

Kingsgate 5 Homeowners Association
Board Meeting Minutes
October 13, 2025

Board members present	Visitors
Luke Ritting	J & Howard Heflin
Ashley Gillen	
Shelby Dickinson	
Sarah Starr	
Sarah Curde	
Dave Williams	
Essex Speckhals	
Royal Hanson	
Kelly Stowe	

Meeting started at 6:37

Meeting Minutes approval: Discussion about meeting minutes opened meeting. **Motion was made by Essex Speckels, seconded, and voted to approve September minutes.**

Treasurer’s Report: Ashley Gillen reported:

- On track with budget and expenses
- She is working with CPA on quarterly activities.
- She will be contacting John Muir elementary to arrange access to library for annual meeting.
- Dave asked question regarding budget balances remaining this year. Ashley explained.
- Kelly asked if expenses for 2025 recreation activities have been submitted yet. Sarah C. advised she is in process of doing that.
- Ashley advised that we need to manage next year’s income sources to make sure we do not exceed income percentages received beyond annual dues. Violating could cause loss of HOA and /or not for profit status. Following are the guidelines:
- To qualify as a homeowner’s association, the following must apply.
 - At least 60% of the association's gross income for the tax year must consist of exempt function income (defined later). Exempt function income consists of membership dues, fees, or assessments from (a) owners of condominium housing units; (b) owners of real property in the case of a residential real estate management association; or (c) owners of timeshare rights to use, or timeshare ownership interests in, real property in the case of a timeshare association. This income must come from the members as owners, not as customers, of the association's services.

Assessments or fees for a common activity qualify but charges for providing services don’t qualify.

In general, exempt function income includes assessments made to:

1. Pay principal, interest, and real estate taxes on association property;
2. Maintain association property; and

3. Clear snow from public areas and remove trash.

Income that is not exempt function income includes:

1. Amounts that are not includible in the organization's gross income other than under section 528 (for example, tax-exempt interest).
 2. Payments from non-members.
 3. Payments from members for special use of the organization's facilities, apart from the use generally available to all members.
 4. Interest on amounts in a sinking fund.
 5. Payments for work done on non-association property; and
 6. Members' payments for transportation.
- **At least 90% of the association's expenses for the tax year must consist of expenses to acquire, build, manage, maintain, and care for its property,** and, in the case of a timeshare association, for activities provided to, or on behalf of, members of the timeshare association. **This criterion is most important for your HOA.** There is a correlation for having non-exempt income and non-exempt expenses. The more non-exempt income you have, the more non-exempt expenses associated with that income you will incur. If you break 90% expense/expenditure rule, you break the HOA exemption.
 - No private shareholder or individual can profit from the association's net earnings except by acquiring, building, managing, maintaining, or caring for association property or by a rebate of excess membership dues, fees, or assessments.
- **Motion made by Kelly Stowe, seconded and voted to approve treasure's report.**

Pool report: Sarah Starr reported:

- Has received 3 different bids to redo plaster. Waiting for a 4th bid.
- Dave found pool noodles and toys left in parking lot as donations.
- Sarah and Rob watching levels at pool Royal asked if a leak is suspected. Sarah advised not at this time.

Gator board report:

- none

Park report: Dave Williams reported:

- Dan H helped him get the signs fixed at 142nd and 124th.
- Shield prototype is in progress.
- Working on mounting.
- Working on areas not being done by landscaper – lots of vegetation to north and south of field.
- Working on holes in asphalt.
- Researching liability awareness signs.

- Dave has not had opportunity to search for new landscaping firm. Kelly offered to make calls seeking bids. Dave will get him info.
- He has bids from arborist report. There are 6 trees that need work. Daves has 3 bids from Davey tree, Bartlett, and Eastside Trees. Will not require a fee for permit and Dave has gotten permit. Dave recommended Eastside. They had the low bid, are local, and remove the maple by the fence working from our side of fence. Royal recommended making a motion to go forward now. **Motion made by Kelly Stowe, seconded and approved to authorize Dave to contact Eastside Trees to do the work.**

Recreation report: Sarah Curde reported:

- Nothing to report currently.

Compliance: Shelby Dickinson reported:

- 2 homeowners contacted her about working with arborists and having trees trimmed.
- 2 new homeowners reached out to her with questions
- Has received anonymous emails about compliance issues.
- Carry over discussion about home sale with ADU.
- Tow truck contacted about vehicles out of compliance.

Old business:

- Luke advised no report on dues question.
- Luke reported survey is still in progress. Hopes to have it out in the next week.

Homeowner petitions:

- J had questions about trial newsletter question. What do we want to do about this. Minutes said it was felt by board her trial was “too friendly” and not professional. She feels we are a family.
- Led to discussion about having a regular newsletter again. Ashley said we tried sending group emails, including newsletters, in past. Issues with Mail Chimp. Kelly offered to investigate sending more regular newsletters that are more comprehensive. More discussion at next meeting.

New business:

- None

Moved to adjourn meeting by Royal Hanson, seconded and approved.

Meeting adjourned at 7:21 pm.