



Silver Firs II
Homeowners Association

Annual Homeowners Meeting
October 25, 2004

Agenda

Announcements

Proof of Notice of meeting

Introductions

Announcement of Quorum (40% of members entitled to vote)

State of the Association

Reports of Committees

- Communications Committee
- Operations Committee
- Landscape Committee
- Rules Committee/Architectural Control Committee
- Finance Committee
 - Review of current status
 - 2005 Operating budget presentation & ratification vote

Election of Board of Directors

- Nominations from the floor
- Introduction of candidates
- Election

Old Business

Question and Answer Period

Adjournment

State of the Association

The background of the slide features a stylized globe with a grid of latitude and longitude lines, positioned in the upper right quadrant. Below the globe is a compass rose with four cardinal directions indicated by arrows. The entire background is a warm, golden-brown color with a subtle, circular pattern that resembles a globe's projection.

- 2004 Challenges
- Rules Violations
- Delinquent Accounts
- Maintenance & Hazardous Trees
- Financial Performance
- Replacement Reserves
- Volunteers Needed

State of the Association cont'd

- Homeowners have been making greater use of the web site. Community picnics and garage sales were held to the delight of many.
- After several mail theft incidents, the Association arranged a special discount for homeowners to purchase approved locking mailboxes. Recommended!
- Several Board members fell ill and that put a greater load on other Directors and CWD. Additional administrative costs were incurred by CWD in the interim. Two Directors resigned and a new volunteer was appointed to fill one vacancy. We need another volunteer with strong financial accounting skills and experience.

State of the Association cont'd

- There were fewer routine complaints about rules violations, but more major violations, many involving legal remedies. We expect this trend to continue. Additional costs were incurred for administrative processing and legal counsel; some homeowners have not paid assessments for legal costs due to violations, even though liens have been placed.
- Delinquent homeowner accounts peaked mid-year at over \$30,000, but has since declined to about \$27,000. Only a dozen homeowners account for 90% of the total. More complex violations, such as those relating to unapproved paint colors and siding, could increase this problem, if homeowners are unwilling to comply or unable to pay large assessments.

State of the Association cont'd

- Unusually strong windstorms toppled numerous trees, incurring damage to several homes and unexpectedly high tree removal costs for the Association. We have been removing more dead or dying trees in advance of the winter storm season. Our arborist advises that we should expect more trees to die and need to be removed in coming years.
- Our facilities are getting older and beginning to require more repairs and maintenance. In the process, lighting and irrigation equipment was upgraded for better reliability and economy. Basketball nets and Tot Lot equipment was repaired and replaced. Signs were repainted. Fencing is being replaced at the Pembridge Dam to provide convenient, safe trail access where homeowners have broken gates and fences to make a shortcut.

State of the Association cont'd

- A Reserve Study performed by an independent consultant disclosed that replacement reserves were currently funded at 115% of full replacement value, but that annual contributions would have to be significantly increased to cover future repair and replacement costs. We are examining options, but this will drive assessments up.
- Our annual financial audit gave the Association's accounting records a clean bill of health.
- It appears that we will end the year within budget, but barely, and not for sure. It will be necessary in 2005 to significantly reduce administrative costs, and increase assessments 5%. We need more volunteers to help reduce costs for verifying rules violations and performing minor maintenance.

Challenges for 2005

- Encouraging Volunteerism
- Improving Compliance with CC&Rs
- Recovering Enforcement Costs
- Reducing Delinquent Accounts
- Cutting Administrative Costs
- Increasing Reserve Contribution
- Maintaining Assets & Improving Amenities



Communications Committee Report

By Peter Truss – VP &
Communications Committee Director

Website

- www.silverfirs2.org
 - Official website
 - All Association information is available
 - Meeting Reports & Minutes
 - Rules & Regulations
 - Calendar of Events & Meetings
 - What's New
 - New Lost and Found (On classified Ad page)
 - We do NOT have a message board

Garage Sale

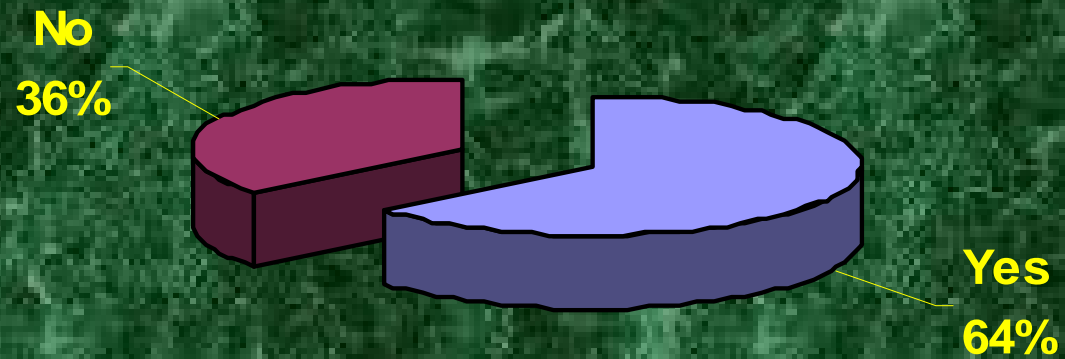
- Spring 2004 May 8th
 - Posted ad in Everett Tribune
 - Website, Banners in neighborhood
 - Mentioned in Seattle Times May 5th & 6th
 - Coordinated with Silver Firs I
- Fall 2004 September 18th
 - Coordinated with Silver Firs I
 - Ad placed by Silver Firs I
 - Website, Banners in neighborhood
 - Press Releases sent out by Silver Firs II
 - Mentioned in area newspapers (Seattle Times, Everett Tribune, Everett Herald etc.)

