

HIDDEN LAKE ASSOCIATION ANNUAL BUDGET MEETING

Saturday, August 27, 2022, 9:00 a.m.

Rossi Hall

MEETING MINUTES

Board members: Present: Chris Vachon, President; Trevor Anderson, Vice President; Fern Fisher, Treasurer; Mike Belanger, Secretary; Mikki Falcone, Recreation Director; Fred Pasler, Waterfront Director. Absent (excused): Donna Moxley, Roads Director

Members: 37 of 220 member votes were in attendance exceeding our quorum of 10%.

Our agenda is as follows:

1. Flag Salute
2. Selection of three-person Minutes Acceptance Committee
3. President's Message
4. Treasurer's Report
5. Budget Presentation for FY24, Discussion and Vote
6. Committee Reports (Recreation, Waterfront, Roads)
7. Nominations for 2023 Elections (June 2023)
8. Other Updates; New Business

President's Opening Remarks:

Chris opened by stating that the most important decision this day is the 2024 Budget and assessments.

Board member introductions and Pledge of Allegiance.

Lexie Currie, Kristen McCormick, and Mark Belland agreed to be the three members to validate these meeting minutes.

Chris invited any member to attend the monthly board meetings and thanked the volunteers for their work this year.

New members to the association introduced themselves.

Chris reported: prices are going up, many lots are for sale, we have aging infrastructure (buildings, roads, culverts, the pool) – these assets need to be maintained.

Treasurer's Report by Fern Fisher:

Main HLA Checking account and CD: \$157,539.39

1. Waterfront	\$ 10,350.18
2. Playground	\$ 2,808.01
3. Rainy Day	\$ 4,953.74
4. Pre-Pay Savings	\$ 28,684.24
5. Capital Expense	\$ 5,002.01

Questions from members:

What was money spent on? Chris: Road repairs; rainy day fund was capped at \$15K which was approved last year with increases of 2% per year. The CD is untouched money for emergencies and would require member approval to release.

Who does Ray need to speak to offer the use of his equipment? Chris: Donna Moxley, the Roads Director.

Chris added the following info regarding the Treasurer's report:

There are 298 lots with most being HLA. The remainder are JLN or Scenic Lakes Estates. Thirty-four are past due. Some disputes are greater than \$100, some are on payment plans, some have been moved to legal/liens.

Questions from members:

Can assessments be need based? Chris: The covenants may not allow for relief. (Answer supported by Jackie Hastings former Treasurer.)

Would a collection agency be more affordable versus a lawyer? Chris: In order to lien, you have to go through legal process. If you win, you receive legal fees as well. We move to a judgement if a member is unpaid for two years.

Do people in default get member benefits? Chris: No.

Budget Presentation Expenses (see Addendum #1 for Budget Proposal at end of these Minutes)

The budget has different buckets: administration, roads, recreation, waterfront, insurance.

Administration fees - Chris Vachon

Recommend 8% increase mostly for special projects including wetlands permit (which is good for five years) to address tennis court upgrade to potential pavilion. Other fees include printing, postage, website, legal, tax filing.

Roads – Chris Vachon standing in for Donna Moxley

Recommend 5% increase which is mostly already committed to contracts for snow plowing, grading, culverts, brush cutting, miscellaneous repairs due to mud season.

Questions from members:

Why was the budget for 2023 less than 2022 actual? Chris: We had hoped for less damage with mud season.

Was stone used this spring in the budget or was it an extra expense? Chris: It was an extra expense.

Recreation – Mikki Falcone

Recommend 8.35% increase mostly due to increase in cost of commercial grade chemicals, electricity, salary increase for certified maintenance as required by state of NH.

There was much discussion on the continued use of solar panels to heat pool.

Panels used to cost \$90; now they are \$400.

Pool vendor requires \$800 to install, \$400 to remove panel(s).

Mikki estimates a 3-5 degree temperature rise with the use of four panels; you'd need eight for a 10 degree temperature rise.

Mikki recommends not putting up panels moving forward.

Questions from members:

Could a boat dock fee of \$10 be charged to use pool? Very hard to police.

Can an on/off switch be used for solar? Not practically.

Motion made by Bob Freitag to not put up solar panels next year but store them for possible use again.

Seconded by Steve McGerty.

Approved.

Questions from members:

Can pool chemicals be purchased now to avoid price escalation? Mikki is investigating.

What about costs for getting rid of tennis court (tear up)? Chris: We will not be resurfacing court. We are only carrying the cost of the five year permit in this year's budget.

Waterfront Report – Fred Pasler

This is easy to maintain. Expenses are mowing, trimming, trash removal at the picnic areas, replacing dock boards. This includes at Hidden lake.

The spillway is a concern. Much discussion. We had to pay a fee for the dam inspection. We are required to cut back brush twice per year, down to 4 inches. There is a rental fee for the brush hog.

There is a wait list for boat slips

Questions from members:

Can we cut back on trimming at the dam? Fred: We must cut from telephone pole to telephone pole.

Insurance – Chris Vachon

We carry a 5% annual increase but it went down \$50 this year.

Budget Presentation Revenue by Chris Vachon

Current assessment is \$600 per lot. Our payment delinquency rate is 7.4% for HLA members and 19% for non-HLA. At the current assessment of \$600, we estimate a deficit of \$9,500. We have recouped \$28,000 from other accounts and that can be applied to the rainy day fund or capital expense fund.

Here are our options:

Option 1

Assessments: \$650
Rainy Day (savings): \$15,600
Capital Expenses (savings): \$22,455.75

Option 2

Assessments: \$600
Rainy Day Savings: \$15,600
Capital expenses (savings): \$12,945.75

More discussion on the spillway: The dam was re-established in the early 2000s. The dam is in good shape but the spillway should be 2' above the pond. Water should only breach in a 100-year event. We get breached frequently. Work will need to be done and we can use the found monies. There are also the options of looking into possible grants from sources like the USDA, or financing through HOA or special assessments.

