

HIDDEN LAKE ASSOCIATION

ANNUAL BUDGET MEETING

Saturday, August 26, 2023, 9:00 a.m.

Rossi Hall

Flag Salute

Selection of three-person Minutes Acceptance Committee

Volunteers: Fred Volk, Bob Freitag, Ken Walsh

President's (Chris Vachon) Opening Remarks:

This is the association's most important meeting as we review finances, past and present, and vote on the 2025 HLA Budget which runs from May 1, 2024 – April 30, 2025.

Chris thanked the members who volunteered, particularly, during the storm season. Special thanks to Joe Traniello. New volunteers are most welcome as are attendees at our monthly meetings.

Board members were introduced; Mikki Falcone, Fred Pasler, Fern Fisher, Joe Traniello, and Mike Belanger.

The financial related themes of today's meeting are that:

- 1) we had signed a snowplow contract, 3 ½-4 years ago, which has one year left. Prices have risen dramatically – the cost of sand has doubled, fuel has increased 30-40%, and labor costs are up. Thus, the cost to plow our roads is increasing. Beyond plowing, our roads require ongoing maintenance and the cost to do that is increasing as well.
- 2) the cinder block foundation at the pool house is in need of repair.
- 3) HLA is obligated to take care of the Hidden Lake Dam and Spillway.

COMMITTEE REPORTS:

Treasurer's Report by Fern Fisher:

Capital Expense: \$24,096

C.O.D.: is empty at the moment but funds will be deposited next week into a six-month C.D. at 4.5%.

Checking: \$129,648

Playground: \$2,810

Pre-payment Savings: \$70,346

Rainy Day: \$9,612

Waterfront: \$7,981

Questions from members:

Can we gain more interest in a CD for the Checking? **Chris Vachon.:** commercial CDs are handled different than individual CDs, we have additional hoops to jump through. We are setting up our emergency fund in an 18-month CD and funds we don't need until the end of this year in a 6-month CD. In the future, we can revisit the amount in our checking account as soon assessments come in May and determine how much can go into 6-month CDs and how much we need to keep for spending during the first 6-months of our year.

Where do the boat fees go? **Fred Pasler.**: they go in the Waterfront portion of our budget. We have eight slips for V-hull boats and thirty-eight for pontoons. The fee is \$50 each. Our kayak racks are \$10 each.

How long have the fees for slips/racks been available: **Fred Pasler.**: the boat slips were originally \$25.

Budget Presentation for FY25, Discussion and Vote (budget proposal is attached below):

Chris Vachon.: **Administration:** expenses have been reduced mostly because the \$1,900, five-year permit for the pavilion was in the FY24 budget and not in the FY25 budget.

Insurance premium is thirteen months out but we estimate a 5% increase. We looked at purchasing an umbrella insurance policy but we cannot get because of the high risk associated with the common areas (pool, tennis courts, playground, hall, boat ramp)

Mikki Falcone.: **Recreation:** 4-5 years ago, members asked to reduce this expense. Thus, we installed and use fobs and cameras to reduce labor expenses. This has overall been successful. We do have annual maintenance/repair costs (plumbing) having an outdoor pool in NH. Starting next year, we will be required to pay a pool registration fee of \$250 to the state of NH because of the large number of people that use the pool, they consider it a public pool.. We rent Rossi Hall to raise funds for the recreation budget, but specifically to make necessary repairs and upgrades to the hall, however, because of the cinder block foundation problem at the pool house, we backed off from advertising so as to minimize traffic and wear and tear. The recreation budget for 2025 is reduced to \$13,345 from \$13,700 in FY24.

Questions from members:

Should we get rid of the playground because it is unsafe, or should we revisit repairing the playground instead of a pavilion? Several members may opt to volunteer to fundraise to repair the playground. Can we move the playground to the tennis court. **Chris V.**: there has been much debate on this. The members had decided to pursue a pavilion. However, the pavilion only takes up ½ of the available space on the tennis court. Because the members decided to pursue a pavilion, we are going to obtain a permit that lasts 5-years and is eligible for a five year extension. We need members to help drive this process.

How often is Rossi Hall rented? **Mikki F.**: twice in 2023 but usually five times per year. It is not heated, so it is not rented outside of the summer season.

Can we increase the fees for boat, pontoon slips and kayak racks? **Chris V.**: we will talk about funding next topic but we do not want to be regarded as a marina which will have additional requirements on us.

Are Airbnb renters guests or residents? **Chris Vachon.**: Guests. **Mikki Falcone.**: per our insurance agent, other HOAs require for the guests to be accompanied by a member.

What about year-round renters? **Mikki Falcone.**: a renter needs to reside here at least six months and have a mailbox indicating the address onsite. Under our current program, if guests do not abide by the rules, the member's fob will be deactivated.

Fred Pasler: **Waterfront:** budget proposal asks for increase from \$2,500 to \$3,200. This is due primarily for mowing at the Hidden Lake Dam. Our contractor held his price into 2025 for what he is currently under contract for.

