

Lagoon Point Community Association 2022 Ballot Information

LPCA Annual General Meeting - 7:00 PM - Friday April 29, 2022 Greenbank Progressive Hall – 3090 Firehouse Road

LPCA Supplemental Ballot Information:

- About your ballot – Message from the President
- LPCA Operating Budget FY 22/23
- LPCA Reserve Fund Annual Fee FY 22/23
- Financial Audit
- Vote to combine Bulkhead and Waterway Maintenance Projects
- Vote for Officers of the Board of Directors
- Vote for Area Representatives

About your Ballot:

Teresa Becker, President President@LPCAWA.org

You will soon be receiving a Ballot in the mail from the Lagoon Point Community Association. This is your opportunity to weigh in on items such as the Operating Budget, Reserve Funds, Audit of our financial procedures, Capital Projects and the election of the Board of Directors and Area Representatives. If you own multiple lots your ballot will be counted for each of those properties. One lot equals one vote. Information on how to submit your ballot is included with the mailing.

The volunteers who make up your Board of Directors and Area Representatives value your input on the matters involving our community. Please take the time to review the items before you and vote accordingly.

This is not the annual assessment so please do not remit any payment with your ballot. The annual assessment will be mailed in May following ratification of the vote.

LPCA Operating Budget FY 22/23 (July 1, 2022 thru June 30, 2023)

See the following spreadsheet detailing the proposed FY 2022/23 Operating Budget for each cost account adding up to \$45,630. The cost per lot remains unchanged.

The proposed FY 22/23 Operating Budget is based on the following:

1. Actual Expenditures (cumulative to date February 2022) for the current fiscal year plus an estimated cost to complete the fiscal year of 21/22.
2. Actual Expenditures from the two previous years: FY 19/20 and FY 20/21
3. In Accordance with state law and the LPCA Bylaws, if the Operating Budget vote fails, the last approved Operating Budget (FY 21/22 - \$45,790) shall remain in effect until a subsequent annual budget is approved.

The Board recommends voting: **Yes, I approve the LPCA Operating Budget FY 22/23 (July 2022 – June 30, 2023) of \$45,630 (\$103 per lot)**