Survey – Dec '03/Jan '04

- Survey was sent to all 880 homeowner's in with the assessment invoice.
- 286 responded (32% of the population)
- 64% of the homes responding are on the e-mailing list (this is in keeping with the approx. 60% on the email list)
- Additional comments and questions/answers submitted on the survey are available at www.silverfirs2.org on the Communications Committee page
- Survey is available in it's entirety on the website

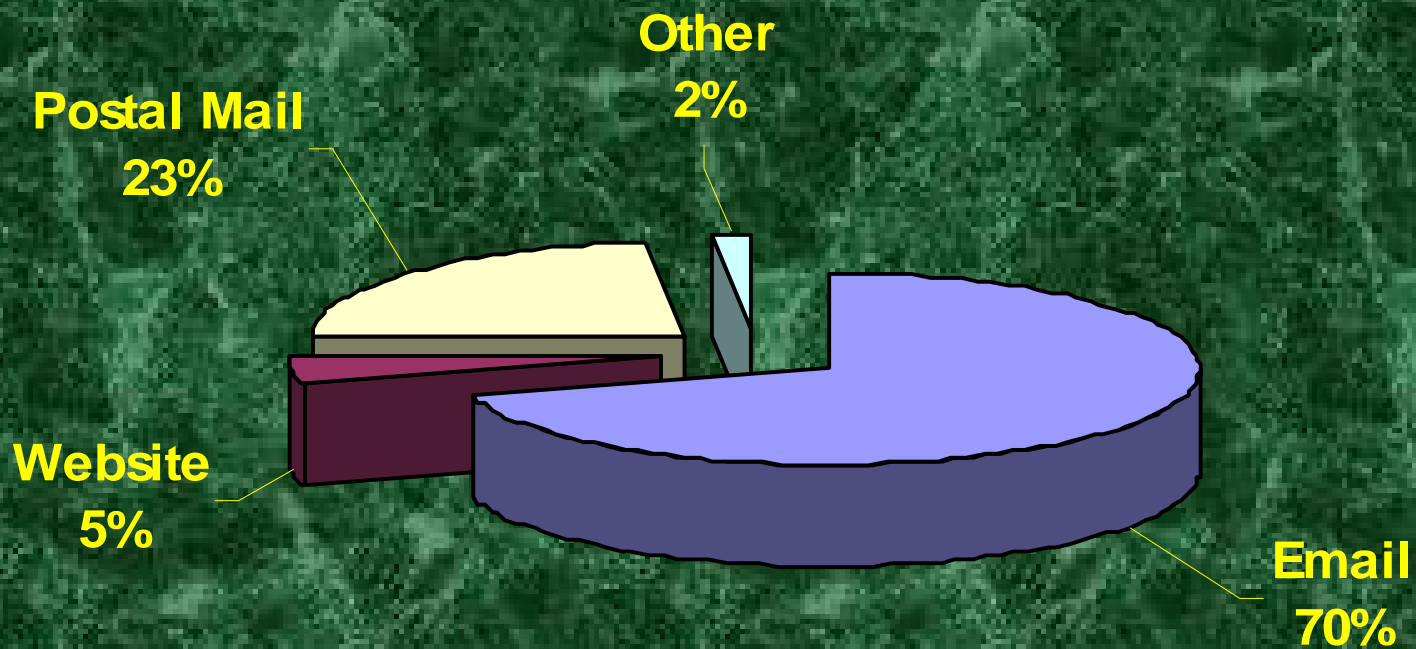
Survey Results in Review

Are you currently on the SFHOA email distribution list?



