Indian Summer HOA Board of Directors

Board of Directors Meeting – Third Monday of Each Month, 5:30pm
President, Gerald Hamilton
Vice President, Jeanne Johnson
Treasurer, Daniel Stanford
Secretary, Bill Moseley
Member At-large, Gordon Jackson

Meeting Date: September 16th, 2024
Meeting Time: 5:30 PM
Meeting Location: Embers @ ISGCC and Zoom

Agenda

I. Call to Order – Meeting called to order at 5:30pm

II. Roll Call
   a. Board: Gerald Hamilton, Daniel Stanford, Bill Moseley, Jeanne Johnson, Gordon Jackson
   b. VIS: Anastasiya Levchuk, Nicole Eby
   c. Homeowners: Please see attached sign in sheet

III. Approval of the Agenda – **Motion 1st Jeanne, 2nd Daniel, All 5 in favor**

IV. Approval of the Minutes
   a. Board Meeting of August 19th, 2024 – **Motion 1st Daniel, 2nd Bill, All 5 in favor**

V. Treasurer's Report – Please See the attached. Board Approval of treasurer's report. **Motion 1st Gordon, 2nd Jeanne, All 5 in favor**

VI. Homeowners Comments
   a. Guy Grayson – How is the Board approaching the Tenby fence issue?
      i. This has been addressed in Executive session several times, and we can't disclose information at this time. Trying to work together with the homeowner's involved, we will discuss again in Executive session tonight.

VII. Committee Briefings
   a. Ad-Hoc CC&R Rewrite Committee – Mike ishoaCCR@gmail.com
      i. New timeline handout provided, extending into 2026 – See attached
   b. Architectural Review Board – Linda – See attached
   c. Communications – N/A – See attached
   d. Social Committee - Gordon
      i. Looking for members to volunteer
   e. Finance Committee - Daniel
      i. Budget Draft to Board by Wednesday this week.
      ii. See attached report
   f. Maintenance Committee -Jeff – See attached report.
   g. Nature Preserve - Cal
      i. Took out a dropped tree
   h. Ad-Hoc Nominating Committee – Jeanne – N/A
   i. Pet Committee - Nancy
      i. Dropped constant contact.
      ii. 100 homeowners divided into 3 email groups
      iii. Reducing budget

j. Security Committee - Gerald
   i. Continuing to look into options for cameras at the gate, costs are too high

VIII. Old Business (Action- Discussion/Information)

Discussion/Information

Action Items – N/A

IX. New Business (Action- Discussion/Information)

Discussion/Information

- **October 7th at 7:00- 8:00 pm**
  Meet the Candidate Evening ISG&CC Ballroom
- **Join Zoom Meeting**
  https://us02web.zoom.us/j/86221748195?pwd=RGEfbwWRDYXTegj6eS3smbTN4VSfYH.1

Action Items

- REQUEST #1: Given the upcoming expected period of falling interest rates, the Finance Committee requests that the Board approve a temporary increase to the longer-term investment horizon duration limit from 5 years to 10 years when investing in mutual funds or ETFs. This change will create opportunities to add mutual funds suggested by RCM. The updated Policy FIN-07 will include this provision. Background: The current Finance Policy FIN-07 includes the following: **Motion: Temporary increase to the longer-term investment horizon duration limit from 5 years to 10 years Motion 1st Bill, Motion 2nd Gordon, All 5 in favor**
  5.4.2 Investment Guidelines for Long Term Horizon. 5.4.2.3 When investing in mutual funds or ETFs, decisions regarding duration will be cautiously made after consideration of current market conditions and trends. Bond mutual funds, ETFs, and SMA's will generally be limited to bond portfolios having a modified duration of 5-years or less to reduce interest rate volatility. The 5-year limit on the modified duration may be increased by the ISHOA Board if deemed prudent to take advantage of sustained falling interest rates or if a particular investment fund presents unique opportunities.

- REQUEST #2: The Finance Committee requests a reprieve from the asset allocation requirements contained in Policy FIN-07 through December 31, 2024. Background: As shown below, recent distributions from the Cash Account for the large road repair and maintenance expenditures in 2024 has resulted in the current asset allocation to deviate from the prescribed Invest Policy Statement (IPS) / Policy FIN-07) guidelines. The Finance Committee believes that a temporary reprieve will give us time to review Policy FIN-07 and avoid selling quality investments: **Motion: A reprieve from the asset allocation requirements contained in Policy FIN-07 through 12/31/2024 Motion 1st Bill, Motion 2nd Gordon, All 5 in favor**

X. Board Final Comments – N/A

XI. Executive Session – YES **Motion 1st Jeanne, 2nd Bill, All 5 in favor**
The Board of Directors may convene in closed executive session to consider matters involving possible violations of governing documents.

