



Meadowwood Glen
Homeowners Association

2021 Annual Meeting Minutes

May 6, 2021 at 5:30pm

Via Zoom: <https://zoom.us/j/93933221529>

Having achieved a quorum by written ballot, the 2021 Annual Meeting was called to order at 6:00pm. Gil Pierce (of Rockwood Property Management) introduced himself and the Directors present on the call, which included Barry Batts, Greg Hesler and Todd Taylor. In addition, there were 8 members present via Zoom.

Call for Candidates

A final call was made for candidates from the floor. With no additional candidates submitted, nominations were closed and each candidate was provided an opportunity to introduce themselves. An announcement was made to remind those present on the call that voting would close at 7pm tonight. The votes were tallied at 7pm to render Jim Zahand as the next Director for a three year term. The Association thanks Barry Batts for his years of service to the Association as a Director.

Budget Review

Gil discussed the budget and the more significant variances between the 2020 budget and actual expenses. The HOA is steadily increasing its reserve balance despite the first major replacement being in 2027; however, the board members acknowledged that the board will be required to increase the annual dues assessment, incrementally, over time to fully fund the reserve account prior to 2027.

The Board Members disclosed that they previously walked the property to compile a list of repairs needed to common area sidewalks. Concrete repairs were scheduled for 2020 but due to the covid pandemic, this work has been postponed to 2021. The budget for these repairs is \$7k and appears on the 2020 and 2021 Capital Improvements budget.

Having received no member objections, the 2021 Budget was ratified.

Annual Meeting Minutes Review

Upon a motion made and seconded to adopt the 2020 Annual Meeting Minutes, the same were approved by the members.

IRS Revenue Ruling 70-604

With no member objections, the Association approved IRS Revenue Ruling 70-604, which is set forth in the attached resolution.

ACC Formation

The Board received a letter from an owner requesting the formation of a separate Architectural Control Committee. Currently, the Board serves in place of the committee because there isn't a considerable need for additional assistance in responding to the current trends of member requests. The board members pointed out that the Bylaws and CCRs of the HOA leave it in the Board's discretion to empanel any committees or appoint committee members and the board affirmatively elected not to empanel a separate Architectural Control Committee at this time.

CCR Amendments

Members who border the Meadowwood Golf Course have submitted requests to install fencing which, unless required to safeguard a swimming pool is currently prohibited pursuant to the CC&R's. An amendment to the CC&R's is needed to allow lot fencing without a pool adjacent to the golf course. The Board has requested that these members submit in detail the type of fencing regulations they want to see so RPM and the Board can start working on an amendment to propose to the members for vote. The board acknowledged that amending the CCRs requires a member vote of at least 67% of the Members. Members were encouraged to submit any other amendments they would like to see for review.

Homeowner Forum

Q: With the Board's approval, can members form committees such as the ACC or CCR amendment?

A: The Board may consider creating committees but with such a small community and little business to attend to, it's not practical.

Q: Is it my responsibility to attempt to resolve compliance matters/concerns with a neighbor before I report to the HOA? A: Homeowners are encouraged to establish and maintain effective neighbor relations but when that fails or an owner is otherwise uncomfortable with confronting a neighbor regarding compliance matters, the members should contact the board to request enforcement or to discuss the matter and determine the appropriate course of action.

Q: The City has imposed a requirement for the homeowners to perform a backflow test; how does that impact the HOA's budget? The HOA already performs an annual backflow test so this expense is built into the budget. Homeowners are welcome to use the HOA's testing company, the cost for which is \$35/test.

Q: Fencing issue is creating a safety issue because the City has opened the golf course during the winter months. People infringe on private lots, which makes the need for fencing even more urgent. A: To accomplish this, the CCRs must be amended. The Board will work towards amending the fence provisions of the CCRs this year – this is a great way for members to get involved as an amendment will require 67% member response/approval. Members who are sponsoring the fence amendment indicated a willingness to seek member approval by a door to door campaign within the community.

Board approved adding board member contact information to community website.

With no other business rightfully before the Members, the meeting was adjourned at 7:07pm.