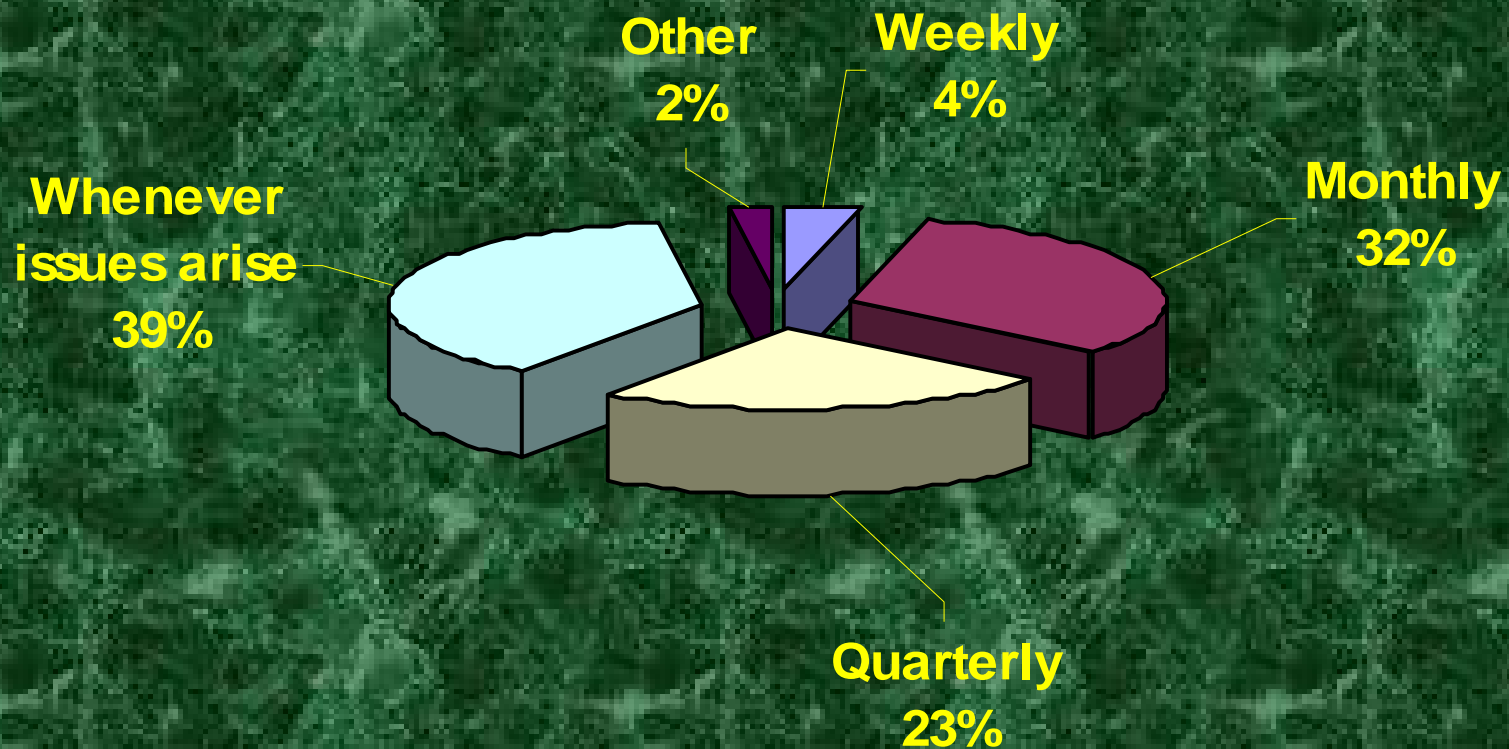
Survey Results continued

How would you prefer to receive or obtain Association information?



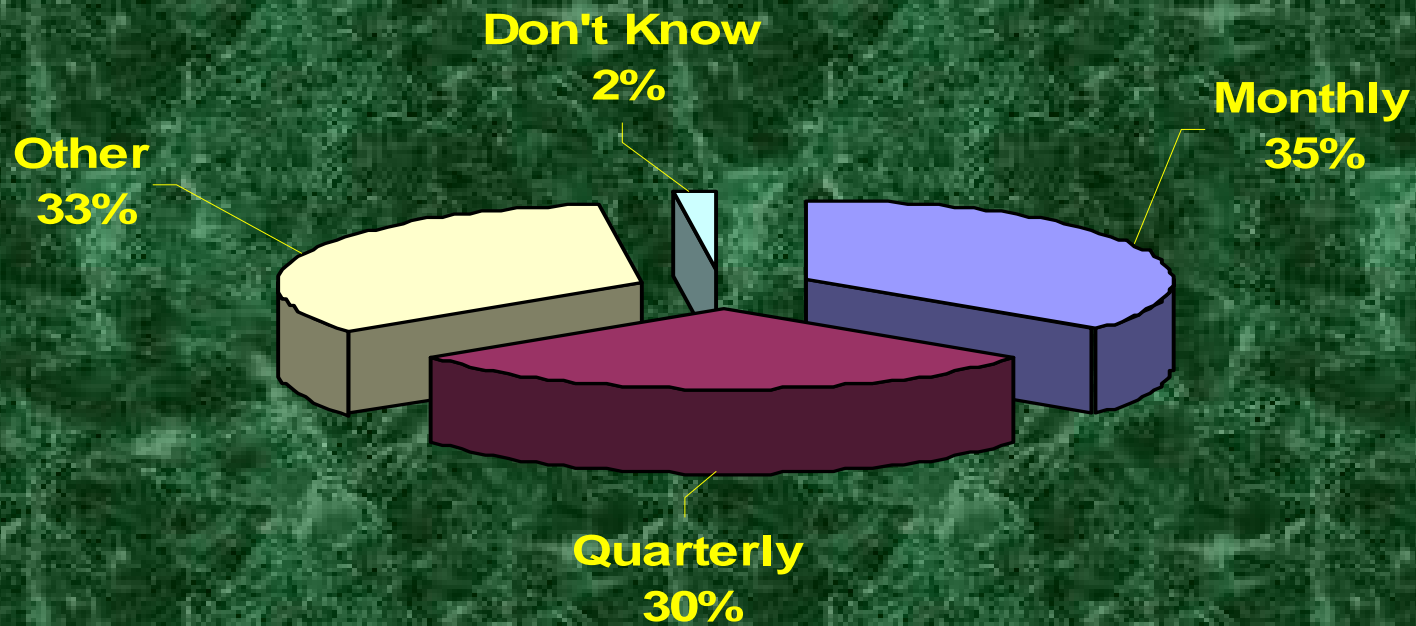
Survey Results continued

How often do you expect to receive Association emails?