XII. Adjournment – meeting adjourned at 6:50pm
   a. **Motion 1st Gerald, 2nd Daniel, All 5 in favor**

Sign In Sheet

Date 9/16/2024

Name	Address	Do you wish to speak during homeowner comments? (Each owner will be limited to 2 minutes)
Mary Weiss	4302 Prestwick Ln SE	
Lorraine Price	4318 Prestwick Ln SE	
Jeanne Wilson	4314 Prestwick LN SE	
Linda+Jeff G.	3914 Prestwick	
Nancy Watkins	6504 Troon	
Guy Grayson	6504 TROON.	
Carolyn Popp	3924 Prestwick LN	
Comment Orlando Velasquez	3643 Prestwick Ln SE	

MEMO TO: ISHOA Board of Directors

FROM: ISHOA Finance Committee

DATE: September 11, 2024

SUBJECT: Request for Temporary Reprieve from Policy FIN-07 Reserve Account Investment

A Finance Committee Task Force has been appointed to review and update Policy FIN-07, Reserve Account Investment, after the recent completion of substantial road repair and maintenance projects using $630,000 of Reserve Funds. At the suggestion of Rockefeller Capital Management (RCM), the Reserve Fund Professional Investment Advisors, the Finance Committee plans to update Policy FIN-07 with an eye to matching short, mid and long term Reserve Fund assets with short, mid and long term Reserve Fund liabilities. In addition, with a longer planning horizon until the next projected Reserve Fund expenditure over $500,000, RCM and the Finance Committee think that it is appropriate under "prudent investor guidelines" to increase the risk tolerance of the asset allocation now utilized. Completion of recent road repair and maintenance projects in 2024, earlier than scheduled in the Reserve Study, ($1.1 million expenditure was scheduled for 2027 in the 2024 Reserve Study) creates an opportunity to implement the RCM suggestions now.

REQUEST #1: Given the upcoming expected period of falling interest rates, the Finance Committee requests that the Board approve a temporary increase to the longer term investment horizon duration limit from 5 years to 10 years when investing in mutual funds or ETFs. This change will create opportunities to add mutual funds suggested by RCM. The updated Policy FIN-07 will include this provision.

Background: The current Finance Policy FIN-07 includes the following:

5.4.2 Investment Guidelines for Long Term Horizon.

> 5.4.2.3 When investing in mutual funds or ETFs, decisions regarding duration will be cautiously made after consideration of current market conditions and trends. Bond mutual funds, ETFs, and SMA's will generally be limited to bond portfolios having a modified duration of 5-years or less to reduce interest rate volatility. The 5-year limit on the modified duration may be increased by the ISHOA Board if deemed prudent to take advantage of sustained falling interest rates or if a particular investment fund presents unique opportunities.

REQUEST #2: The Finance Committee requests a reprieve from the asset allocation requirements contained in Policy FIN-07 through December 31, 2024.

Background: As shown below, recent distributions from the Cash Account for the large road repair and maintenance expenditures in 2024 has resulted in the current asset allocation to deviate from the prescribed Invest Policy Statement (IPS) / Policy FIN-07) guidelines. The Finance Committee believes that a temporary reprieve will give us time to review Policy FIN-07 and avoid selling quality investments at an inconvenient time due to market cycles and falling interest rates.

FIN-07 (IPS) vs Current Allocations:

Investment/Account	Balance as of 09/9/2024	% as of 09/9/2024	IPS
Cash & Cash Equilvents	**$ 493,921.21**	**50.49%**	**70% - 100%**
Bonds & Fixed Income	**$ 252,720.94**	**25.84%**	**0 - 30%**
Stocks	**$ 180,773.40**	**18.48%**	**0-12%**
	$ 978,193.87	**100.00%**	

The Finance Committee requests the Board's approval of the two requests described above. Please let us know if there is any additional information required to facilitate these requests. Thank you for your consideration.

ISHOA – COMMENTS ON AUGUST 31, 2024 AS OF SEPTEMBER 11, 2024

Here are a few observations on the September 11th version of the August 31, 2024 financial reports:

BUDGET COMPARISON REPORT:

1) Income accounts are on track. G/L #300200 Fines & Penalties now exceeds budget by $4,300, however, some of this has not yet been collected from homeowners: part of reason for increase in Accounts Receivable.

2) G/L 400452 Federal Income Tax includes both final tax payments for 2023 and estimated tax payments for 2024. This account has been difficult to budget, as taxes are basically a function of Reserve Fund investment interest and dividends, along with realized gains from sale of investments.

3) G/L 401098 Landscaping – Irrigation Maintenance is over budget as of August 31 because some projects were completed earlier than anticipated when the 2024 budget was allocated to specific months. By year end overall maintenance expenditures expected to be within the approved 2024 budget.