Regarding boat, pontoon slips and kayak racks, all are filled so income is flat. That being the case and with Labor Day weekend coming up, if you will not be utilizing your space, let Fred know so that he can make it available to other members. Currently, the wait list for pontoons is eight and for slips on the dock, it is six.

Question from members:

What is the gross income from boat slip rentals, etc.? **Fred Pasler:** \$2,600.

Joe Traniello: Roads: budget proposal asks for an increase from \$118,070 to \$141,170. The biggest increase is for snow plowing and road maintenance. As stated in the President's opening remarks, expenses born by the contractor have increased considerably from his existing three-year old contract that ends this year. We currently have a bid for one-year but the contractor is willing to discuss a three year contract.

Question from members:

Where does the contractor get sand as multiple trips are costly? **Chris Vachon:** we currently store sand on a private lot with the permission of the lot owner.

Can we get more than a one-year contract? **Chris Vachon:** the one-year bid that we received is how we arrived at that cost for the 2025 budget. We are happy with the contractor and want to minimize risk of losing him.

Do lot owners pay for culvert repairs on their own property? **Joe Traniello:** yes.

Can lot owners get a better rate by using HLA? **Joe Traniello:** Yes, the contractor can be more competitive if he can get his equipment in to do multiple culverts at one time.

Are there any plans to improve Nichols during mud season? **Chris Vachon:** Nichols is a priority. This past season, we put down a lot of gravel down on Nichols and unclogged culvert a culvert just below the circle. We plan to do brush cutting to allow for more sun access. Fox Hill and lower Beaver Brook are also, priorities for brush cutting.

How high up will brush cutting do? **Joe Traniello:** the contractor can do 18'-20' high. We are bringing him soon. Since he's a new contractor, we are going to commit to him one day at a time to evaluate his capabilities.

Can we stockpile more sand, gravel for big weather events? **Chris Vachon:** we would like to keep some on hand for spot repairs, but it doesn't make a lot of sense for us to keep much more than that on-hand since it's generally only a day away.

2025 BUDGET PROPOSAL and VOTE (see below for details)

Chris Vachon: the annual assessment/dues is our only source of funding. The assessment in 2023 was \$650. We are proposing an increase to \$725. We have 247 lots in the association. Not all lots pay on time. We have a delinquency rate of 7%. Non-HLA members are not required to pay full dues but they are required by the state of NH to pay pro rata roadway contribution fee to the association. The delinquency rate among non-HLA lot owners is 15%.

Questions from members:

How many liens at this time? **Chris Vachon:** there are thirty-one lots that are behind on payments, most of them have liens or some other legal action in progress. Eight are non-HLA. Five owners represent 65% of monies owed. Currently three owners with seven+ lots are on payment plans.

What is the total amount in arrears? **Chris Vachon:** It is \$85K across thirty-one lots. This is down from \$126K several years ago.

Can we take ownership of these lots through legal action? **Chris Vachon:** yes, but we really do not want to take ownership. They can be sold at a profit potentially due to appreciation, but there are tax liabilities. Also, to sell the lots, the Board would need permission from the members. The town has priority standing on non HLA lots, and HLA generally has priority on HLA lots.

Can the town of Stoddard perform the plowing of our roads? **Chris Vachon:** our roads are private. We'd have to become a village district. Kings Highway is town owned but we have lots on Kings Highway.

What does it cost us for our attorney? **Chris Vachon** and described the legal process, the steps needed to be taken,

and costs along the way.

Why are there multiple liens on properties? Chris Vachon: You have to file a new lien each year that the owner doesn't pay for their lot.

Can boat, pontoon slips, kayak rack rentals offset and increase to the proposed assessment? **Chris Vachon**: we have to be careful to be under the threshold of being a marina. **Fred Pasler**: we do not carry insurance and we do not want to increase our liability. The revenue generated is not a lot but it does offset the cost of the docks. It is considered a supplement in our budget. Former Board member, **Jackie Hastings** offered the following: As a supplement, we are not required to be recognized as a marina. For this revenue to be considered a line item in our budget, the membership would have to approve by vote.

Motion by **Trevor Anderson** to table the discussion on revenue from the docks.
Seconded by **Dan Robertson** (?).
Approved.

Chris Vachon: in addition to our 2025 Budget Proposal, we asking for approval on the following:

“In addition to this budget, the HLA Board of Directors is proposing that surplus funds (\$25,531) from FY23 and excess funds in Pre-Pay Account (\$4,000) be used to offset road expenditures in the following ways:

- \$6,000 to replace Rainy Day Funds that were utilized for emergency ditching and repairs following the July 2023 floods.
- \$11,000 to replace two 4'+ culverts on Fox Hill and Tigola Trail.
- \$4,500 for brush cutting.
- \$2,000 allocated for planned dam/spillway repairs.
- Remaining funds (≈\$6,000) to be used at discretion of the board for any additional brush cutting or winter road repairs and then redirected to culvert repairs if unused by end of FY24.”

Motion by **Trevor Anderson** to approve.
Seconded by **Geoffrey Post** (?).
Approved.

