

# 2021 Annual Meeting Minutes

May 11<sup>th</sup> 2021 at 6:00pm via [zoom.us/j/97043346442](https://zoom.us/j/97043346442)



Attending: Jim Frank, Board Member  
Joe Frank, Board Member  
Scott McArthur, Board Member  
Gil Pierce, Association Manager, Rockwood Property Management  
Dori Ramsey, Minute Taker/HOA Inspector, Rockwood Property Management

69 Homes represented by written ballot (received prior to the start of the meeting)  
22 People via Zoom (at the start of the meeting)

The 2021 Annual Meeting was called to order at 6:07 PM. Introductions were made for Rockwood Property Management and meeting format.

## **ELECTION OF DIRECTORS**

A final call for candidates from the floor was announced and after a brief pause no additional candidates were identified and thus nominations were closed. The four candidates that appeared on the ballot were given an opportunity to speak so members may make any final voting decisions before the polls close at 7pm tonight.

*The votes were tallied to yield the following results:*

Of 75 total ballots received, Heidi Bollum received 51 votes, Ron Schurra received 30 votes, Scott McArthur received 61 votes and Yvonne Theodor received 47 votes. We're pleased to welcome Heidi, Scott and Yvonne to the Board of Directors, each to serve a two year term ending in 2023.

## **BUDGET RATIFICATION**

The 2021 Budget with 2020 actuals was reviewed with the members and is also attached to these minutes. Gil explained the budget review process that occurs ahead of each year; the cost benefit of each line item is scrutinized annually to ensure efficiency. Assessments remain unchanged since last year, townhomes pay \$200 per month while single family homes pay \$100/mo. Without a majority of members present in person or by ballot, the 2021 Budget is hereby ratified.

## **ADOPTION OF LAST ANNUAL MEETING MINUTES**

Due to restrictions imposed to limit the spread of covid-19, there was no annual meeting held in 2020. Upon a motion made by Ron Schurra and seconded by Scott McArthur, the members present voted to adopt the 2019 Annual Meeting Minutes as written.

## **IRS REVENUE RESOLUTION RULING 70-604**

With no objections, the members present adopted the attached resolution to allow any excess income to be applied to future obligations.

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## DEVELOPMENT UPDATE

- Crepe Sisters opened this past weekend on Nettleton. We're excited to welcome them into the Kendall Yards family – everyone is encouraged to try their delicious crepes.
- Redesign on The Nest to expand the stage area with a cover over that mimics Pavilion Park. We hope to begin construction later this summer.
- Two buildings going up dubbed "Jefferson Alley". One building to the east and another to the west; the east building is triangular shaped with 2 stories of residential over ground floor retail. Interesting, urban spaces with two floors of two story residential units, which makes the building appear much taller than 3 stories. West building is four stories of residential with ground floor retail, which adds about 30 parking spaces to the commercial space in the business district.

Question: What is the expected size of the residential units planned in the west Jefferson Alley 5 story building?

Answer: Comparable to units throughout the community. So far, there are no penthouse style units (in excess of 1800sf) but there could be some forthcoming, though not as part of the above discussed development.

Question: What's the timing on the underground parking south of Summit?

Answer: That is a complicated build with an underground garage from the Inlander to Monroe with several levels closer to Monroe. This space is intended to house everyone on the south side of the development. We expect upwards of 700 new parking spaces. The balance between urban walkable neighborhood and ensuring there's sufficient parking to meet basic needs without encouraging more vehicles than necessary is a delicate balance for which we've hired an outside consultant to assist. The parking structure will probably start in early 2023.

Question: What is going on with the Central Foods space?

Answer: David Blane made the decision to close the restaurant for reasons unrelated to covid so Greenstone bought him out then sold to another restaurateur, who is remodeling the space right now. Local investors and operators serving Mexican food with Asian flare. The patio space will be expanded on the west side of the building to provide greater use exterior seating. We expect the new restaurant to open in the next couple months.

Question: How will you manage parking during summer events?

Answer: Market will limit attendance and will not expand past Adams Alley. With fewer vendors and restrictions on live music, the only venue will be at the Nest. Staff will be present in lots to help direct cars to open spaces. We don't expect to see huge crowds similar to those prior to covid.

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Question: What about the area west of the 'end of' the residential - when is this going to be developed?

Answer: We're still working on the design but it's possible we could be under construction in a year or possibly two. Interruptions related to covid have slowed development.

With no other business rightfully brought before the membership, the meeting was adjourned at 7:06pm.