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PROPOSED LPCA FISCAL YEAR 2022/2023 OPERATING BUDGET

	A	H	I	J	K	L	M	N	O
1	LPCA OPERATING BUDGET	Expenses	Expenses	Approved Budget	Expenses CTD 02/22	Estimate to Go	Total Estimate	PROPOSED BUDGET	Notes
2	COST ACCOUNTS	FY 19/20	FY 20/21	FY 21/22	FY 21/22	FY 21/22	FY 21/22	FY 22/23	
3	Supplies/Mail/Bank Charges	\$1,216	\$1,374	\$2,000	\$152	\$1,848	\$2,000	\$2,000	
4	Officer's Reimbursement	\$6,000	\$7,200	\$7,200	\$4,800	\$2,400	\$7,200	\$7,200	12 mths x 6 officers x \$100
5	MS Office 365	\$0	\$0	\$0	\$65	\$325	\$390	\$840	\$70 x 12
6	Meeting Expense	\$0	\$0	\$0			\$0	\$250	
7	Website IHOST	\$289	\$294	\$300	\$540	\$50	\$590	\$450	
8	Liability Insurance	\$5,345	\$5,863	\$6,000		\$6,000	\$6,000	\$6,500	
9	D&O Insurance	\$2,207	\$2,207	\$2,300		\$2,300	\$2,300	\$2,300	
10	Umbrella Policy	\$480	\$480	\$500		\$500	\$500	\$500	
11	Insurance for Fraud	\$125	\$125	\$125	\$125	\$0	\$125	\$125	
12	Examination - Audit	\$0	\$0	\$0			\$0		
13	Acctg/SW/Tax Prep	\$3,181	\$5,650	\$7,000	\$2,440	\$2,695	\$5,135	\$5,500	\$305 x 12 \$1300 for invoices
14	Storage Rental	\$540	\$540	\$600	\$540		\$540	\$600	
15	P.O. Box Rental	\$64	\$64	\$65		\$65	\$65	\$65	
16	Rent for Meetings	\$85	\$0	\$170	\$100		\$100	\$200	2 meetings x \$100
17	Legal Fees	\$2,400	\$0	\$5,575		\$1,817	\$1,817	\$4,250	
18	Lien Expenses	\$104	\$104	\$210	\$100	\$0	\$100	\$407	2 liens x \$203.50
19	State & Local Fees	\$56	\$114	\$115		\$126	\$126	\$141	
20	Taxes (Federal)	\$533	\$1,672	\$1,700	\$7,664	\$0	\$7,664	\$1,022	Bank & CD Interest 30%
21	Total Administration	\$22,625	\$25,687	\$33,860	\$16,526	\$18,126	\$34,652	\$32,350	
22	Telephone Line for Gate	\$498	\$512	\$545	\$413	\$124	\$537	\$850	Line 55 x 12 +\$165 Gate Software
23	Street Light & Gate (PSE)	\$316	\$313	\$360	\$240	\$120	\$360	\$420	\$35 x 12
24	Landscaping Maintenance	\$4,493	\$2,999	\$3,765	\$1,615	\$1,383	\$2,998	\$4,750	540 x 9
25	Common Area Maintenance/Repair	\$6,807	\$3,227	\$6,000	\$1,525	\$4,475	\$6,000	\$6,000	
26	Lagoon Point Water District	\$405	\$592	\$420	\$302	\$101	\$403	\$420	4 quarters x \$102
27	Portable Toilet at Lot C	\$840	\$910	\$840	\$560	\$280	\$840	\$840	12 months x \$70
28	Total Maintenance/Repair	\$13,359	\$8,553	\$11,930	\$4,655	\$6,483	\$11,138	\$13,280	
29	TOTAL	\$35,984	\$34,240	\$45,790	\$21,181	\$24,609	\$45,790	\$45,630	
30	Budget	\$45,732	\$45,790	\$45,790		Lots	443	\$103	FY 22/23 Operating Fee per Lot

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LPCA Reserve Fund Annual Fee FY 22/23 of \$177 per Lot

In accordance with Washington State Law, the LPCA has established a Reserve Fund to provide for the maintenance and replacement of community property for a timeframe of 30 years. The LPCA Reserve Study provides for baseline funding throughout the 30 year period provided contributions are increased annually to adjust for inflation and enough interest is earned on the fund balance to offset inflation.

Over the last few years you have voted to increase the Reserve Fund Annual Fees by 3% each year. As we enter 2022 the inflation rate has reached as high as 7.9%. In order to maintain the purchasing power of our Reserve Fund Contribution a higher inflationary factor will be required for this budget cycle. Inflation is forecast to continue and go even higher. Calculating a 9% increase to the Reserve Fund portion of the annual assessment of \$162 equals \$15 for a total of \$177 per lot. Because we are nearing the planned maintenance time for waterway Capital Projects we need to protect our ability to fully fund the projects. These incremental increases to the annual assessment for the Reserve Funds minimize the possibility of future special assessments. Even with the increase in this year's contribution, if higher inflation continues into next year, affecting our ability to properly maintain the Reserve Fund value, another increase may be necessary to maintain the purchasing power of the fund balance. Special attention to the Reserve Fund moneys and the cost data for replacement will be continued into the upcoming year.

In the past the fund balance has been maintained by holding certificates of deposit. Current interest rates of return are almost nonexistent and do not come close to matching the rate of inflation. This will create a larger gap each year in the purchasing power of the Reserve Fund Balance. Another solution the Board may consider is a review of the investment policy to provide better rates of return on our funds.

