

Kingsgate 5 Homeowners Association

January 25th, 2021

Annual Meeting Minutes

The meeting convened at 7:00 pm. A quorum was achieved with 65 of 342 homes in the association represented either in person or by official proxy.

Due to the COVID 19 virus outbreak and a state mandated "Healthy Washington" order, which prohibits and/or limits certain gatherings, the annual meeting was held online via the Zoom application. Notice and how to request an invitation to the meeting was placed on the website.

Homeowner Association President Royal Hanson opened the meeting and introduced each of the board members.

Susan Schilling read aloud the minutes from the January 27th, 2020 annual meeting and **a motion made by Tom Nesko to approve the minutes as presented was seconded and approved.**

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

- After looking forward to the annual Easter Egg hunt and Barbeque, they were both cancelled due to COVID restrictions.
- He thanked pool manager Sarah Starr for following COVID protocols therefore allowing the pool to open.
- While the playground was closed at certain times due to COVID restrictions, it was able to be open at other times.
- The website is more important than ever to share information about K5 and he thanked Jonathon McPherson for keeping our website up to date and functioning well.
- The previous attorney that had been helping to revise the CC&Rs and Bylaws stopped responding to our inquiries. The new attorney helping guide us through the possible use of foreclosures will be able to step in for the CC&R's/Bylaw revisions.
- The HOA is in good financial position and there are no expected big-ticket items to pay for in the near future.

Gator Report: Gators Board President, Sarah Wujick reported:

- She is replacing Pam Zackula who had been with the Gators for 5 years.
- There was no swim team in 2020 due to COVID restrictions.
- There are no current updates on what to expect for the swim team in 2021. She is waiting to hear from Midlakes league but hopes to have some type of team for the upcoming season.
- She is looking at expanded tooling and supports.
- She commended Sarah Starr for her support of the Gators.

Treasurer's Report: Ashley Gillen presented the income and expense report for 2020 which included the following:

- More than what was budgeted was collected in dues due to 7 large past due accounts paying this year.
- Expenses were lower because of fewer activities due to COVID.
- The pool was under budget for expenses.
- New lounge chairs were purchased.
- A new pool cover was purchased and a grant from PSE will reimburse 75% of the cost.
- Overall, it was a good year financially.
- Line item 6371, the line item for gas was higher than budgeted due to corrections made by PSE. It appears the HOA had been underpaying for years and board has budgeted appropriately for 2021.
- She presented the balance for the playground loan and explained that an extra payment of \$5,000 was made toward the principal, agreed to by the board.
- There was a question of refinancing the loan and she explained that of the institutions she contacted only one, 1st Financial NW Bank was willing to work with hour HOA.
- Interest income was significantly higher as reserve funds are kept with 1st Financial NW Bank.
- She explained that the HOA is not allowed to invest reserve funds.
- The financial year for the HOA runs from July 1st to June 30th.
- There are no income taxes owed for 2020.
- 15 homes in the HOA sold in 2020.
- A collection of \$10,000 was received from one of the top 3 past due accounts.

After general discussion and explanation of the Treasurer's Report, **a motion made by Tom Furin to approve the Treasurer's Report as presented was seconded and approved.**

2021 Proposed Budget: Ashley Gillen presented the 2021 Proposed Budget and explained the following:

- Dues will be raised \$12 to \$468.
- She thanked all homeowners who paid in full so early in the year.
- She is hoping the pool will open as usual, but if that is not able to happen due to COVID, expenses will be adjusted accordingly.
- Depending on cash flow, the board will decide near the end of the year if an extra payment will be made on the playground loan.
- Phone and internet service are now seasonal which will lower costs.
- Pool passes will cost \$625, swim lessons will cost \$100, and pool parties will cost \$100 for the first hour and \$125 for each hour after.
- She explained the monthly payment for the playground loan is \$2,100 with \$1,600 paying the principal and \$500 paid toward interest.

After general discussion and explanation of the budget **a motion made by Tom Furin to approve the 2021 Proposed Budget was seconded and approved.**

Ashley also presented the Budget vs. Actual overview document and explained that looking at historical data helps with budgeting for the future. She explained the reserve account requirements and showed that K5 is ideally situated at \$145,000. The board plans to be financially conservative with the unknowns of COVID and 2021.