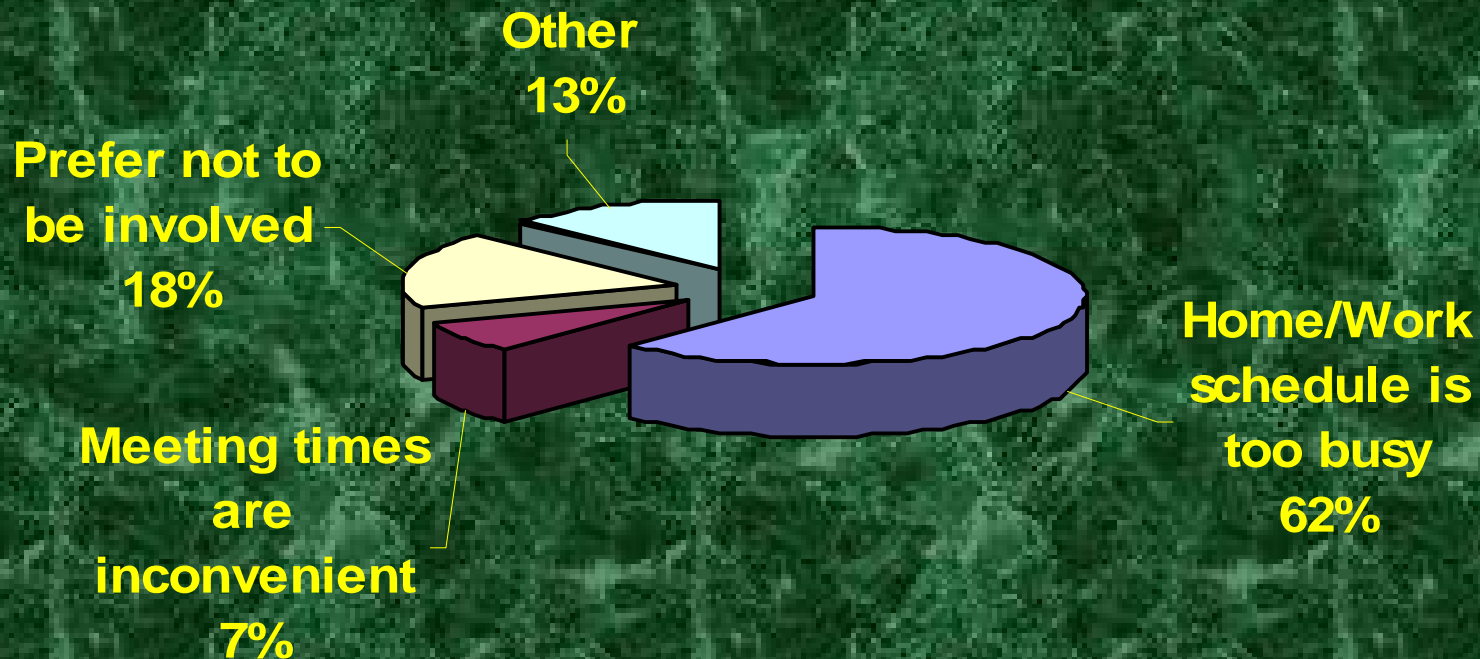
Survey Results continued

How often should the Board hold meetings?