If this contribution increase is not implemented the FY 21/22 Annual fees of \$162 per lot will remain in effect. The Board recommends voting: **Yes, I approve the LPCA Reserve Fund Annual Fee FY 22/23 of \$177 per lot**

Note: If the Operating Budget and the Reserve Fund are both approved the LPCA Total Annual Fee for FY 22/23 will be \$280 (\$103 Operating Budget + \$177 Reserve Fund) per lot due, on July 1, 2022

Financial Audit

Washington State Law requires Home Owner Associations to have an audit performed annually. The term "audit" is very specific and can be a costly procedure. The auditing firm that the LPCA has employed for other services has advised us to expect to pay up to \$9,000 for an "Audit". State law does allow HOA's to waive the audit. **"The audit may be waived by 67% of the votes cast by owners."** Also owners **"must vote each year to waive the audit."**

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Because an “Audit” would consume up to 20% of the annual operating budget, costing \$20 per lot the Board recommends voting: **Yes “Waive the Audit”**

The cost of an audit is not included in the FY 22/23 Operating Budget Proposal. State law does not allow money from reserve funds to be used for other purposes, therefore if the audit is not waived it will result in a one-time special assessment of \$20 per lot to pay for the audit. The special assessment would appear on your July 1, 2022 invoice in addition to the annual fees. Any part of this special assessment not spent on the audit would be credited towards the annual fees assessed next year. For more information about audits review the article in our March-April 2018 Newsletter at [Lagoon Point – Lagoon Point](#)

It is important to understand that audits are not for the purpose of detecting fraud and they generally do not detect it. Fraud is prevented and or detected by good internal controls and whistleblowers. The LPCA Board implements several procedures to make certain that our funds are safe, procedures are being followed and all is being managed correctly. All expenditures are as approved in the annual Operating Budget or are voted upon as set forth in the Bylaws. Multiple Officers of the Board of Directors review the monthly banking statements and both the Treasurer and the Bookkeeping Service perform a monthly reconciliation. An account of the monthly expenditures are approved at the monthly board meetings and copies of the financials are available in our meeting minutes on the member’s side of the Lagoon Point website. If any member is interested in serving on a committee to perform an internal audit of financial procedures and funds they should contact the board at Info@lpcawa.org to discuss the potential for this activity.

Vote to Combine the Permit and Engineering Phase of the Bulkhead/Shoreline Restoration Project with the Waterway Maintenance Dredge:

On the 2019 ballot LPCA members approved a bulkhead/shoreline restoration project estimated to cost \$320,000. To date about \$10,000 have been expended on engineering drawings and permit pre-application. Project plans were developed and submitted to the County for pre design guidance. In May of 2021 Duane Rawson, Carl Haslam and myself attended a pre-application conference with Island County to determine the remainder of the project studies, reports and permits required for full project approval. At a subsequent site meeting with Chinook Engineering and Island County Planners it became evident that the bulkhead project as currently designed requires a full permit process with environmental and engineering assessments and reports.

The permits and reports required for the bulkhead/shoreline restoration project would also be required for the upcoming Waterway Maintenance dredge. Performing the design, environmental reports and permitting of the bulkhead/shoreline restoration project concurrently with the maintenance dredging will save a duplication of effort and dollars for these projects.

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The strength of the storms on the incoming tides these last few winters have brought in a lot of sediment. The siltation basin east of the boat launch is collecting the sediment as it was designed to do. This area requires maintenance dredging and is recommended on a 12 year maintenance cycle by our Reserve Study Documents. Island County Engineering Reports indicate a 10 year dredging cycle for canal communities such as ours. The last dredging occurred in 2013 with a proposed 2025 maintenance timeline. Monitoring of the channel and siltation basin of our waterway may provide an optimum timeframe for maintenance dredging to be cost effective. Obtaining the permits for shoreline and in water work can take multiple years. It is imperative that we begin this process now so that we have the ability keep our waterway navigable.

A future ballot measure to finance the construction phase of the projects will be advanced for member approval as the project is fully developed and cost estimates are available.

The Board recommends vote: **Yes, Combine the Permit and Engineering Phase of the Bulkhead/Shoreline Restoration Project with the Waterway Maintenance Dredge.**

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Vote for the Officers of the Board of Directors:

The term of office for the Officers of the Board of Directors is for one year – July 1, 2022 to June 30 2023. Our Bylaws state that if one candidate is running unopposed that the election may be made by acclamation.

Please indicate your support for the members who have volunteered to serve in these positions by circling their names on your ballot.

