assessments	\$13.23	0.00	419.84			\$832.40	56.23	13.23	
Finance Charges/CC&R Fines	\$4,048.24	106.28	112.50			\$79.17	42.22	4079.34	
Late Charges	\$100.00	200.00	239.14			\$403.33	140.00	206.08	
Reserve Payments	\$201.54	360.00	440.00			\$14,200.00	400.00	441.54	
Credits	\$8.34	0.00	250.00			\$563.32	38.13	8.34	
Total Paid	\$5,550.54	2,191.77	2,828.54	-		\$75,384.30	2,516.01	7,114.13	0.00
						85,014.44			

Addendum E

CCR Report for December 2022

1. CCR inspections were made on November 22, 29 and December 7 and 17.
2. Letters sent out in December (10):
 - a) #1: 9
 - b) #2: 1
 - c) #3: 0
3. Breakdown by violation types:
 - a) #1: 9 for cans
 - b) #2: 1 for business, nuisance
 - c) #3: 0
4. Homeowner corrections (20) for December:
 - a) #1: 8 for cans, 1 for parking, 4 for trailers/RV/Boat, 1 for inop vehicle, 1 for signs, 2 for appearance.
 - b) #2: 1 for cans and parking, 1 for appearance and inop vehicle
 - c) #3: 1 for cans
5. Turned over to Treasurer: 0. Cancelled 4 fines that were sent in November
6. Fine (Letter #3) status: Lot 1029 cancelled fine after communication with owner's daughter and violation correction. Lot 1122 cancelled fine. Property sold to new owners in May and contacts were not updated so new owner never received CCR letters. Lot 1123 cancelled fine after visit to address on December 19. I asked why there was no response to letters sent. Male occupant surmised that person picking up mail did not understand English and may have dumped the letters as junk mail. Cans put back behind the fence and received assurances that the family now understood and would comply with CCR. Lot 2043 fine cancelled after email from owner. Renter is months in default, not complying with owner calls to correct CCR violation and owner is going through eviction process.
7. Report Notes:
 - a) Lot 1055 - Continued nuisance and appearance violations. Board notified new owner (Evolution Real Estate LLC) via email and courtesy letter about the continued CCR violations. On Dec 1 email, owner anticipates vacate order in 30 days.
 - b) Lot 3137 – Fence falling down. CCR courtesy letters with correct physical address returned as not deliverable. PO will not deliver to address if owner has a PO mail box number registered. Need confirmation and update to contacts.

CCR report on December 20, 2022 by Alex Bromen. Copies of Courtesy Letters sent to home owners are on file on the LFHA BOD Google drive.

Addendum F

December 2022 LFHA Maintenance Report

11/21 Cleared dead vegetation in flowerbed at NE entrance, weeded same, removed dead branches & leaves.

Inspected in operative lights at entry, suspect problem requires new bulbs?

Revisited tree in Oxford Loop pond compromising fence. Due to contentious controversy committee decided to leave it alone for now. Tree will eventually damage fence and require labor & expense to repair.

Removed fallen tree in Oxford Loop field, root ball rotted causing tree to fall. . Cut into firewood lengths and left firewood stacked at roadside

Dump run.

11/22 Met with Alan Brumstad, resident forester reference tree compromising fence at Oxford loop pond. Alan confirmed elderberry trees in pond are at the end of their lifespan, sick and suffering from rot. No practical way to save them in the long run. They should be replaced with more suitable, perhaps native trees.

Cyclone fence at rear of pond has been repaired multiple times due to these trees falling on fence. I, for one, am weary of the time and expense involved.

11/23 Replaced bulbs in light fixtures at NE entrance. Lights on top of brick wall are now operational. Replacing bulb in underground fixture in front of wall did not solve problem. Corrosion in fixture is suspected issue. Volunteers will put multi meter on fixture next Monday to analyze problem and attempt repair internally.

Light fixtures at NE Entrance are all suffering from age and corrosion. We should plan on replacing.

11/25 Met with Alan Brumstad, resident forester, reference Elderberry trees in Oxford Loop pond, Alan's diagnosis: Trees are short lived species at the end their normal life span, sickly with serious rot & need to be replaced with more appropriate species. Perhaps maple, vine maple, fir, huckleberry bush ????? No good reason to sacrifice fence to preserve dying trees.

11/28 Diagnosed inoperative in ground light at SE entrance. Fixtures are flooded, completely full of water, likely due to activating irrigation system. Unable to open system due to corroded fasteners, Wiring and fixtures will need to be replaced. Most likely repair will need professional attn. Left msg for Andrew Gates, resident, volunteer electrician who wired lights at SE entrance.

Addendum F

11/30 Received call back from Andres Gates reference failed in ground light at NE Entrance. Andrew agreed to asses the problem, probably will take a week or two to fit it in his schedule

Contacted Duane Householder, Puget Sound Landscaping, via email, reference review of Nov 2021 bid for waterfront improvement. Awaiting response.

12/5 Cleared leaves & debris from sidewalks along Marvin Rd between Walthew & SE entrance. Called Thurston County Public Works to request street sweeper pick up of leaves & litter in roadway. Tree down near intersection of Lk Forest Dr & Marquette. Appears to be wind & root rot issue. Unknown person cleared sidewalk & left brush on median. Volunteers cleared brush & branches from median & sidewalk

Four volunteers, 7 man hrs.

12/13 Conversation with August Kirsten. Remove failed cedar transplants in field between Dartmouth Dr & Marvin Rd. replace with California live oak, bay laurel, manzanitas & fig.

12/14 Teamed with Kim Busenbark, met at county reference sidewalk issues. County rep will take our case to the higher ups .