

## **Kingsgate 5 Homeowners Association**

**January 28<sup>th</sup>, 2019**

### **Annual Meeting Minutes**

The meeting convened at 7:00 pm. A quorum was achieved with 84 of 342 homes in the association represented either in person or by official proxy.

Homeowner Association President Royal Hanson opened the meeting by having the board members and homeowners present introduce themselves and state how long they have lived in Kingsgate 5 (K5). The range was from 2 months to 47 years.

Susan Schilling read aloud the minutes from the January 22<sup>nd</sup>, 2018 annual meeting. A correction was noted at the 8<sup>th</sup> bullet point under Treasurer' Report. The word "spent" should have been "budgeted".

**A motion made by Howard Heflin to approve the January 22<sup>nd</sup>, 2018 meeting minutes, as amended, was seconded and approved.**

**President's Report:** Royal Hanson gave an overview of the past year which included the following:

- Both the BBQ and Easter Egg hunts were very well attended.
- Hiring a Facilities Manager has made a big difference in getting projects completed for the neighborhood.
- Pool manager Cindy Klein will be leaving after 18 years of service. The search for a replacement yielded 1 applicant.
- Tracie Joshi has been heading up a committee to improve the playground/park area.
- The board is researching the possibility of a loan to complete the playground/park renovation.
- Signs have been placed in the park indicating the area as private and Royal is continuing to contact the police department for better police patrolling as proper signage was a stipulation for improved enforcement.
- The tennis and basketball courts are completed.
- Locks will be placed on the gates to the courts to help try to limit usage to homeowners only.
- The Gators swim team won their level of the championship.
- Homeowner participation on swim team has grown to nearly 30%.
- Homeowner, Jonathan McPherson has been managing the K5 website and Royal encouraged everyone to look at the updated site. There will also be a new "community page".
- He spoke to compliance complaints and explained that the board is limited in what it can do. He

- The board has continued to meet with the attorney to update the CC&R's and By-laws as some areas may be obsolete. He explained that 256 homeowners are needed to attend a vote on updating the CC&Rs and Bylaws.

**Attorney Report:** Attorney Brad Carnine, who has been working to update K5 HOA CC&Rs and Bylaws, gave a report which included the following:

- K5 HOA CC&Rs and Bylaws are quite dated as they were originally published in 1968.
- He encouraged all homeowners to read and become familiar with the documents.
- All 21 sections of Chapter 64.38 RCW have been revised since K5 HOA's documents were created and he has had to review every section for applicability and enforceability in relations to the K5 documents.
- Proposed additions being explored are:
  - The ability to hire a property management company to help with compliance issues.
  - Updating fine tables to a modern rate of similar HOAs in the area.
- Additions to the CC&R and Bylaws must be approved by 75% of the homeowners.
- Changes will be noted by redline or summary.
- The board will review and approve changes before they are presented to the homeowners.
- CC&Rs and Bylaw changes will be voted on separately.
- Copies of the proposed changes will be mailed or given to all homeowners.
- A proposed copy will not put on the website.

**Treasurer's Report:** Ashley Gillen distributed copies of the 2017 tax return, income and expense report, balance sheet, and the proposed 2019 budget. She also reported the following:

- There were no additional taxes owed for 2017.
- The year-end balance was \$136,533.33.
- Income was less, and expenses were more than budgeted for 2018 due in part to completion of large projects including the tennis/basketball courts, electrical panel update, pool filter and, 50% deposit on the replacement "Kingsgate" sign.
- There is a \$1,000 deductible for insurance claims such as the sign replacement.
- 12 homes sold in 2018.
- Ashley explained line 6050 of the Treasurer's report – "Admin Payroll" – is any payroll that is not for the pool.

**A motion made by Liz Johanson to approve the Treasurer's Report, was seconded and approved.**

- 65 pool passes will be sold with an increased cost of \$25 over last year. Increases will be reviewed every 2 years.
- Guest fees for the 2019/2020 swim seasons will be raised to from \$2.00 to \$3.00.
- She explained that the HOA operates on a cash basis and the cost of each project is examined and compared to how much money is available to spend.
- She explained that under “Dues”, she will budget what is required by all homeowners paying dues owed, as opposed to estimating the number of homeowners who will not pay.
- The suggested reserve balance is \$118,000 and K5 is well ahead of that amount.
- Alan Nelson compared past year’s balances to current balances and stated that we are well positioned financially.

