



Annual Meeting of Homeowners

November 15th, 2017 at 7:00PM

Liberty Lake City Hall – 22710 E Country Vista Dr.

Meeting Minutes

The meeting was called to order at 7:02PM

I. Introductions

- a. Board of Directors
 - i. Present: Scott Kingsford, John Mellick, Richard Haugen, Jon Swatzell, Charlie Matthews, Wayne Durnin, Anthony Frei, Steve Kempf
 - ii. Absent: Sharon Carvo
- b. WEB Properties, Inc.
 - i. Present: Bill Butler and John Schumaker
- c. Homeowners / Guests
 - i. Twenty four homeowners were in attendance

II. Open Forum

A homeowner asked a question about the new payment processing policy being implemented by WEB Properties, Inc. for the payment of HOA Dues. Bill Butler explained the new Resident Portal and the payment options available to homeowners. The Board noted that this new process of online payments is the method being used by WEB Properties, Inc. going forward and that they are in favor of the change because it saves the HOA money by reducing mailing costs. For homeowners that are unable or unwilling to use the new payment methods, and continue to send a check for their HOA Dues, the Board will determine in the future if the check processing fee charged by WEB Properties, Inc will be passed along to the homeowner or covered by the HOA.

A homeowner asked a question about the missing and dead trees along E Mission Ave, to the east of Molter Rd, and whether they are going to be replaced. Scott Kingsford stated that the trees are scheduled to be replaced in spring 2018.

A homeowner noted that their neighbor has a dead tree that needs to be replaced. WEB Properties, Inc. noted the information for the homeowner and will follow-up with regards to the matter.

A homeowner asked a question about why replacement of the mailboxes is included in the Grayhawk Reserve Study. Bill Butler explained that the USPS requires specific mailboxes to be used, and while the current mailboxes are functional and in satisfactory condition, if the postal worker decides that they



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no longer willing to use the mailboxes in place, then the USPS approved mailboxes would need to be installed immediately to avoid an inconvenience in mail delivery for homeowners.

A homeowner asked a question about the funding of the Garden Ridge Reserve Account and it being funded greater than 100% at any one time. Bill Butler explained that you have to fund the Reserve Account ahead of time for years when there are large capital expenses.

III. Turn in all remaining Proxies/Ballots

A total of seventy-six (76) Proxy/Ballots were turned in prior to or at the meeting.

IV. October 18th Board Meeting Minutes have been approved via email

V. Financial

(i) Rocky Hill – Payment for Invoices

Bill Butler spoke about Rocky Hill having insufficient funds to pay their invoices for the remainder of 2017. He presented a breakdown of the current outstanding balance for invoices, along with the balances for the Operating, Reserve, and Savings accounts. He discussed the options available to the Board, which include (1) a special assessment to the homeowners, (2) a loan from a bank, or (3) a loan from Meadowwood. Anthony Frei asked if this situation was foreseen and Bill spoke about the recent history of HOA Dues discussions for Rocky Hill. Richard Haugen asked about what expenses could be cut to save money for the HOA. Bill explained that there are not a lot of expenses, and that the largest expense of maintenance free landscaping is the level of service provided to homeowners and is the reason why they choose to live in Rocky Hill.

(ii) 2018 Landscaping Bids – Update

Bill Butler spoke about WEB Properties, Inc. communication with Clearwater Summit to request a reduced bid for the 2018 Meadowwood landscaping contract as directed by the Board at the October 18th Board meeting. Clearwater Summit declined to reduce their bid. Bill asked if they would be interested in a multi-year contract and Clearwater said yes. They then provided a revised landscaping bid for 2018 – 2020, where the cost for 2018 and 2019 would remain the same, and the cost for 2020 would increase by 5%. John Schumaker added that Clearwater included a new cost for “Sprinkler Check and Adjustments” in the revised bid, and that if the Board continues to use WEB Properties, Inc. for this service, the cost can be removed from the bid, thereby reducing the bid further. The Board discussed amongst themselves that this would be a good savings over the three year period, especially when you consider the increases in minimum wage that are taking place in the coming years.



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Wayne Durnin motioned to accept the three year bid for Meadowwood, after the reduction of the “Sprinkler Check and Adjustment” cost, with no increase in 2019 and a 5% increase in 2020. Charlie Matthews seconds the motion. The motion passed unanimously.

Wayne Durnin motioned to approve a three year contract on all the sub-associations (Garden Ridge, Grayhawk, and Rocky Hill), at the cost for the previously approved one year bids, with no increase in 2019 and a 5% increase in 2020. Anthony Frei seconds the motion. The motion passed unanimously.

(iii) Reserve Study Items for 2018 & 2019

Bill Butler discussed the 2017 Reserve Study for Meadowwood, Garden Ridge, and Grayhawk. For Meadowwood, he mentioned that there may be an error with the Meadowwood Reserve Study, as it appears Rocky Hill could be included by mistake. WEB Properties, Inc. will contact Criterium to discuss the Reserve Study. For Garden Ridge, he noted that the asphalt replacement, crack fill, and sealcoat projects scheduled for 2019 were completed in 2017. For Grayhawk, he noted that there are some Reserve items the Board will need to review as potential projects for completion in 2018.