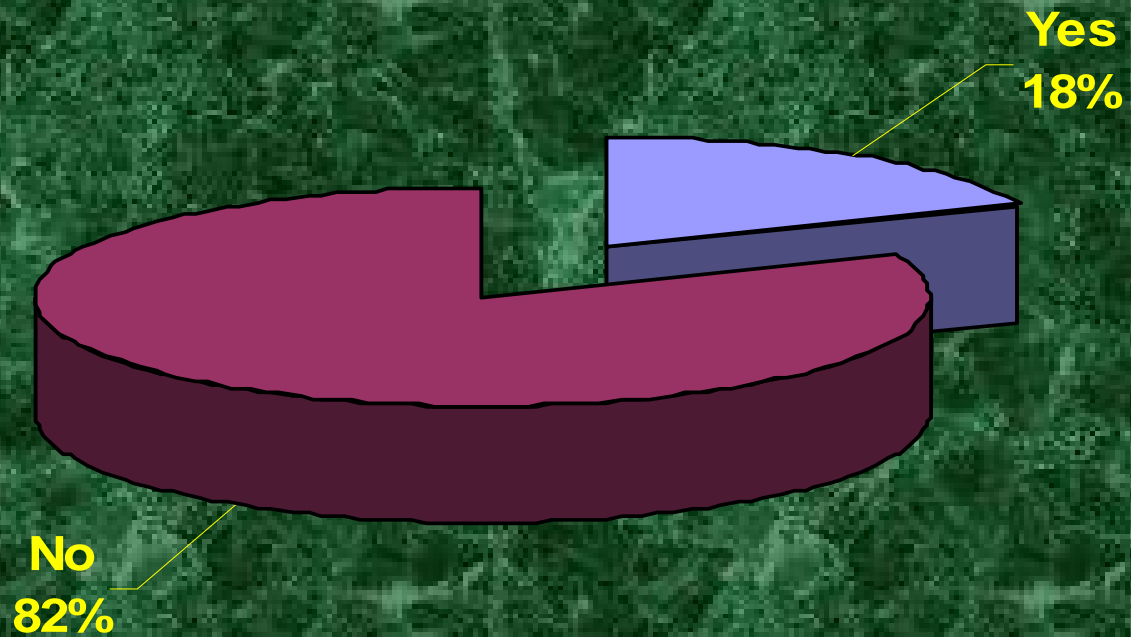
Survey Results continued

About 8% of the SFHOA population attend the annual meeting every year. If you don't attend, what is the contributing factor for you not to attend the Board or individual committee meetings?



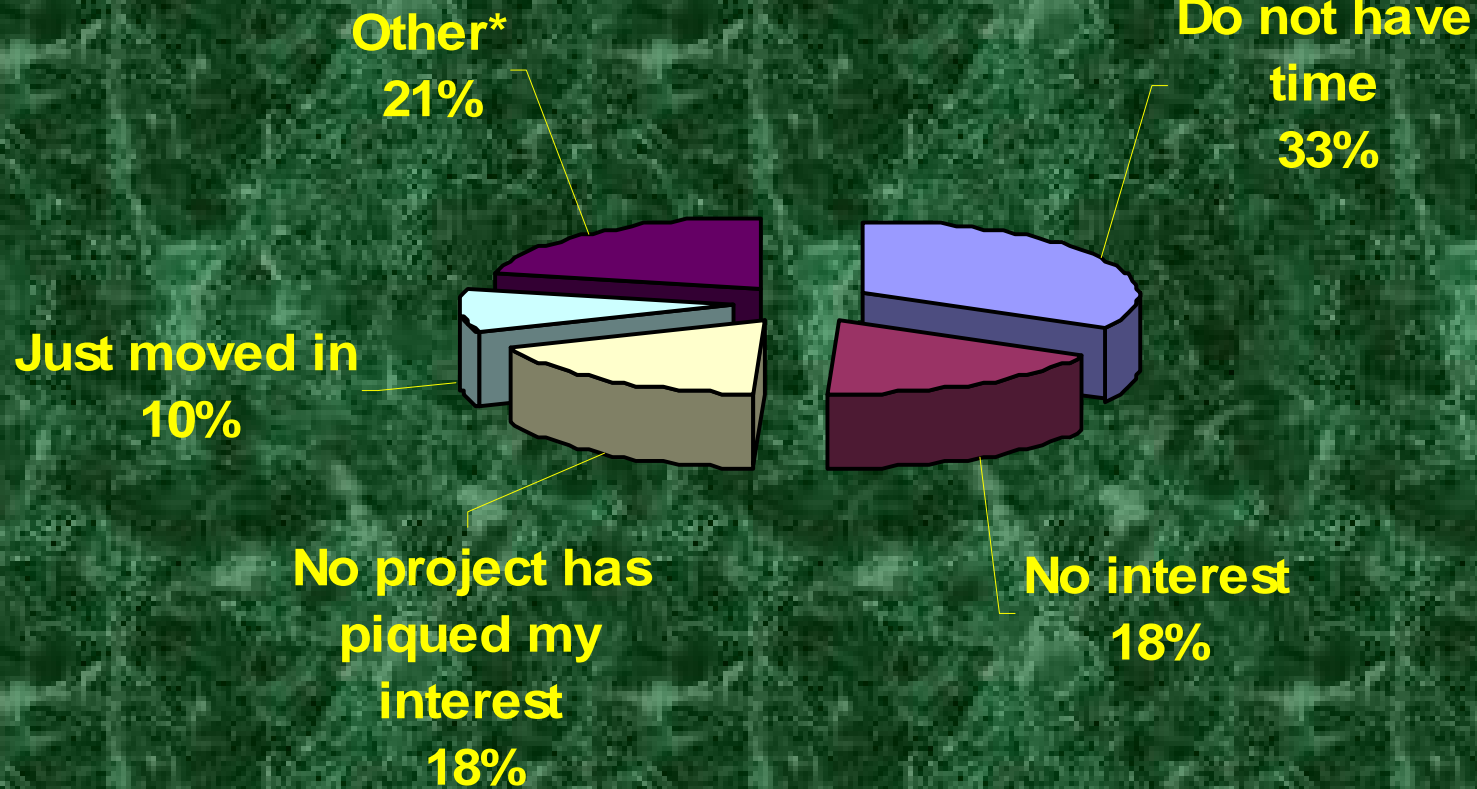
Survey Results continued

Since moving into Silver Firs II, have you ever volunteered to help on any project?



Survey Results continued

If No, why not?