Respectfully submitted,  
Melissa Owens, CMCA  
Association Admin, Rockwood Property Management

# 2021 Budget

## Kendall Yards - Main Association

INCOME:		2020 Budget	2020 Actuals	2021 Budget
5010	Dues: Master HOA	\$ 301,200.00	\$ 301,333.95	\$ 301,200.00
5011	Dues: Elm Apartments	\$ 4,320.00	\$ 4,320.00	\$ 4,320.00
5011	Dues: Highline West Apartments	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00
5011	Dues: Nettleton Apartments	\$ 1,080.00	\$ 540.00	\$ 2,070.00
5005	Developer Contribution	\$ -	\$ -	\$ -
<b>Total Homeowner Assessment:</b>		<b>\$ 315,600.00</b>	<b>\$ 315,193.95</b>	<b>\$ 316,590.00</b>
5014	Transfer Fee	\$ -	\$ -	\$ -
5020	Late Charges	\$ -	\$ 125.00	\$ -
5021	Late Interest	\$ -	\$ 10.22	\$ -
5025	NFS Income	\$ -		\$ -
5032	Lien Income	\$ -	\$ -	\$ -
5045	Initiation Fee		\$ (100.00)	
5100	Misc. Income	\$ 250.00	\$ 1,190.00	\$ 1,440.00
<b>Total Income:</b>		<b>\$ 315,850.00</b>	<b>\$ 316,419.17</b>	<b>\$ 318,030.00</b>
EXPENSES:		2020 Budget	2020 Actuals	2021 Budget
<b>Snow Removal Expenses</b>				
6615	Alleys, Sidewalks, & Centennial Trail	\$ 13,000.00	\$ 10,630.30	\$ 13,000.00
<b>Snow Removal Total</b>		<b>\$ 13,000.00</b>	<b>\$ 10,630.30</b>	<b>\$ 13,000.00</b>
<b>Landscaping Expenses</b>				
6810	Mowing - Commons/Homes	\$ 65,250.00	\$ 63,201.74	\$ 71,235.00
6820	Fertilize - Commons/Homes	\$ 11,340.00	\$ 10,490.36	\$ 11,016.00
6830	Turf Spray - Commons/Homes	\$ 9,340.00	\$ 10,559.36	\$ 11,276.00
6843	Master Tree Program	\$ 11,000.00	\$ 8,175.13	\$ 8,227.00
6850	Flowers (Planting/Maintenance)	\$ 2,400.00	\$ 1,835.79	\$ 2,400.00
6860	Sprinkler Turn On & Blow Out	\$ 2,520.00	\$ 1,513.36	\$ 1,666.00
6880	Landscape Labor	\$ 6,300.00	\$ 4,662.05	\$ 5,300.00
6890	Misc. Landscape (Bed Weeding)	\$ 30,200.00	\$ 31,837.82	\$ 34,075.00
<b>Landscaping Total</b>		<b>\$ 138,350.00</b>	<b>\$ 132,275.61</b>	<b>\$ 145,195.00</b>
<b>Community Center Event Expenses</b>				
6120	Community Events	\$ 10,700.00	\$ 1,143.94	\$ 10,700.00
6320	Staffing (Guest Services/Lodge Monitor)	\$ 5,484.36	\$ 2,338.74	\$ 4,401.96
6325	Community Center Utilities/Operations	\$ 4,140.00	\$ 2,654.25	\$ 4,140.00
6345	Community Center Occupancy	\$ 9,165.00	\$ 9,163.11	\$ 9,346.96

