

# The Villages of Garrison Creek

## Master Property Management Association

Wednesday 27 March 2019 [2:00 pm] @ SonBridge

**MPMA Directors** .. Dick Cook, John Cress, Marie Evans, Jim Murphy/ARC  
Morris Kivett, Marilyn Vogel, Henning Guldhammer

## BOARD MINUTES

**1 .. Quorum Call + Sign-In Roster** – Present: Dick Cook, Marie Evans, Marilyn Vogel, Jim Murphy (by phone) Absent: John Cress, Morris Kivett, Henning Guldhammer  
Guests include Ray Goff, Common Areas, Kurt Carlson, Strategic Planning, Daryl Schreiner, Robert & Lynn Britton Phase VI.

**2 .. Member Comments-** None at this time.

**3 .. Minutes** [02.27.2019] Moved by Dick, seconded by Marie to accept the minutes as presented. Motion passed unanimously.

### **4\* .. Financial**

Orientation of Operating Budget – Jim Hall presented a tutorial on how the Operating Budget is laid out, how it should be read, and how to better understand the contents. Board Members and guests had several questions as we went along. All felt that we had learned more about our Association's money and how it's spent.

Marie Evans will get together with Jim Hall to explore options on how to get a better return on our investments without tying our money up so that it can't be used quickly for emergencies.

It was moved by Dick, seconded by Marie to accept the Financial Report for February 2019. Motion passed unanimously.

### **5 .. Pending [Old] Business and Committee Reports**

○ **VGC Leaders Contact List Update** – Marie Evans has updated the list that was drafted last month. Copies were sent by email to all who are on the list. We hope to keep the list current and to begin work on an all-member contact list sometime this year.

○ **Strategic Planning Committee** – Kurt Carlson reported that the committee had representation from several phases at their focus meetings thus far. Two more meetings are scheduled, and any member is welcome to attend. Meanwhile, Kurt is working on researching the current documents and ways to improve them. There is interest in adapting to the Washington State Law 64.90 which went into effect July 2018. We are looking for templates for rewriting documents to conform to that law. Marie will assist Kurt in contacting our attorney for assistance.

○ **Common Area** – Ray Goff reported on the maintenance contracts for the common areas within phases. The process of having individual phases contract for these services is not working well. We will explore other methods after this year.

Road maintenance has been scheduled for this summer to crack seal and seal coat certain roads. Ray will review what has been done and what needs to be done on Quail Ridge Road since it appears they may have been skipped last year. Major maintenance will need to be done in Phase I. Due to sub-standard workmanship in laying the original asphalt, the road will need a total replacement. We will plan to have that work done in 2020.

Ray reported on the accident that happened on Garrison Village Way on March 18. No people were injured but the landscaping suffered damages. We will not know the extent, if any, of the damages to the sprinkler system until Ike can turn it on. We will wait to see how permanent the damage is to the trees and shrubs

involved. Marie reported that she called the driver's insurance company and that they indicated they would cover the damages to our property. The adjuster will be getting back to us.

Two street lights were replaced in Phase I and more will be replaced by the electric company in the other phases. The lights and their poles in Phases I and II are the property of the MPMA and the others belong to the electric company. As the lights burn out, we are replacing them with LED fixtures so that we will have better light at a lower cost to operate.