Locking Type Mailbox Offer

- To help make this style mailbox more affordable, I have negotiated a discount program with the manufacturer. The discount, available only to Silver Firs II residents is \$99 including shipping right to your doorstep. (This is a \$45 savings over the standard retail price of \$129 plus shipping of \$15)



Locking Mailbox

- 17 homeowner's have purchased the locking mailbox before the \$99 special.
- 23 homeowner's have taken advantage of the new discount. As of 10/22/04
- 4.4% of the Association.

What's Next for Communications?

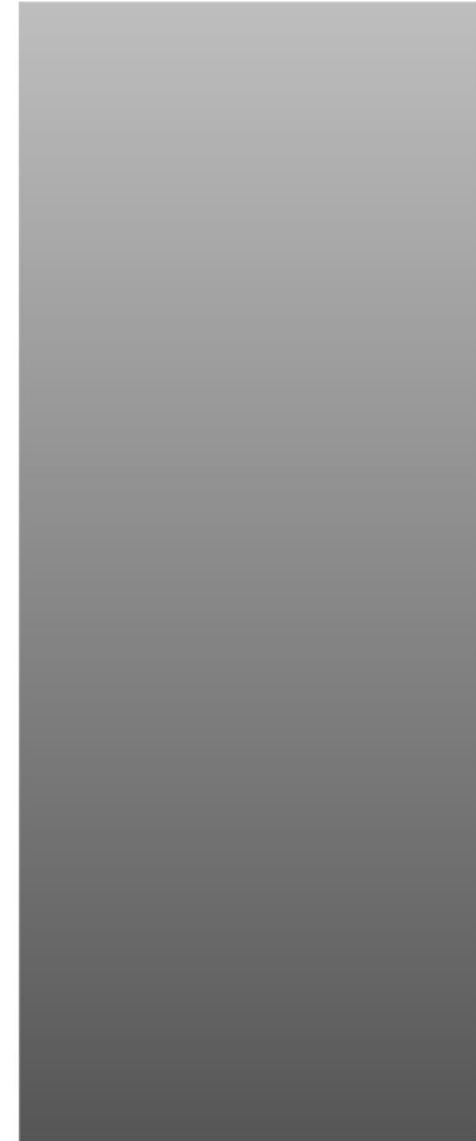
- New “Guide to Living in SF II” is planned. (A new version of the Welcome Packet). Will be available in pdf format on the website for all homeowners.
- Adding additional features to website as needed.
- Continue to work with other committees to notify the homeowner's of issues via email, postal mail, website etc.
- Suggestions welcomed.