Respectfully Submitted,
Melissa Owens, CMCA, CAMP
Association Admin, Rockwood Property Management

2021 Budget MeadowWood Glen HOA

| Income | | Rate | Frequency | Total / Year | 2020 Budget | 2020 Actuals | 2021 Budget | |
|----------------------|-----------------|-----------|-----------|--------------|--------------|--------------|--------------|--------------|
| 5010 | Dues | \$ 540.00 | 1 | 96 | \$ 51,840.00 | \$ 50,563.00 | \$ 51,840.00 | |
| 5014 | Transfer Fee | | | | \$ - | \$ (100.00) | \$ - | |
| 5020 | Late Charges | | | | \$ - | \$ 250.00 | \$ - | |
| 5021 | Late Interest | | | | \$ - | \$ 23.79 | \$ - | |
| 5026 | Fine Income | | | | | \$ - | \$ - | |
| 5032 | Lien Income | | | | \$ - | \$ - | \$ - | |
| 5050 | Interest Income | | | | \$ - | \$ - | \$ 2.00 | |
| 5100 | Misc. Income | | | | \$ 1,005.00 | \$ 936.50 | \$ 1,005.00 | |
| Total Income: | | | | | \$ - | \$ 52,845.00 | \$ 51,673.29 | \$ 52,847.00 |

| Landscaping Expenses | | Rate | Frequency | Total / Year | 2020 Budget | 2020 Actuals | 2021 Budget |
|---------------------------|----------------------------------------|------|-----------|--------------|--------------|--------------|--------------|
| 6615 | Snow Removal | | | | \$ 3,500.00 | \$ 4,586.87 | \$ 3,500.00 |
| 6810 | Mowing - Commons/Fall Leaf | | | | \$ 5,845.00 | \$ 6,026.44 | \$ 6,182.18 |
| 6820 | Fertilize - Commons | | | | \$ 684.00 | \$ 682.83 | \$ 751.11 |
| 6830 | Turf Spray - Commons | | | | \$ 508.00 | \$ 448.67 | \$ 493.53 |
| 6843 | Master Tree Program | | | | \$ 885.00 | \$ 782.72 | \$ 771.14 |
| 6860 | Sprinkler Turn On & Blow Out | | | | \$ 332.00 | \$ 329.97 | \$ 362.81 |
| 6880 | Landscape Labor/Materials (Irrigation) | | | | \$ 1,750.00 | \$ 1,424.01 | \$ 1,750.00 |
| 6890 | Planter Beds Maintenance-Pruning | | | | \$ 482.00 | \$ 541.15 | \$ 486.64 |
| Total Landscaping: | | | | | \$ 13,986.00 | \$ 14,822.66 | \$ 14,297.41 |

| Other Expenses | | Rate | Frequency | Total / Year | 2020 Budget | 2020 Actuals | 2021 Budget |
|----------------|-----------------------------------------|------|-----------|--------------|--------------|--------------|--------------|
| 6135 | Board-Annual Meeting-Non-profit Renewal | | | | \$ 60.00 | \$ 51.93 | \$ 60.00 |
| 6305 | Accounting | | | | \$ 250.00 | \$ 250.00 | \$ 250.00 |
| 6306 | Legal | | | | \$ - | \$ - | \$ - |
| 6310 | Insurance Expenses | | | | \$ 3,000.00 | \$ 2,857.00 | \$ 3,000.00 |
| 6330 | Bank Charges | | | | \$ 330.00 | \$ 355.25 | \$ 374.00 |
| 6415 | Electricity- Common Area/Street Lights | | | | \$ 3,768.00 | \$ 3,602.01 | \$ 3,768.00 |
| 6420 | Water- Common Area Irrigation | | | | \$ 3,335.00 | \$ 2,572.61 | \$ 3,335.00 |
| 6440 | Street Sweeping/Maintenance | | | | \$ - | | \$ - |
| 6620 | Reserve Funding | | | | \$ 19,005.00 | \$ 18,936.50 | \$ 19,005.00 |
| 6625 | Office Supplies | | | | \$ - | | \$ - |
| 6626 | Postage | | | | \$ 700.00 | \$ 604.31 | \$ 800.00 |
| 6630 | hardscape) | | | | \$ 250.00 | \$ - | \$ 250.00 |
| 6900 | Website Fees | | | | \$ 72.00 | \$ 210.70 | \$ 192.00 |
| 7505 | Management Fee | | | | \$ 8,064.00 | \$ 8,064.00 | \$ 8,064.00 |
| 7508 | Property Taxes | | | | \$ - | \$ - | \$ - |
| 7515 | Income Taxes | | | | \$ - | \$ 13.00 | \$ - |