<b>EXPENSES:</b>		<b>2020 Budget</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>
6335	Fitness Center Lease	\$ 25,560.00	\$ 24,203.14	\$ 15,066.00
6336	Fitness Center Operational Costs	\$ -	\$ -	\$ 11,207.00
<b>Community Center Event Total</b>		<b>\$ 55,049.36</b>	<b>\$ 39,503.18</b>	<b>\$ 54,861.92</b>
<b>Common Area Utilities</b>				
6415	Irrigation Timers/Street Lights	\$ 2,240.00	\$ 1,814.24	\$ 2,160.00
6420	Water	\$ 15,800.00	\$ 16,156.07	\$ 17,150.00
<b>Common Area Utilities Total</b>		<b>\$ 18,040.00</b>	<b>\$ 17,970.31</b>	<b>\$ 19,310.00</b>
<b>Common Area Repair &amp; Maintenance</b>				
6440	Alleys	\$ 600.00	\$ -	\$ 600.00
6630	Site Amenities & Graffiti	\$ 1,000.00	\$ 1,169.41	\$ 1,000.00
6630	Dog Station Supplies	\$ 2,160.00	\$ 1,414.96	\$ 1,800.00
6630	Staffing	\$ 21,636.00	\$ 21,962.28	\$ 15,784.08
6632	Dog Repairs	\$ 700.00	\$ 287.14	\$ 700.00
<b>Common Area Repair &amp; Maintenance Total</b>		<b>\$ 26,096.00</b>	<b>\$ 24,833.79</b>	<b>\$ 19,884.08</b>
<b>Administrative Expenses</b>				
6135	Board & Annual Meetings	\$ 285.00	\$ 160.83	\$ 285.00
6305	Accounting	\$ 170.00	\$ 170.00	\$ 170.00
6306	Legal	\$ 250.00	\$ -	\$ 250.00
6310	Insurance Expense	\$ 4,000.00	\$ 3,380.00	\$ 3,700.00
6330	Bank Charges	\$ 240.00	\$ 417.85	\$ 420.00
6620	Reserve Account Fund	\$ 18,060.00	\$ 18,060.00	\$ 18,060.00
6625	Supplies	\$ 50.00	\$ -	\$ 50.00
6626	Postage	\$ 2,170.00	\$ 1,620.89	\$ 2,170.00
6635	Centennial Trail Sponsorship/Maintenance	\$ 5,000.00	\$ 4,258.19	\$ 5,000.00
6900	Web Fees/ Maintenance	\$ 67.00	\$ 197.63	\$ 198.00
7505	Management Fee	\$ 30,240.00	\$ 30,150.00	\$ 30,480.00
7508	Property Taxes	\$ 100.00	\$ 106.04	\$ 110.00
<b>Administrative Total</b>		<b>\$ 60,632.00</b>	<b>\$ 58,521.43</b>	<b>\$ 60,893.00</b>
<b>Total Expenses:</b>		<b>\$ 311,167.36</b>	<b>\$ 283,734.62</b>	<b>\$ 313,144.00</b>
<b>NET CASH FLOW:</b>		<b>\$ 4,682.64</b>	<b>\$ 32,684.55</b>	<b>\$ 4,886.00</b>

## 2021 Budget Kendall Yards - Townhomes

<b>INCOME:</b>		<b>2020 Budget</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>
5010	Dues: Utility Assessment	\$ 261,600.00	\$ 264,008.37	\$ 261,600.00
<b>Total Homeowner Assessments:</b>		<b>\$ 261,600.00</b>	<b>\$ 264,008.37</b>	<b>\$ 261,600.00</b>

<b>EXPENSES:</b>		<b>2020 Budget</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>
<b>Landscaping Expenses</b>				
6860	Sprinkler Turn On & Blow Out	\$ 1,680.00	\$ 1,571.24	\$ 1,680.00
6880	Landscape Labor	\$ 5,350.00	\$ 4,646.12	\$ 5,350.00
<b>Landscaping Total:</b>		<b>\$ 7,030.00</b>	<b>\$ 6,217.36</b>	<b>\$ 7,030.00</b>
<b>Utility Expenses</b>				
6410	Refuse Removal	\$ 47,376.00	\$ 47,435.92	\$ 48,912.00
6415	Electricity	\$ 1,320.00	\$ 1,344.54	\$ 1,380.00
6420	Water	\$ 44,000.00	\$ 46,124.81	\$ 46,500.00
6425	Sewer	\$ 155,400.00	\$ 157,305.70	\$ 162,074.76
6435	Storm Water	\$ 8,820.00	\$ 8,932.39	\$ 9,203.40
<b>Utility Total:</b>		<b>\$ 256,916.00</b>	<b>\$ 261,143.36</b>	<b>\$ 268,070.16</b>
<b>Total Expenses</b>		<b>\$ 263,946.00</b>	<b>\$ 267,360.72</b>	<b>\$ 275,100.16</b>

**Net Cash Flow \$ (2,346.00) \$ (3,352.35) \$ (13,500.16)**

Kendall Yards Main Association

**2021 Capital Expense Budget**

<b>INCOME:</b>		<b>2020 Budget</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>
	Operating-Building Replacement Res.	\$ 18,060.00	\$ 18,060.00	\$ 18,060.00
5045	Initiation Fees	\$ -	\$ 300.00	\$ -
5050	Interest	\$ 1,700.00	\$ 400.54	\$ 850.00
<b>Total Income:</b>		<b>\$ 19,760.00</b>	<b>\$ 18,760.54</b>	<b>\$ 18,910.00</b>

		<b>2020 Budget</b>	<b>2020 Actuals</b>	<b>2021 Budget</b>
<b>Capital Expenses:</b>				
6621-900	Fitness Center			
6621-900	Park			
6621-900		\$ -	\$ -	\$ -
6621-900		\$ -	\$ -	\$ -
6621-900		\$ -	\$ -	\$ -
6621-900		\$ -	\$ -	\$ -
<b>Total Expenses:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Kendall Yards 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 Kendall Yards 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 Kendall Yards Homeowners Association:

RESOLVED, that any excess of membership income over membership expenses for the year ending 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 11, 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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\_\_\_\_\_  
Joe Frank, Director

5/12/2021  
\_\_\_\_\_  
Date