President – Teresa Becker - *Incumbent*



Last year I took on the role of President of the LPCA Board after serving for a year as Vice President. Transferring the knowledge and the signatory abilities for our business accounts took some time. Now I am ready to use my time on our more pressing projects. In the coming year we hope to move forward, with your approval for the design and permitting of maintenance projects on our community waterway. I appreciate the opportunity to continue serving as President of the Lagoon Point Community Association.

Vice President - Stan Waldrop – *Incumbent*



Stan Waldrop has served as Vice President for the past year. His background in the technology field has made him a great asset as he led the LPCA Board's transition to a new office business and email system. Thankfully he has committed to another term on the board as he is also now also the administrator of the LPCA email and business team site.

Secretary – Kim Serwold – *New Nominee*



My husband Bob & I came to Lagoon Point in 2020. We've met many great people and made long standing friends. In the past I've served on several nonprofit boards and volunteer regularly. I would be honored to serve you as Board secretary. You may have seen us walking our Cocker Spaniel Marley or fishing & crabbing. Thank you, Kim Serwold

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Assistant Secretary – Christine Turner – *New Nominee*



John and I have enjoyed calling Whidbey our second home for the past five years. That has quickly changed into this being called our first home as we have fallen for the beauty of Whidbey Island in general and the Lagoon Point Community specifically. In a short time the Community embraced John and I in so many ways - all by our neighbors we now feel lucky to call friends. I look forward to serving the LPCA in the role of Assistant Secretary. I have extensive experience in executive administrative roles, most of which were from my 23 years at Microsoft, where I enjoyed working with many teams and organizations (read: geeks, MBAs and just plain-old hard workers). Being able to give back to this Community by supporting the Board would be a role I'd gladly welcome.

Treasurer – Chris Anderson – *Moving from Assistant Secretary*



I joined the LPCA Board in January 2017 as the Assistant Secretary and during this time have learned a lot about Home Owners Associations. I am asking for your vote to become the LPCA Treasurer. I have experience as a volunteer Treasurer for the Boeing Ski Club, a Children's Hospital Guild and Alki Community Council. I also worked at Boeing for 26 years in Cost Management and have been preparing the LPCA Financial Reports for the past 5 years. Thank you, Chris Anderson

Assistant Treasurer – Cheryl Kuss – *Incumbent*



Cheryl Kuss has served the LPCA as Assistant Treasurer for 10 years. She is our main point of contact with the bookkeeping service provider and is very familiar with all of our financial systems for processing invoices and payments. Her work is instrumental in keeping our finances operating smoothly.

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Vote for Area Representative of the Board of Directors:

The term of office for an Area Representative is two years. The following have volunteered to serve from FY 22/23 thru FY 23/24. Please mark your ballots for the area which your property is located.

Know which Area you may cast your vote for by reviewing the Area Representative Map at [Docs & Maps – Lagoon Point](#)

Area 1 Representative – LouAnn Hepp – *New Nominee*



LouAnn Hepp and her husband Ian Buchanan made their best move ever to Lagoon Point in 2016! LouAnn has many years of experience working with people in both the public and private sector. She is a firm believer in public service and loves volunteer work. She looks forward to serving in our community.

Area 3 Representative – John Calkins – *New Nominee*



I've been a lifer at Lagoon Point. My Dad built this cabin in 1952, before I was born. My Mom was a school teacher so my brother and I would spend every summer here. My Dad was the LPIC President in the late 60's so I remember a lot of discussions during that time. I have always been an avid fisherman. After graduating from Auburn High I attended Central Washington University where I received a degree in Law and Justice. I spent 40 years in law enforcement, the last 17 as a police chief. I have experience dealing with the issues in the community, both good and bad, and I have resolved many complex situations. I retired in 2018 and moved to Lagoon Point full time. I would like to serve on the LPCA and become more involved in our community matters.

Area 5 Representative – Dick Kuss - *Incumbent*



We have been Lagoon Point residents since 2005. I became Area 5 Rep in 2012 and shortly after, took on the job of Gate Card Administrator. I have been involved in projects such as the Lot C Gate and power pole installation, Lot C fence installation and many Fishing Derbies. I enjoy meeting people and contributing to Lagoon Point special projects.

Fishing, Boating, Crabbing, Beach Walks ---That's why we are here!