Regardless, the state is requiring us to do the work. Do we want funding to come from capital expenses or special assessments? The above options do not pay for the spillway – we do not know that cost yet but will get us into next year. We require member approval to pay for spillway repairs.

Fred explained the process. We have negotiated letters with both the NH Dam Bureau and NH Wetlands Bureau for what is required. The Association came close to being subjected to an “abandonment clause” because of what had appeared as indifference to the Bureaus. This would have taken all control from the Association.

Questions from members:

Are grants available, for example from the USDA? Chris/Fred: Perhaps. We need the engineer’s report to apply.

Is the spillway built of concrete? Chris/Fred: It is an earthen berm. Lowering the dam level is not a permissible solution. Previous repair attempts with stone and rock were faulty. We need to recreate the earthen dam. Fred has looked at three engineering firms and H.L. Turner is the best fit for our project.

Is this a beaver issue? Chris/Fred: It is not; that issue has been resolved.

Motion made by Mike Turner to approve Option 1.

Seconded by Bill Osterhout.

Approved.

There was a single nay vote.

Nominations for Board positions:

Officer positions open: President, Secretary. Chris Vachon and Mike Belanger accepted nominations. Donna Moxley would like to off board as Roads Director. We need nominations for two directors: roads and maybe, recreation. Ok to submit nominations between now and elections at the June 2023 annual meeting.

Other Updates & New Business:

The Policy Committee Group will be meeting to review the by-laws and covenants. These need to be reviewed because of how language, interpretations may have changed over fifty years. Example: what is meant by a fire place today versus fifty years ago. Let Chris know if you’d like to join this committee.

Motion made by Chris to adjourn.

Seconded by Fred Pasler.

Approved.

Submitted by

Mike Belanger, Secretary

Addendum #1

Hidden Lake Association FY24 Budget Proposal

The Hidden Lake Association Board of Directors is proposing the following expenditures for FY2024 (May 1, 2023 through April 30, 2024):

Expenses	FY 22 Actual	FY 23 Budget	FY 24 Budget - PROPOSED	Comp. to FY23 Budget
Admin	(\$26,687)	(\$21,900)	(\$23,650)	7.99%
Roads	(\$136,362)	(\$112,385)	(\$118,030)	5.02%
Recreation	(\$17,868)	(\$13,475)	(\$14,600)	8.35%
Waterfront	(\$3,241)	(\$1,600)	(\$2,500)	56.25%
Insurance	(\$4,946)	(\$5,450)	(\$5,400)	-0.92%
Total Expenses	(\$189,104)	(\$154,810)	(\$164,180)	6.05%

Based on an HLA Assessment rate of \$600 per property (current assessment), we are expecting the following revenues:

Revenue	FY22 Actual	FY 23 Budget	FY 24 Budget - PROPOSED	Comp. to FY23 Budget
Admin	\$178,604	\$151,710	\$151,700	-0.01%
Roads	\$3,200	\$0	\$0	0.00%
Recreation	\$794	\$500	\$370	-26.00%
Waterfront	\$3,110	\$2,600	\$2,600	0.00%
Insurance	\$502	\$0	\$0	0.00%
Total Revenue	\$186,210	\$154,810	\$154,670	-0.09%

This leaves us with a deficit of \$9,510 that needs to be offset by revenue or savings.

To cover this deficit, we are proposing the following options to the Membership August 27th, 2022 Budget Meeting:

Option 1: Raise the HLA Assessment to \$650. In addition, we would use excess funds from prior years* to fill the Rainy Day Fund to its max (\$15,606 in FY23) from its current balance of \$4,954. Additional excess funds will be moved to the Capital Expense Fund where they will likely be used to offset a portion of the expense to repair the Hidden Pond Spillway**.

Option 2: Maintain an HLA Assessment of \$600 and cover the \$9,510 deficit with excess funds from prior years*. In addition, we would use additional excess funds to fill the Rainy Day Fund to its max (\$15,606 in FY23) from its current balance of \$4,954. Additional excess funds will be moved to the Capital Expense Fund where they will likely be used to offset a portion of the expense to repair the Hidden Pond Spillway.

Other Notes:

***Excess Funds** – During the FY22 to FY23 transition, it was discovered that excess funds from prior years had been carrying over in the HLA operating checking account. This includes unbudgeted revenue from sources like Late Fees, Property Transfer Fees, and Recouped Legal Fees. In total, we have about \$28,100 that had been carrying over for several years (the exact number of years is difficult to narrow down based on the transition to our new accounting software two years ago). While this is essentially a “wind-fall” / “found money”, we are recommending that it be primarily be used to fill our Rainy Day Fund to the max and be set aside to cover anticipated expenses related to the Hidden Pond Spillway Repair.

****Hidden Pond Spillway Repair** - As discussed at the June 2022 Membership Meeting, we are in the process of doing our due diligence to determine what repairs need to be done to bring the Hidden Pond Spillway up to standard. The Spillway is the portion of the pond at the end of the road that is designed to remove over-flow water from Hidden Pond only when

there is excessive amounts of rain/flooding. At present it is constantly draining water and this needs to be remedied per the NH Dam Bureau. While we are hoping to keep the costs on this low, it is a project in a wetlands area, and we are anticipating that there will be a substantial expense that may require a Special Assessment. To that end, we are recommending that any excess funds from prior years that aren't used to offset the FY24 budget or fill the Rainy Day Fund are added to the Capital Expense Fund where they can be used to offset these anticipated repair expenses.