(iv) Adoption of 2018 Budgets

- Meadowwood
- Garden Ridge
- Grayhawk
- Rocky Hill

Bill butler discussed the Meadowwood, Garden Ridge, Grayhawk, and Rocky Hill budget summary for 2018 and the reserve assessment disclosures per Washington State RCW 64.38.025.

For Meadowwood, Bill noted that \$1,785.00 would be transferred from the Operating Account to the Reserve Account by the end of 2017 to meet the recommended ending balance per the 2017 Reserve Study.

For Garden Ridge, Bill noted that a budget deficit is projected for 2018, and while the HOA has enough funds in their Savings Account to cover the deficit, the Board will need to discuss an increase in Garden Ridge HOA Dues beginning in 2019. The Board will discuss Garden Ridge finances in detail in the first half of 2018. WEB Properties, Inc. will provide homeowners with detailed information and notifications about the HOA Dues increase to come so they are fully aware.

For Grayhawk, Bill noted that the 2018, 2019, and 2020 Reserve Assessments were set at \$7,000.00, instead of \$8,400.00 as recommended by the 2017 Reserve Study, so the HOA avoids a budget deficit. Even with the reduction in the Reserve Assessment, the Reserve Account will continue to be fully funded for all potential Reserve projects.



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For Rocky Hill, Bill discussed a need for an increase in HOA Dues beginning in 2018 to cover the 2017 and 2018 budget deficits. It was recommended that the dues be increased from \$285.00 to \$365.00, resulting in a 28% increase per quarter. Scott Kingsford asked if the Board can increase dues more than 10% and Bill explained that Washington State RCW 64.38.025 overrules the CC&Rs. The board discussed amongst themselves the options available for Rocky Hill to cover the deficits, being (1) a special assessment to the homeowners for the 2017 budget deficit and an increase in HOA Dues by \$50.00 per quarter to cover the 2018 budget deficit, or (2) Meadowwood will loan Rocky Hill funds to cover the 2017 deficit and the HOA Dues would be increased by \$80.00 per quarter to repay the loan to Meadowwood in the first half of 2018 and cover the 2018 budget deficit.

Steve Kempf motioned to adopt the 2018 budget for Meadowwood, Garden Ridge, and Grayhawk as presented. Jon Swatzell seconds the motion. The motion passed unanimously.

Anthony Frei motioned that Meadowwood will loan Rocky Hill an amount not to exceed \$6,000.00, to cover the 2017 deficit, to be repaid in 2018. Steve Kempf seconds the motion. Anthony Frei, Jon Swatzell, Steve Kempf, and Wayne Durnin favor the motion. John Mellick, Richard Haugen, and Charlie Matthews oppose the motion. The motion passed.

Steve Kempf motioned to raise the HOA Dues for Rocky Hill to \$365.00, beginning in 2018. Anthony Frei seconds the motion. The motion passed unanimously. WEB Properties, Inc. will draft a letter to Rocky Hill homeowners regarding the dues increase and let the Board review it before mailing.

Steve Kempf motioned to adopt the 2018 budget for Rocky Hill with the increase in HOA Dues starting in 2018. Charlie Matthews seconds the motion. The motion passed unanimously.

VI. Meadowwood HOA Website – Update

Scott Kingsford discussed changing the HOA website hosting company to reduce the cost and outlined what the new fees would be. He also asked for additional funds to modernize the look and function of the website. The Board agreed that Scott can change the website hosting company and spend an additional \$250.00 to modernize the website.

VII. Election of Four (4) Directors Positions

Terms expired for three Board of Directors positions, and two Board members stepped down from the Board before their terms expired. A quorum of 30% of homeowners was not established for an election vote, therefore the Board appointed nominations. John Mellick volunteered to continue serving on the Board in Position #6 for a new three year term. Wayne Durnin volunteered to continue serving on the Board in Position #8 for a new three year term. Don Toombs, Darin Morgan, and Mark Saba were nominated from the floor for appointment to the Board. Each candidate gave a brief bio about themselves for the Board and audience to hear.



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John Mellick motioned to appoint Don Toombs to Position #2 on the Board of Directors, with the term expiring in 2018. Wayne Durnin seconds the motion. The motion passed unanimously.

Steve Kempf motioned to appoint Darin Morgan to Position #7 on the Board of Directors, with the term expiring in 2019. Richard Haugen seconds the motion. The motion passed unanimously.

Steve Kempf motioned to appoint Mark Saba to Position #5 on the Board of Directors, with the term expiring in 2020. Jon Swatzell seconds the motion. The motion passed unanimously.

VIII. Adjournment

The meeting was adjourned at 9:45pm