



Board of Directors Meeting Minutes

November 6, 2019 at 5:30pm

Kendall Yards Welcome Center, 1335 W Summit Pkwy, Spokane Wa.

Attending: Jim Frank, Developer
Terry Moore, Treasurer
Donn Durgan, Director at Large
Sarah Leverett, Secretary
Gil Pierce, Community Manager, Rockwood Property Management
Melissa Owens, Administration, Rockwood Property Management

The meeting was called to order at 5:35pm.

Minutes Review

A motion was made and passed to approve the Meeting Minutes of August 20, 2019.

Financial Report Review & 2020 Budget

Gil presented a draft 2020 Budget including actual year to date expenses through September plus anticipated fourth quarter expenses factored in. A copy of the budget is attached to these minutes for reference. A \$10/mo increase on the main association 2020 budget is projected to account for a 5% projected increase in landscape expenses and cost of living increases across all maintenance expenses. A \$6k deficit is expected at 2019 yearend. At this time, any material shortage is covered by the Developer due to reduced income capacity until the community is built out.

A maximum of 251 units are scheduled for build out in 2019, which is indicated in the 2020 Budget under income calculation for 2019.

Centennial Trail, sidewalks and alleys will be plowed at 1" of snow accumulation throughout the HOA and the BOA. This increase in services is accounted for in the increased expense projected for 2020.

As the community grows and matures, more labor and materials are required to provide the same level of maintenance residents and patrons have come to expect. The same is true for homeowner population growth as it relates to increased cost for community events.

Use and access data was analyzed in recent months to determine use by each entity that accesses the fitness center. The HOA contribution to the community fitness center was lowered from 35 to 30% in 2020 to more accurately represent the HOA's degree of use.

Trail and dog station services will increase to 7 days per week in 2020, which is reflected in a 10% cost increase.

Concrete maintenance throughout the HOA but specifically in the ally will be added to the operating budget for regular crack sealant and reserve budget for 6 year slurry application to prevent

deterioration. The City is obligated to perform this maintenance but it's a low priority so the HOA will build the expense into its budget to protect home values.

Jim proposes that operating and reserve income be allocated to separated general ledgers and create a funding goal for reserve fund accumulation until development is complete and a reserve study is obtained. A prudent reserve suggestion of \$60k is recommended for operating reserve, which represents 20% of the 2020 Budget. A capital reserve fund should be established with regular deposits for major repairs and replacements that will come due as the community ages.

The townhome 2020 budget is expected to remain relatively unchanged with no change in assessment.

A motion was made and passed to approve the 2020 Main Budget with a \$10/mo increase in assessment and the 2020 Townhome Budget with no change in assessment.

Reserve Account Investment

CD rates were solicited from three credit unions and presented for the Board's consideration. Best rates will be selected for a deposit and a resolution will be drafted for Board signatory. Jim and Terry Moore will be signers on the account. A resolution will be drafted shortly.

Upcoming Events

Jim proposed holiday light installation throughout the HOA similar to what's done in the BOA. The Board is open to this idea provided there's access to power.

The Annual Meeting will be held at 6pm on March 12 provided an appropriate location is secured.

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

Respectfully submitted,
Melissa Owens, Association Admin
Rockwood Property Management