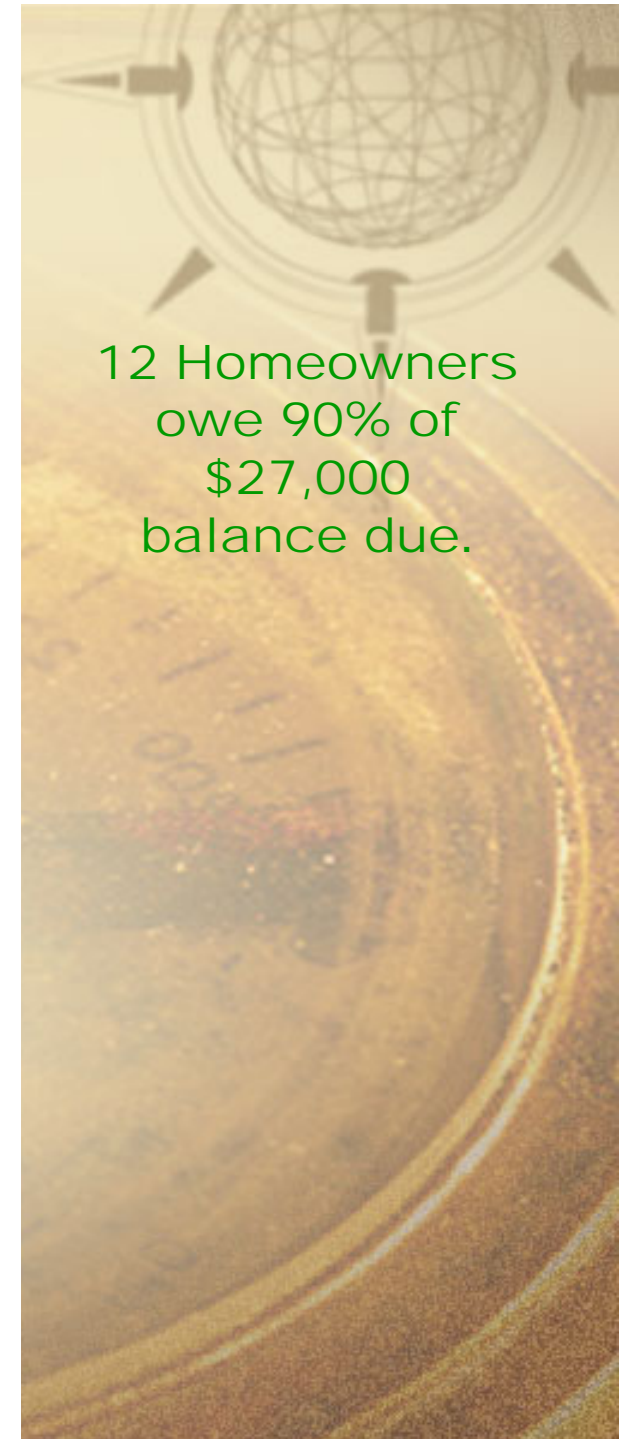
Finance Report

By John Elliott –President

**Silver Firs II Homeowner
A/R Aging Summary
As of September 30, 2004**



Current	1 - 30	31 - 60	> 60	TOTAL
0.00	217.50	30.00	706.34	953.84
0.00	0.00	0.00	60.00	60.00
0.00	30.00	0.00	0.00	30.00
0.00	0.00	0.00	1.00	1.00
0.00	0.00	0.00	11.00	11.00
0.00	30.00	30.00	674.59	734.59
0.00	30.00	0.00	171.00	201.00
0.00	217.50	30.00	321.34	568.84
0.00	0.00	0.00	30.00	30.00
0.00	0.00	0.00	100.00	100.00
0.00	0.00	0.00	30.00	30.00
0.00	0.00	0.00	1.00	1.00
0.00	0.00	0.00	30.00	30.00
0.00	340.00	30.00	1,477.42	1,847.42
0.00	0.00	30.00	0.00	30.00
0.00	169.92	30.00	711.00	910.92
0.00	0.00	0.00	30.00	30.00
0.00	418.50	30.00	1,295.92	1,744.42
0.00	30.00	280.00	1,375.57	1,685.57
0.00	357.34	30.00	480.00	867.34
0.00	0.00	0.00	100.00	100.00
0.00	917.34	30.00	810.00	1,757.34
0.00	0.00	0.00	30.00	30.00
0.00	30.00	30.00	370.00	430.00
0.00	0.00	0.00	30.00	30.00
0.00	0.00	0.00	30.00	30.00
0.00	0.00	0.00	30.00	30.00
0.00	453.50	30.00	1,639.99	2,123.49
0.00	0.00	0.00	15.00	15.00
0.00	0.00	0.00	60.00	60.00
0.00	146.00	30.00	560.66	736.66
0.00	30.00	0.00	0.00	30.00
0.00	0.00	0.00	30.00	30.00
0.00	343.75	30.00	1,895.59	2,269.34
0.00	540.75	30.00	1,972.07	2,542.82
0.00	0.00	0.00	60.00	60.00
0.00	26.25	0.00	0.00	26.25
0.00	205.00	30.00	2,992.32	3,227.32
0.00	324.50	30.00	3,462.57	3,817.07
TOTAL	4,857.85	760.00	21,594.38	27,212.23



12 Homeowners
owe 90% of
\$27,000
balance due.

January 2005 through December 2005

<u>REVENUE</u>			
	Number of Homes	Annual Assessment	2005 Total Budget
Homeowner's Assessments:	880	\$243.00	\$213,840
TOTAL REVENUE			\$213,840
Operating Expenses			
Administration			
<u>Office Expenses*</u>		\$9.36	\$8,240
<i>Postage, Web Site, Printing, Copying, Supplies etc.</i>			
Financial Management Fees		5.45	4,800
Other Management Fees		24.13	21,236
<i>Tasks that could be done by volunteers</i>			
Income Tax, Audit & Legal Fees		9.17	8,071
Insurance		8.28	7,286
Bad Debt		2.27	2,000
Total Administration		\$58.67	\$51,633
Utilities			
Electricity, Street Lights & Water Meters		\$29.28	\$25,764
Water, Common Area Irrigation		10.23	9,000
Total Utilities		\$39.50	\$34,764
Maintenance & Repair			
General Maintenance & Repair		\$12.50	\$11,000
<i>Fences, play equipment, sport courts, benches, pond maintenance, etc.</i>			
<u>Landscape Maintenance</u>		103.91	91,443
Total Maintenance & Repair		\$116.41	\$102,443
Total Operating Expenses		\$214.59	\$188,840
Replacement Reserve Fund			
Annual Contribution		\$28.41	\$25,000
TOTAL OPERATING & RESERVE NEEDS		\$243.00	\$213,840

Budget Comparison 2004 - 2005

Budget Categories	2004 Budget	2004 YTD 9/30	2004 Est. Year End	2005 Budget
Revenue				
Assessments (880*231)	203,280.00	203,049.00	203,049.00	213,840.00
Fine Revenue	1,060.00	3,246.28	4,328.37	
Late Fee Revenue		7,901.90	10,535.87	
Interest Income, Operations		58.73	78.31	
Total Revenue	204,340.00	214,197.18	217,913.24	213,840.00
Administration				
Management Fees				
Base Fee	4,800.00	3,600.00	4,800.00	4,800.00
Office Expense (general)	5,500.00	22,544.59	30,059.45	8,240.00
Other Management Fees	24,476.00	16,127.18	21,502.91	21,236.00
Income Tax, Audit, & Legal Fees	2,625.00	781.50	2,500.00	8,071.00
Insurance	7,715.00	7,424.00	7,424.00	7,286.00
Bad Debt	0.00	876.75	1,169.00	2,000.00
Total Administration	45,116.00	51,354.02	67,455.36	51,633.00
Utilities				
Electricity, Street Lights & Water Meters	26,118.00	18,638.76	24,851.68	25,764.00
Water	12,000.00	8,074.99	10,766.65	9,000.00
Total Utilities	38,118.00	26,713.75	35,618.33	34,764.00
Maintenance & Repair				
General Maintenance & Repair	4,300.00	11,330.77	15,107.69	11,000.00
Landscape Maintenance	93,200.00	74,369.99	99,159.99	91,443.00
Total Maintenance & Repair	97,500.00	85,700.76	114,267.68	102,443.00
Total Operating Expenses	180,734.00	163,768.53	217,341.37	188,840.00
Replacement Reserves				
Annual Contribution	21,724.00	21,724.00	21,724.00	25,000.00
Interest Revenues		498.38	664.51	
Total Reserve Contributions	21,724.00	22,222.38	22,388.51	25,000.00
Total Operating & Reserve Needs	202,458.00	185,990.91	239,729.88	213,840.00
Net Income	1,882.00	28,206.27	(21,816.64)	0.00