- **ARC** – Jim Murphy reported that he is working with the Strategic Planning Committee regarding the rewrite of the ARC portion of the CC&R's. Jim says that ARC will need guidance from the focus groups regarding the Land Use Standards. A special concern for the near future is the parking issue. Since we do not own the overflow parking lot, we may need to find an alternative for the extra vehicles. Jim will be returning to Washington in a couple of weeks and wants to work on the signage around the Villages, painting the speed bumps, and possibly putting up doggy bag stations near the walking paths.
- **Safety** – Michele Wollert – No report this month.
- **Phase I Government** – No report this month.
- **Phase VI** – Phase VI representatives requested an accounting of where we were with the money owed for 985 Creekside. While we are collecting some moneys from the collection agency, we cannot be certain that the payments will continue. In addition, to the payments being made, the former owner still owes more some money. After a discussion, it was determined that we would take no action at this time on the moneys still owed that were not listed in the current balance. Jim Hall presented a work page showing what moneys were owed, what was paid by the owner, the lien, and the bank. Phase VI reminded us that during the time that the owner was arrears in dues payments, they continued to pay for the MPMA dues and for the landscaping costs. The board discussed making things right with the phase if they would accept the figures that Jim Hall showed with his work page. The Phase VI representatives agreed and assured us that they had the authority of their board to negotiate an agreement. Jim Murphy moved, and Marie Evans seconded that the MPMA reimburse \$2099.20 to Phase VI for the MPMA dues paid over the past years on behalf of 985 Creekside. Motion passed unanimously. Dick announced that no one is getting all their money back, but that this is a win/win for Phase VI and the Board. It will be good to get this whole mess behind us. Daryl Schreiner said that this should not happen again since the Board now has a working policy that should prevent anyone from getting this behind again.

**6 .. New Business** - none

**7 .. Next Board Meeting .. Tentative April 24, 2019 at 2:00 p.m. at SonBridge**

**8 .. Executive Session** - Marie Evans moved, Marilyn Vogel seconded that the MPMA Board go into Executive Session for the purpose of discussing delinquent dues. Motion passed.

No actions were taken in Executive Session.

Marie Evans moved, Marilyn Vogel seconded that the MPMA come out of Executive Session. Motion Passed.

Dick Cook adjourned the meeting by unanimous consent.

### **Attached Reports**

Presentation on the Financial Report - Jim Hall

Strategic Planning - Jack Gisler

Common Areas - Ray Goff

## **FINANCIAL REPORTING OVERVIEW**

Today we are going to look at two financial statements – the Balance Sheet and the Profit and Loss statement.

But first I want to point out that there are two different accounting industry methods used to record income and expenses.

The first method is called the cash basis. Income is recorded in the month in which cash is received. And expenses are recorded in the month in which cash is paid out. The cash method does not account for unpaid dues or unpaid invoices at the end of the month.

The second method is called the accrual basis. This is the method the association uses. It gives a more accurate record of what our income expenses really are **for** a given month or year.

Using this method, income is recognized in the month for which it is billed. And expenses are recognized in the month for which the expense was incurred.

At the end of the month unpaid dues are shown as Accounts Receivable. And unpaid invoices are shown as Accounts Payable.

## **BALANCE SHEET**

You will notice that there are two major sections on this report: The first is ASSETS. The second is LIABILITIES & EQUITY.

The asset section reports on resources owned by the association that have a future economic value. For example, in our case, bank accounts and accounts receivables.

The next section has two parts – liabilities and equity. Simply stated, liabilities are amounts owed to others and equity is the difference between assets and liabilities. Equity also represents the net income of the organization since inception.

On the Balance Sheet you will see that cash for operating purposes is approximately \$25,000; cash in the reserve fund is \$204,000; accounts receivable are approximately \$1200; and a working capital loan to Phase IX is \$2500.

Liabilities include accounts payable of \$11,000, a credit card balance of \$369 and a small amount of prepaid dues from Phase X.

The net equity of the association includes \$204,000 for the reserve fund, all in cash. The remaining equity of \$17,000 is for the operating fund. Total equity is \$221,000.

It should be noted that master association dues (\$108.50) from Phase X homeowners are collected directly by the association. All other phases collect dues on behalf of the association and then remit them monthly to the association. Local phase dues are collected and retained by each phase. Each phase has its own accounting system, separate from the association accounting system.

## **PROFIT & LOSS REPORTS - STRUCTURE**

There are two profit and loss statements: one for the operating fund (2 pages), the other for the reserve fund.

The annual operating budget is shown in the center column. The first column is actual income and expense for the two months of January and February. The third column shows what percentage the actual income and expense is of the annual budget. There are seasonal variations on many of the expenses. Expenses are lower than average during the early months of the year.