4) G/L #401100 Landscape Contract for 2024 is more than budgeted (around $4,400 for all of 2024). By year end overall maintenance expenditures expected to be within the approved 2024 budget.

5) The Operating Fund year-to-date net income is $8,440 vs budget of ($20,688). Several Operating Fund expense accounts appear to be under budget as of August 31, 2024. For most of these accounts, the issue is the way the 2024 budget was allocated among the 12 months.

6) Reserve Fund expenditures through August 31, 2024 total $537,718:

• $ 14,608 for concrete repairs	• $438,636 for road repairs
• $ 7,872 for gate reserves	• $ 62,525 for guard house reserves
• $ 14,077 for Bio-swales	

7) Community Enhancement Fund expenditures through August 31, 2024 total $44,958:

• $ 7,837 for projects at the Historical Park	• $ 3,541 for the City of Lacey grant project
• $24,659 for landscape projects at entrances	• $ 8,921 for power washing projects

BALANCE SET:

8) The Operating Fund Checking account balance was $66,687 as of August 31, 2024. Additional $50,778 held at Rockefeller Capital Management. $25,000 will be transferred back to the Operating Fund Checking account in September; the remainder will be transferred back in October.

9) Reserve Funds (RCM investments and VIS checking accounts) total $1,151,155. As detailed above, $537,718 was spent for various projects, including significant road repairs. The final road projects invoice for $191,310 was paid in September.

10) The Community Enhancement Fund checking account balance was $20,507 as of August 31, 2024. As detailed above, $44,958 has been spent thus far on Board approved CEF projects.

11) Accounts Receivable increased again to $4,688; most of the recent increase is related to residents receiving fines for making changes not approved by the ARB or late& administrative fees.

Indian Summer HOA
Balance Sheet
8/31/2024

Assets		
Accounts Receivable		
102000 - Accounts Receivable	$4,688.28	
Accounts Receivable Total	$4,688.28	
Operating Funds		
100100 - Operating Bank Acct	$66,687.17	
100120 - Operating Rockefeller CM Savings	$50,100.31 ①	
100200 - Petty Cash	$4,956.29	
101200 - CEF	$20,506.84	
Operating Funds Total	$142,250.61	
Reserve Funds		
100165 - Reserves - Rockefeller CM Investment Account	$929,780.12	
101000 - Reserve Bank Acct	$221,374.88	
Reserve Funds Total	$1,151,155.00	
Assets Total		$1,298,093.89
Liabilities and Equity		
Accounts Payable		
250000 - Accounts Payable	$16,245.61	
Accounts Payable Total	$16,245.61	
Association		
250100 - Prepaid Income	$49,553.95	
Association Total	$49,553.95	
Management		
249997 - VIS SCP Admin Fees	($125.00)	
Management Total	($125.00)	
Net Worth		
600200 - Prior Year Adjustments - Operating Fund	($16,191.54)	
Net Worth Total	($16,191.54)	
Other		
600410 - RCM MV Adjust Acct	$55,199.43	
Other Total	$55,199.43	
Retained Earnings	$1,641,963.51	
Net Income	($448,552.07) ①	
Liabilities & Equity Total		$1,298,093.89

① Entry for $678 interest income not yet posted.

September 14, 2024

TIMELINE

AMENDING ISHOA CC&R's and Bylaws

DATES	MILESTONES
September 2024	Drafts of CC&R's and Bylaws prepared by attorney incorporating RCW 64.90
October 2024	HOA Board endorses revised draft CC&R's for negotiation with Oki
October 2024	Negotiations begin with Oki
January 2025	Negotiations with Oki continue
Jan-March 2025	HOA Board briefed by attorney on revised amended CC&R's and Bylaws
May 2025	Draft CC&R's and Bylaws revised by attorney per legislative amendments to RCW 64.90
July/Aug 2025	Homeowners briefed via town hall meetings on latest revised CC&R's and Bylaws; homeowner comments received
Sept/Oct 2025	Drafts of CC&R and Bylaws documents revised per homeowner input
Jan-Mar 2026	HOA Board briefed by attorney on latest proposed amended documents
April 2026	Draft CC&R's and Bylaws revised by attorney per legislative amendments to RCW 64.90
April 2026	Final amended documents are prepared in accordance with HOA Board decisions
April 2026	HOA Board approves amended CC&R's and amended Bylaws for vote
May 2026	Proposed Amendments sent by mail to all Homeowners
June 2026	Meeting of all Homeowners to answer questions about the proposed amended CC&R's and Bylaws
June 2026	Ballot sent to all Homeowners for vote on amending the CC&R's and the Bylaws
July 2026	Campaign to promote the importance of voting
Aug 2026	Voting closes
Aug 2026	All ISHOA policies reviewed by attorney for compliance with amended documents
Sep 2026	Approved Amendments signed and registered with County

MEETING MINUTES

ARCHITECTURAL REVIEW BOARD (ARB)

Date:	Sept. 10, 2024.
Time:	10:00 AM
Meeting called to order by:	NOT APPLICABLE

In attendance

The meeting was cancelled due to last minute cancellations and schedule conflicts. No new business was pending discussion.