Rules / ACC Committee Report

By Dana Eng – Rules Committee Director

SFHOA 2004 RULES VIOLATIONS SUMMARY

Note: The Majority of each of these complaints requires multiple verifications, phone calls, e-mails, notifications, warning letters, pictures etc. before they are finally resolved.

Total of 66 Complaints/Investigations opened to date this year

- **13 Architectural Complaints**

- Paint Color Approvals
- Paint Maintenance
- Shed Approvals
- Siding Approvals
- Deck Approvals
- Driveway Approvals
- Fence Approvals

- **5 Landscape Complaints**

- Yard Maintenance
- Retaining Wall Approvals
- Tree Cutting in Common Area

- **13 Land Usage Complaints**

- Inoperable Vehicles
- Garbage Cans
- Property Garbage
- Poultry Raising
- Barking Dogs
- Illegal Home Businesses
- Noise

- **20 Vehicle Complaints**

- Illegal Boat / RV / Trailer / Car / Truck
Parking

- **15 Basketball Hoops Complaints**

- Illegally located on Sidewalk /
Driveway

2005 Rules Committee Goals

- **Increase homeowner awareness of Association Rules and Guidelines through improved communication:**
 - **Written (Flyers, Annual Homeowners Packets, Mailings, etc.)**
 - **Electronic (E-mail)**
 - **Personal (Word of mouth by phone or in person)**

2005 Rules Committee Goals

- **Reduce costs of Rule Enforcement activities:**
 - Improved Communication (Rule and Guideline awareness)
 - Improved understanding and application of Snohomish County Laws and Ordinances regarding issues such as:
 - On street parking (Cars, RV's, Boats, etc.)
 - Greenbelt (NGPA) usage
 - Homeowner Land Usage Rules
 - Develop “Parking Ticket” type warning Flyers to be issued for various common rules infractions such as:
 - Boat/RV Parking
 - Garbage Cans left out
 - Basketball Hoop in wrong location
 - Recruit and utilize more volunteer services
 - Streamline Rule Enforcement Processes as appropriate



2005 Rules Committee Goals

- **Continue to support the fair and consistent application of all rules and guidelines to all homeowners.**
- **Solicit and incorporate homeowner feedback whenever possible.**
- **Develop and Implement a “Welcome To the Neighborhood” program for new homeowners.**



Architectural Control
Committee

Architectural Control

ACC Requests	Received	Approved	Denied
Exterior Paint	15	15	
Decks	5	5	
Fences	3	2	1
Sheds	3	1	2
Driveways	2	2	
Landscaping	2	2	
Satellite Dishes	2	2	
Garage Door Location	1	1	
Siding	1		1
Deck Covering	1		1
Locking Mailbox	1		1
Total Requests	36	30	6



Landscape / Operations Committee

By Debby Smith

The background of the slide features a stylized globe with a grid of latitude and longitude lines, positioned in the upper right quadrant. Below the globe is a compass rose with four cardinal directions indicated by arrows. The entire background is rendered in a warm, golden-brown color palette with a subtle, textured appearance.

Operations & Landscape Committee

- 2004 Projects

- Landscape

- Dangerous Tree Inspection and Falling
 - Water management system for irrigation

- Operations

- Pembridge Dam Trail
 - Division entrance signs cleaning/painting

Operations & Landscape Committee

- 2005 Projects

- Landscape

- Tree inspection and arborist recommendations
 - Tree replacement project

- Operations

- System wide landscape lighting upgrades
 - Evaluation of sport court surfaces (repaint?)
 - Perimeter fence painting
 - Trail head rail fence painting
 - Tot lot upgrades

The background of the slide is a faded, sepia-toned image of a globe with a compass rose overlay. The globe is centered, and the compass rose is positioned in the upper right quadrant. The text "Election to Board of Directors" is centered over the globe.

Election to Board of Directors

Election to Board of Directors

- There are currently 2 positions open for election.
 - Re-election of John Elliott and Debby Smith
 - Taking names of interest from the floor
- Dana Eng has already been appointed to Seat #3 to replace Lionel Galperin
 - Annual Meeting Packet was printed prior to Dana's being voted in at the last Board meeting.



Old Business

Questions and Answers



Thank you for taking an active part in YOUR Association by joining us today.

**Volunteers are needed and welcomed
Be a part of the Board or any Committee**