The second profit and loss statement is for the reserve fund. The budget in this case is a list of predicted major maintenance costs from the reserve study prepared for 2019. The list of projects and related costs is an estimate and subject to change as authorized by the board.

The account numbers shown correspond to the projects identified and included in the 2019 reserve study for.

### **PROFIT & LOSS TRANSACTIONS**

The next three pages show the actual income and expense transactions for the current month of February for each of the two funds (operating and reserve).

### **BALANCE SHEET SCHEDULES**

The final three pages show the composition of accounts receivable (unpaid dues), accounts payable (unpaid expense invoices), and dues paid in advance.

### **PROFIT & LOSS REPORTS – HIGHLIGHTS**

Let's go back and look at the Profit & Loss statement for 2019. Budgeted income to pay for operational expenses totals \$220,320 (line 5110). The monthly master association dues rate is \$108.50. Of this amount, \$76.50 provides funding for the operation fund; the remaining \$32 provides funding for the reserve account.

There are six major groupings of expenses in the operating budget

Line 7300	Administrative expenses
Line 7400	Contingency funding
Line 7500	Irrigation system
Line 7600	Grounds maintenance – north of the creek
Line 7800	Grounds maintenance – south of the creek
Line 7900	Utilities

Total budgeted expenses are \$209,270 as shown on the second page, third line from the bottom. The budget calls for a net operating gain of \$11,050 to help rebuild our operating cash balance.

On the next page is the reserve fund budget.

The annual reserve assessment shown on line 9010 is \$92,295 (\$32 per month per homeowner).

Anticipated project costs total \$79,665. The expected net increase to the reserve fund is \$12,630.

The estimated reserve fund balance at the end of this year can be calculated as follows:

Balance 12/31/2018	\$188,685
Annual assessments	92,295
Estimated expenses	<u>-79,665</u>
Balance 12/31/2019	\$201,315

According to the reserve fund study completed for 2019, our assessments for this fund need to be increased further next year in order to provide adequate funding for projected future costs. The minimum recommended rate for this year was \$42; the current rate is \$32.

Dear Dick,

Since I am unable to attend the Wednesday, March 27, MPMA Board meeting I am providing you a brief status summary of the Strategic Planning Committee's Focus Group's progress.

The focus group was convened by the Strategic Planning Committee and has met twice, March 18 and 25 for two hours each session. Though invitations were issued to all phases the group is comprised of eight individuals from phases 2, 5, 6, 7 and 8. Participation has been active and productive.

During the first session the group reflected on VGC's vision, mission and values. The participants also deliberated about phase and MPMA governance as well as their relationships with each other.

The first hour of the second session centered on near-term issues pertaining to common areas, irrigation and reserves. Ray Goff was invited to share his knowledge and insights to prime this discussion segment and spurred high quality interaction with the group. The other hour of the session was primed by Kurt Carlson who is drafting rewrites of VGC governing documents including Articles of Incorporation, CC&Rs, and Bylaws. Kurt described his approaches to the rewrite process, what has been accomplished so far and what more needs to be done and he responded to questions.

Two more sessions are scheduled for April 8 and 15. ARC member Jim Murphy and homeowners John and Yvonne Jaso have been invited to prime the discussions for the April 8 segment. Jim has been requested to brief the group on the rewrite of the ARC section of the new CCRs. The ARC has not started work on the Land Use Standards though the group will want to share views about the LUS. John and Yvonne have been asked to furnish their opinions about near and long-term actions that can be initiated to improve VGC vegetation, landscaping and water conservation.

April 15, the last scheduled focus group session, will address VGC as a community of neighbors and neighborhoods. What kind of community is desirable, what can be done to heighten it and what can be done to sustain it in the years to come?

Focus group discussion notes will be weighed by the Strategic Planning Committee when it constructs a recommended VGC strategic plan to the MPMA Board prior to July.