Due to a question of dues, Ashley explained that CCR's allow annual raising of the dues by the Consumer Price Index or \$12 without a vote and Alan Nelson identified the relevant passage – Article 6, Section 3.

Pool Report: Pool Manager, Sarah Starr reported the following:

- She was incredibly pleased with the way the pool season progressed even with COVID restrictions.
- She was in frequent contact with the Department of Health for Washington State to be able to safely open the pool.
- The pool opened 1 month later than usual due to COVID and closed 2 days early due to wildfire smoke.
- 11 guards were trained in CPR, AED, and COVID protocols.
- 3,200 Clorox wipes and 100 ounces of hand sanitizer were used at the pool.
- The online reservation system worked well, and she thanked Jonathon McPherson for his efforts with this.
- Pool patrons were allowed to swim due to dividing the pool into quadrants for social distancing requirements.
- 60% of reservation slots were filled.
- All swim lesson sessions had wait lists.
- The lap swim was extremely popular, and she would like to continue this next season.
- 65 pool passes were purchased, and 160 families used the pool.
- She explained the state mandated rule allowing one family who all live in the same house to be able to use the pool during COVID.
- She is excited for the upcoming season and hopes to open closer to the normal schedule.

Park Report: Bill Keating and Dan Lund reported:

- There was some minor vandalism on the lower field.
- Combination locks were reset.
- Cul-de-sac curbs were painted and if homeowners in cul-de-sacs want curbs painted, please contact the City of Kirkland.
- The playground was temporarily closed due to COVID restrictions.
- Dan asked homeowners to please re-lock the court gates when they are finished playing.
- There was discussion of honey buckets for use near the courts, but this may be an attractive nuisance. The board will discuss at an upcoming meeting.

Recreation Report: Sarah Curde reported there were no activities due to COVID restrictions. She is working on ideas for virtual activities if COVID restrictions continue.

Compliance Report: Alan Nelson reported the following:

- The foreclosure process was halted due to state mandated restrictions put in place because of COVID. He is still in contact with the attorney and building a relationship and hoping to move forward post COVID.
- There are several homes with large past due balances.
- He spoke to the fact that homes in K5 are single family dwellings and he has and will send letters to homes that rent rooms to multiple people.
- Homeowners are responsible for upkeep on homes and he has had success getting homes cleaned up by notifying the City of Kirkland.
- The King County ordinance allowing adult and group homes, limits the board's ability to restrict these.
- There have been complaints of homes being used as Air B&Bs.
- He explained that HOA fines are so low that they are not a deterrent – homeowners pay the fines and continue the activities.
- In response to a question, he stated the board will not print in the newsletter, names of homeowners who have violations.
- He explained that liens are filed on homeowners who are 1 year or more past due on dues payments. There are currently 10 liens on K5 properties.

Old Business:

- There was another discussion of dues and Ashley Gillen reiterated that it is proper to raise dues by either \$12 or the Consumer Price Index.
- There was also discussion of group homes, halfway houses, and boarding houses in the HOA. Alan will reach out to owners of these homes for clarification.

Nomination for Board of Trustees: Royal Nelson explained the terms for board members are 3 years and 3 positions are up for voting. Royal explained that there was no Nominating Committee and that James Weinrod, Sarah Curde, Sarah Starr, and Carissa Haws all self-nominated.

A motion made by Sandy Laurence to approve the slate of nominees of James Weinrod, Sarah Curde, Sarah Starr, and Carissa Haws to the Board of Trustees was seconded and approved.

New Business: Various members:

- It was suggested to the board to purchase a tennis court cover. The board will revisit the suggestion at an upcoming meeting.
- There was discussion of a possible Woodinville site for a new transfer station for garbage. A link to a survey for the transfer station was put in the chat.

- Royal explained that the board was approached by a private school enquiring about the possibility of using the lower park for students. The board continues to discuss this issue but has not made a final decision.

A motion made by Ovid Bailey to adjourn at 9:07 pm was seconded and approved.

Approved: 01/24/2022