Motion by **Chris Vachon** to approve 2025 Budget.
Seconded by **Jackie Hastings** (?).
Approved.

POLICY COMMITTEE UPDATES + BYLAWS

See below for QR access to view Bylaws proposal or access to website.

The policies have been approved by the Board. The policy changes are in accordance with HLA covenants. **Chris Vachon** will send out notification on the policy changes to follow this meeting. Upon member approval, we will ask members who are in non-compliance to fix by May 1st. The Policy that will probably be most contentious will be the Animal Policy. These changes do not

Reflect personal opinions by Board members or volunteer Policy Committee members. These conform to our covenants.

Chris Vachon reviewed each proposed amendment to the Bylaws. Proposed amendments are highlighted in each policy.

Chris Vachon urged all members to familiarize themselves with the Bylaws.

Motion to approve by **Mark Belland**.

Seconded by **Ken Walsh** (?).

Approved.

POOL HOUSE REPAIRS DISCUSSION

Mikki Falcone: the cinder block foundation of the pool house is in urgent need of repair. The repair requires lifting the building to repair the existing blocks. We have an estimate of \$14.5K for foundation repair and \$3.5K for drainage work around the pool house and Rossi Hall. Mikki has been monitoring this for years and is not comfortable moving into 2024 with the existing condition.

Question from members:

Who have we solicited bids from? **Chris Vachon:** Gordy and Wilder Excavating.. One member advised us to do our due diligence with contractor selection. Another member advised us to investigate “Heli-Pile” as a method for the drainage work.

HIDDEN POND + SPILLWAY UPDATES

Chris Vachon: we thought that we had a major expense but with a personnel change at the NH Dam Bureau we were advised on more suitable remediation. Improvements to include 34’ of repair work in the autumn, we should mow at the spillway area twice per year and the rest of the dam once each year. We have been mowing this annually in September the last several years. The dam bureau has also asked that we increase flow through the down tube by opening up or removing the internal trash rack in a safe manner, and clean fallen trees and debris at spillway.

Chris Vachon intends to notify the Dam Bureau and Wetlands Bureau on our activity, here. All in, we can do this work for approx. \$2K which is fifty times less that what we were originally told!

Question from members:

What does flow rate affect? **Chris Vachon:** the flow rate governs the height of the pond. We have a beaver deceiver/flow control device screen that has 6”x” openings and then a trash rack inside that has 1”x2” grate openings. These should be much larger. At this time, the pond is 4”-5” higher than it should be.

OTHER UPDATES & NEW BUSINESS

Mikki Falcone has volunteered to spearhead a new and more focused volunteer program. The program and details will be housed on the HLA website.

Amy Cashman is our Event Coordinator. Thank you to Amy for holding a raffle fundraiser after this meeting.

Fred Pasler: reminder, please donate your boat, pontoon space if you are away during the Labor Day Weekend.

Joe Traniello: reminder, road grading will be taking place this autumn.

Steve McGerty motion to close the meeting.

Seconded by **Fred Pasler** (?).

Approved.

Meeting adjourned at 11:31 a.m.

For Reference - Bylaws Proposal can be viewed at www.hiddenlakeassociation.com/2023bylawsproposal or by using the QR code below:



Budget Proposal for FY 25

May 1, 2024 through April 30, 2025

Revenue	FY 23 Budget	FY 23 Actual	FY 24 Budget	FY25 Budget (proposed)
Admin	\$151,710	\$173,603	\$164,338	\$185,000
Roads	\$0	\$0	\$0	\$0
Recreation	\$500	\$681	\$370	\$560
Waterfront	\$2,600	\$2,910	\$2,600	\$2,600
Insurance	\$0	\$0	\$0	\$0
Total Revenue	\$154,810	\$177,194	\$167,308	\$188,160
Expenses	FY 23 Budget	FY23 Actual	FY 24 Budget	FY25 Budget (proposed)
Admin	(\$21,900)	(\$18,962)	(\$23,650)	(\$21,310)
Roads	(\$112,385)	(\$109,930)	(\$118,030)	(\$141,170)
Recreation	(\$13,475)	(\$13,502)	(\$13,700)	(\$13,345)
Waterfront	(\$1,600)	(\$4,090)	(\$2,500)	(\$3,200)
Insurance	(\$5,450)	(\$5,179)	(\$5,400)	(\$5,575)
Total Expenses	(\$154,810)	(\$151,663)	(\$163,280)	(\$184,600)
Net (Expense) Income	\$0	\$25,531	\$4,028	\$3,560

The funding mechanism for this budget is an annual assessment of \$725.00 for HLA deeded properties. This assumes delinquency rates of 7% for HLA lots and 15% for non-HLA lots.

Based on pro-rata roadway contribution law in NH and the base rate above, lots without non-HLA lots would pay:

- \$725.00 for full HLA amenity access
- \$543.75 for full-time/residency access
- \$271.88 for part-time/seasonal access
- \$135.94 for undeveloped lots

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