Wishing you good health and peace,

Jack

VGC MPMA Board Meeting 3/27/19  
 Volunteer Common Area Committee  
 Report and Recommendations

**I. Common Area Maintenance Contracts**

	Contractor	Comments
Phase I	Smith Bros	Towsley got bid from Smith Brothers; lower cost vs last yr
Phase II	Smith Bros	“ “ “ “ “
Phase V	Diamond Cut	Towsley got bid from Bill Schwartz; same as last yr's budget
Phase VI	Ike Muro	Goff reviewed bid from Muro; same as last yr's budget
Phase VII	Ike Muro	Goff reviewed bid . Higher vs last yr due to added maint in Riparian Zone (MPMA common area not maintained by MPMA previously)
Phase VIII	Ike Muro	Gisler reviewed. Higher than last yr..."no price increase in three yrs"
Phase IX	Ike Muro	Goff Reviewed. Same as last year's budget.
Phase X	?	Assume Jim Hall received bid from someone in Ph X
Other Common Ground	Ike Muro	Jim Hall reviewed bid & negotiated lower price than submitted

## II. Road Maintenance

### A. Snow Removal

1) By February, have already exceeded \$1,500 annual budget. Anticipate addl to be billed for March. Will exceed further if we have snow removal in Dec.

2) Overall effectiveness: didn't do as well as I hoped. Developed budget anticipating normal historical snow pattern of light to moderate snows interspersed with sunny &/or warm days to accelerate melt between snows. Little or no snow until around Feb 10, then much heavier & more frequent snows thru around Mar 5. Earlier snows were driven over, compacted & frozen by cold nights. After that, snowplowing provided little relief, w/ plow blade bouncing off ice.

4) Muro & I will develop a more aggressive plan for future snow removal, i.e., based on plowing under "worst case" snowfall like we experienced this year...and adding 1016 & 1010 SE Creekside to the plan. Anticipate higher budget for 2020 & increased unfavorable variance in 2019 if we have to remove snow in the Nov/Dec timeframe this year.

### B) Asphalt Maintenance

#### 1) Crack Sealing

- In 2018, we crack-sealed asphalt in Ph VI
- In 2019 Reserve, we have \$2,000 budgeted, but Phase undefined. Towsley, Goff & consultant Jenkins will inspect all Phases' streets & determine where to allocate the \$2,000

#### 2) Sealcoating

- In 2018, we sealcoated asphalt in Phases II, VII, VIII & X.
- In 2019 Reserve, we have \$10,772 budgeted to sealcoat Phase VI.
- RECOMMENDATION TO BOARD: Sealcoat Ph VI as planned, but reduce cost to actual Klicker bid, \$7,507. Also advance Phase IX sealcoating to 2019 vs 2021 in Reserve Study at Klicker actual bid of \$7,814. Bottom line, this will cause unfavorable 2019 Reserve spending by  $(\$7,507 + \$7,814 - \$10,772) = \$4,549$ .

### **3) Asphalt Overlay or Replacement (Reserve Plan)**

- Current Reserve Plan includes \$61,462 to overlay Phase I asphalt in 2025.
- RECOMMENDATION TO BOARD: Phase 1 asphalt has deteriorated much faster than anticipated due to now bankrupt contractor using “dirty” rock in the asphalt mixture. Current recommendation by consultant Klicker & Troy Humbert is to not overlay on the existing inferior asphalt & instead rip out existing asphalt completely & replace w/ 4” new asphalt at cost of 26,055 sq ft x \$3.50 per sq ft = \$91,193

### **III. On-Site Reserve Study in 2019**

- A) P & L..2019 Budget includes \$500 for an off-site update to the Reserve Study.
- B) Joel Tax of Reserve Data Analyst, Inc. recently clarified that to remain legal under WA law, we must do an on-site update of the Reserve Study.
- C) RECOMMENDATION TO BOARD....approve \$800 unfavorable budget variance = \$1,300 total cost to do an On-Site update...anticipate scheduling this for June/July 2019.