**A motion made by Tom Nesko to approve the 2019 proposed budget was seconded and approved.**

**Pool Report:** Cindy Klein reported the following:

- This will be her last pool report as she is stepping down after 18 years.
- Her replacement will be Lauren Johnson.
- She thanked her husband for all his help and support.
- Most pool staff are returning but Erin Keith will be leaving.
- Filters were replaced and upgraded and are more efficient.
- There was a major electrical upgrade in the pool and pool house to better support the pool’s electrical needs.
- Both leaks have been corrected.
- 65 pool passes were sold, and they always sell out.
- The Gators swim team and K5 are now one. Not separate entities.
- Registration begins in February with a goal of never turning away a homeowner who wishes to join the team.
- The head coach will be returning.
- One accident occurred which was of a swim team member who has since recovered.
- Check the website for swim team information.
- The HOA again hosted swim lessons for 3<sup>rd</sup> graders from John Muir Elementary.
- Communication via the website has helped to get the word out on pool closures.
- She has always worked to keep the pool updated.
- Renovations are planned to include new floors in the bathrooms and pool house.
- The pool deck was repainted.
- She encouraged homeowners to alert the pool manager or board members when they see

rest of the summer. Swimmers who have passed the test have their names entered in a log that is kept in the office.

**Park Report:** Bill Keating reported the following:

- The tennis/basketball courts have been completed.
- He is working on coded locks for the courts to help keep trespassers out.
- The landscaper is to be cleaning the grass and weeds from the sidewalks.

**Gators Swim Team:** James Weinrod reported the following:

- 2018 was a good season for the team and they won the division championship.
- The coach is very well liked and will be returning.
- He outlined the order of precedence for joining swim team – 1<sup>st</sup>, homeowners – 2<sup>nd</sup>, pool pass purchasers – 3<sup>rd</sup>, past pool pass purchasers – 4<sup>th</sup>, open registration.
- He explained how the work on balancing the team can be a challenge if there are too many swimmers in one age category.
- Swim team registration begins on February 18<sup>th</sup>.

**Recreation Report:** Kelly McPherson reported the following:

- When she began as the recreation chair, 400 eggs were used for the hunt, and in 2018 800 eggs were used.
- The Easter Egg hunt is considered as a welcome back event.
- The BBQ was well attended.
- After trying several attempts to rouse interest, the holiday light contest has been suspended.
- One of Kelly's jobs has been the newsletter. She will be stepping down from this position and made a plea for a communications chair.

**Compliance Report:** Alan Nelson reported the following:

- He has been wrestling with how to deal with compliance issues. If homeowners have an issue, they may email him through a link on the website.

**Old Business:** Royal Hanson explained the following regarding elections:

- No one has stepped forward for a nominating committee.
- As there was no nominating committee, Ashley Gillen and Bill Keating agreed to stand for re-election.
- The floor was opened for nominations and Tracie Joshi self-nominated.

- Lauren Johnson reminded those in attendance who want neighborhood information to look to the newsletter, Kingsgate 5 Homeowners Association Facebook page, and the website.
- By a show of hands, it appears that most homeowners are happy with the level of communication from the board.

**New Business:** Ashley Gillen reported the following about a possible loan to upgrade the playground/park:

- Ashley has contacted 19 banks for a possible loan agreement and received replies from 6.
- Requirements are very different from each bank.
- Mutual of Omaha required a delinquency rate no greater than 8%. K5 has an average delinquency rate of 18%.
- While most loans are for 10 years, the board believes it could be paid off sooner.
- Interest rates range from 4.8% to 8%.
- There was discussion of the pros and cons of this plan including what would happen if there was a catastrophe. Alan Nelson explained that the collateral would be future dues, not homes or common area property.
- Sarah Curde explained how costs for equipment and labor rise each year and the longer we wait to begin the project, the higher the cost. Saving money for the project would never catch up to the rising costs.
- Some concerns voiced were as follows:
  - Discussion of whether homeowners want a replacement playground.
  - Swings are important in a possible new design.
  - One homeowner expressed his preference of having the board get the homeowner's approval before a loan is secured.
  - Types of upgrades for the park area.
  - Discussion of acting now or waiting and the cost increase.
  - Discussion of a special assessment vs. a loan.
- Tom Nesko encouraged the board to investigate further for a loan to complete the playground/park.
- A show of hands showed overwhelming support to:
  - Renovate the playground.
  - Pursue research of a loan.

**A move by Royal Hanson to adjourn the meeting at 8:58 pm was seconded and approved.**

The board agreed to remain in the library to further discuss topics with homeowners.