| | | | | |
|--|-----------------------|---------------------|---------------------|---------------------|
| | Total Other: | \$ 38,834.00 | \$ 37,517.31 | \$ 39,098.00 |
| | TOTAL EXPENSES | \$ 52,820.00 | \$ 52,339.97 | \$ 53,395.41 |
| | NET CASH FLOW: | \$ 25.00 | \$ (666.68) | \$ (548.41) |

| | | | | |
|--|--------------------------------|--------------------|--------------------|--------------------|
| | BEGINNING CASH BALANCE: | \$ 5,369.96 | \$ 5,369.96 | \$ 4,703.28 |
| | ENDING CASH BALANCE: | \$ 5,394.96 | \$ 4,703.28 | \$ 4,154.87 |

| | | | | | |
|--|------------------------------------|---------|--|--------------------------|---------------------|
| | Interest Income to Savings: | \$ 1.78 | | Operating Account | \$ 4,703.28 |
| | | | | Savings Account | \$ 3,260.87 |
| | | | | Reserve Account | <u>\$ 68,871.75</u> |
| | | | | Total | \$ 76,835.90 |

2020 Dues \$540

MeadowWood Glen HOA
2021 Capital Expense Budget

| | | Cost / Mo | Per Yr | 2020 Actuals | 2021 Budget |
|----------------------|-------------------------------------|-------------|--------|--------------|--------------|
| INCOME: | | | | | |
| 5000 | Operating-Building Replacement Res. | \$ 1,500.00 | 12 | \$ 18,000.00 | \$ 18,000.00 |
| | Misc. Income Transfer | \$ - | | \$ 936.50 | \$ 1,005.00 |
| | | | | \$ - | |
| 5050 | Interest | | | \$ 68.46 | \$ 64.00 |
| Total Income: | | \$ - | | \$ 19,004.96 | \$ 19,069.00 |

| | | Cost / Mo | Per Yr | 2020 Actuals | 2021 Budget |
|--------------------------|------------------|-----------|--------|--------------|-------------|
| Capital Expenses: | | | | | |
| | Concrete repairs | | | \$ - | \$ 7,000.00 |
| Total Expenses: | | | | \$ - | \$ 7,000.00 |

**MeadowWood Glen Homeowners Association
ANNUAL ELECTION: IRS REVENUE RULING 70-604
Excess Income Applied to Future Obligations**

EXPLANATION: Tax experts recommend that all HOA hold an annual vote on elective IRS Ruling 70-604, which allows the HOA to file Form 1120 (vs 1120H) thus only net non-membership income would be taxed. If the election is not made, any excess membership income would be subject to higher taxation. Essentially, this election gives the Association's CPA the opportunity to file the tax form (1120 or 1120H) that's most advantageous for the HOA (whichever form provides the lowest tax liability). Most CPAs make this election on behalf of their clients when filing the HOA's annual return; this election documents the CPA's authority to make such a determination. The Association has always applied excess income (if/when it exists) to future obligations, this election resolution formalizes its decision to do so.

WHEREAS, the MeadowWood Glen Homeowners Association is a not for profit, mutual benefit corporation duly organized and existing under the laws of the State of Washington; and

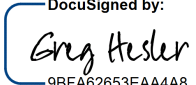
WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the MeadowWood Glen Homeowners Association:

RESOLVED, that any excess of membership income over membership expenses for the year ending 12/31/2021 and all years prior shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the meeting of May 6, 2021.

RATIFICATION: I hereby attest that the resolution made herein was conducted by the Members at a duly called Annual Membership Meeting and ratified by my signature below.

DocuSigned by:

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Greg Hesler, Director

5/6/2021

Date