### **IV. VGC Street Lights**

- A) A Phase I neighbor complained of street lights in Phases I & II being burned out, creating dangerous driving conditions at night.
- B) Towsley drove the area at night to confirm lights out & marked poles with yellow tape. Scott advised that VGC owns the street lights in Phases I & II, & he called Hays Electric to repair and, if necessary, upgrade the bulbs to LED vs incandescent. This will be how we need to handle street light outages in the future.
- C) Towsley also advised REA of lights out in other Phases of VGC. For future street light outages in Phases other than Ph I & II, we need to mark the light poles w/ yellow tape, note the identifying number on the light pole & report this info to REA for repairs.

### **V. 3/8/19 Automobile Accident at Gazebo Circle...attached 3/15/19 Goff Email**

Submitted by Ray Goff, Volunteer



## Ray Goff

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**From:** Ray Goff  
**Sent:** Friday, March 15, 2019 11:04 AM  
**To:** cookpines@charter.net; cressjc@icloud.com; 'Marie Evans'  
**Subject:** 3/8/19 Automobile wreck at Gazebo  
**Attachments:** VGC..Wreck at Gazebo 030819.pdf

Dick, John & Marie,

Attached are my notes from the car wreck at the Gazebo 3/8/19 at 6pm. Also attached is the "Exchange of Information" sheet given to me by College Place Police Sergeant Benfield, which he says we should give to our insurance company to get them started on the claims process. I would also suggest giving them a copy of my notes. In summary:

- 1) Driver of the vehicle was [REDACTED]. I believe that is a rental unit, i.e., Bly might be a renter of that residence. There were also four children in the vehicle at the time of the wreck.
- 2) Bly was driving west on GVW, when, according to Sgt. Benfield's investigation, [REDACTED] suffered an epileptic seizure and lost control of his vehicle. See my attached notes and sketch: the vehicle first drifted into the snow bank between GVW and the tree line on the north side of GVW near its intersection w/ SE Swainson; then drifted briefly back onto GVW, then into the snow bank on the south side of GVW across the street from 704 SE Quail Run; then continued through the snow bank to the north of 1096 GVW ([REDACTED] residence), between the trees and across the sidewalk; then in between an ash tree and the fire hydrant; then across GVW (Gazebo Circle); then through evergreen bushes in the Gazebo Circle, and; finally crashed into a pine tree east of the Gazebo.
- 3) Airbags on the car were deployed [REDACTED] had to manually extracted. The CP medics concluded that he had suffered an epileptic seizure & lost control of his car. Sgt Benfield reported that [REDACTED] did not have major injury and the four children were out of the vehicle w/ no apparent injuries when Benfield arrived at the scene.
- 4) Note that [REDACTED] insurer is American Family Insurance, also our insurance carrier.
- 5) Some potential damages won't be apparent until Ike Muro starts up our irrigation system in about a month. Potential damages VGC should make American Family aware of at this time are: a) Potential breakage of some parts of 348 ft of irrigation lines and sprinkler heads on the north side of GVW between the intersection w/ SE Swainson and the entry/exit to the overflow parking area; b) potential breakage of some parts of 87 ft of irrigation lines and sprinkler heads on the south side of GVW next to and in the front yard of 1096 GVW Gazebo Circle; c) one mature ash tree with a very large portion of peeled bark (the tree might survive, but will have weak structure at the large peeled area, allowing invasion by insects and probably causing premature breakage); d) possible damage to the light pole on the south side of the sidewalk in the front yard of 1196 GVW Gazebo Circle (damage appears minor, but we will need to confirm); e) possible breakage of some parts of irrigation lines and sprinkler heads between GVW Circle and the pine tree the vehicle crashed into; f) loss of one or more evergreen shrubs around the pine trees east of the Gazebo that the vehicle crashed into; g) possible damage to the pine tree east of the Gazebo that the vehicle crashed into (it didn't look bad, but we need to inspect when weather warms up), and; h) possible damage to the sprinkler control or electric box about 6 ft from the tree that the vehicle crashed into (it didn't look bad, but we need to inspect when weather warms up).

Ray Goff  
Volunteer, Common Area Maintenance

Committee