

# 2024 Annual Meeting Minutes

7pm on November 20, 2024 @ Liberty Creek Elementary



## Draft pending Membership approval at 2025 Annual Meeting

Having achieved quorum through the collection of 476 ballots, the meeting was called to order at 7pm.

Board of Directors Vicky Markussen and Diane Grecco were present in person, along with approximately 20 Members. Gil Pierce, Tisha Goodman, Sarah Smith of RPM were also present.

### ELECTION OF DIRECTORS

Nominations were called from the floor and the candidates were announced. Present candidates were given an opportunity to introduce themselves and comment on their campaign for Director. Members that have not yet voted were prompted to submit their Ballot online or in person before the polls close at 8pm. Verification and tally of the ballots yielded the following election outcome:

Candidate	Votes
Ashley Barker	342
Mike Dickson	338
Janet Shmidt	2
Michael Hamblet	1
Ian Martin	1
Nanette Bustos	1
Nichole Hamblet	1
Judy Hunton	1
no vote	1
Jeff Ryan	1
Dan Dunne	1
Eric Sachtjen	1
santa claus	1
Why no bio info	1
Susan Ashley	1
Eugene Winter	1
snow white	1

### **BALLOT RESULTS:**

*Ashley Barker was elected to serve a three (3) year term and Mike Dickson was elected to serve a one (1) year term.*

### FINANCIAL REVIEW

**Main Association** income and expenses are on target for 2024. The only significant variance is the electricity expense paid back to Garden Ridge for a billing error prior to RPM management. Dues will increase from \$24 per month to \$25 per month in 2025.

#### **Gardens Ridge**

2024 financials are on target with positive income cashflow and expenses are under budget significantly with the continued pay back for the electricity billing error found in 2023. To keep yearly funding for inflation and future capital expenses dues will increase to \$480 quarterly, due the 1st of January, April, July & October

#### **Rocky Hill Townhome & Cottages**

2024 Financials are on target with a negative cash flow projected to help decrease the amount of operating funds currently in the operating account. Dues will increase to \$445 quarterly, due the 1st of January, April, July & October in 2025. This will help keep the budget in check with current inflation rates year to year without big increases all at once.

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The reserve study was updated in 2024 which helped guide the Board in creating the budgets for 2025. Updated reserve study is posted online for members to review.

A copy of the current and historical budgets are available on the website along with detailed quarterly financial reports for Member download and review. Members are encouraged to review the financials and to reach out to the Board or RPM with any questions.

## NEW BUSINESS

**2025 Budget Ratification;** without 51% of the members present in person or by proxy to reject, the proposed 2025 Budget is hereby ratified.

**IRS Ruling 70-604;** a motion was made, seconded and passed without opposition, a copy of which is attached hereto.

**2023 Annual Meeting Minutes** were adopted without opposition by the Members present.

## MEMBER FORUM

*The member forum was opened and there were a few questions related to the budget.*

*In addition to the financial questions, a member asked for an update on the CCR committee. Diane reported that discussions have started with the committee members and their focus will primarily be on the "use and regulations".*

With no other business rightfully brought before the Members, the meeting was adjourned at 7:50pm.

Respectfully submitted,  
Rockwood Property Management

## 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 HOA 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;

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NOW THEREFORE be it RESOLVED that any excess of membership income over membership expenses for the year ending 2023 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

The Members hereby adopt this resolution by and on behalf of the Meadowwood Homeowners Association, which will be made a part of the minutes of the Annual Membership Meeting that took place on Wednesday, November 15, 2023.