REPORTS

- New applications received (16) since August 12th
- Applications open pending final inspection (60)
- Applications received included requests for tree removal, gutters, decks, exterior paint, roof, general landscaping
- ARB is current in processing new applications and final inspections.

MEETING ADJOURNED AT – NOT APPLICABLE

Next meeting

October 8th

09/12/2024

Communications Monthly Activity Report
August 2024

In early August, we updated the ISHOA website to remove the content regarding the paving project, which ended in July, and worked to prepare the proposed Communications Budget for 2025.

Mid August, we posted details to the website regarding the upcoming Garage Sale and sent an SMS text message blast to the 250 homeowners that registered to receive text message alerts.

Late August, we posted physical signs around the neighborhood entrances and exits to promote the August 19 Board Meeting. We attended the meeting, presented our July Communications report to the Board, then drove around and removed the signs.

On August 26, we removed the Garage Sale content from the website.

Respectfully Submitted,

Kathie Torgison
Melissa Watkins

FINANCE COMMITTEE REPORT FOR ISHOA BOARD MEETING

SEPTEMBER 16, 2024

Current Year Financial Report –

Reports and comments are contained in the meeting packet and were presented by the Treasurer.

2025 Operating Fund Budget –

As directed by the Board, all committees are cutting 15% from their proposed 2025 budgets due to a ($55,000) projected deficit after compiling initial requests from the committees. The Board does not want to increase monthly homeowner dues in 2025. An updated draft of the 2025 Operating Fund Budget will be circulated to the Board by Wednesday of this week. Once the Board gives their ok, the draft will be shared with all homeowners for comment.

2025 Reserve Study –

The 2nd draft of the 2025 Reserve Study indicates that the recommended full funding requirement will be $12,950 per month / $155,400 for the year. Final revisions will be sent to Cedcore this week (updated cash flow for 2024 and final 2024 road repair and other Reserve Fund projects costs). The final funding requirements may change slightly.

Reserve Fund Investments –

The Finance Committee met with Rockefeller Capital Management last week for the semi-annual review. The portfolio return was 5.36% in 2023 and 4.36% thus far in 2024. Now that the large road repair project has been completed, and cash flow needs will be substantially less for several years, the Finance Committee will review Policy FIN-07. Most likely, the asset allocation and allowable investments will be updated to better match assets with projected liabilities.

The Board will consider two requests from the Finance Committee under New Business. First, in anticipation of the Fed reducing interest rates, approval for a temporary increase to the longer-term investment duration limit from 5 years to 10 years when investing in mutual funds or EFTs, as allowed in Policy FIN-07, Section 5.4.2. Second, a reprieve from the asset allocation requirements contained ion Policy FIN-07 while the portfolio is replaced after the large expenditures from the cash allocation resulting from the road repairs and maintenance projects.

Respectfully submitted,

Molly Philopant

Chair, ISHOA Finance Committee

MAINTENANCE COMMITTEE BOARD REPORT

September 10, 2024

Committee members: (*unavailable for this meeting)**:**
Jeff Gochenour, Chair/ Tim Johnson/ Bill Moseley /Ward Forrer /*Dan Weiss/ *Susan McColley/*Bill McClanahan/ Guy Grayson/ and Gordon Jackson (Committee Liaison)

CONTRACTED WORK:

Landscape Maintenance Contract (BM)

- American Landscape Maintenance (ALS)
  - Continues monthly mowings, etc.
  - Focused on the new swale work

Road Project (BM):

- Global to return to investigate crack located in the Links
- Global will assess and correct

Irrigation Maintenance (WF):

- Last Planned project of the year being scheduled (swale nozzle replacement)
- Anticipate water off at end of September

Street Sweeping – 6 sweeps annually (TJ):

- 2md Sweep completed in May.
- Next sweep TBD (dependent of fall leave drop and participation).

Backflow Testing - 1 test annually (TJ)

- Completed for 2024

Storm Drain Maintenance - 1 cleaning annually (BMc)

- Catch basins work completed for 2024.

Retention/Storm Pond Maintenance - 3 mows annually (BMc)

- 2nd herbicide and mowing completed (pending invoice)
- Working on contracting 2025 work ECD 12/15

Misc. Handyman Services – as needed (GG)

* No pending work

Fencing – as needed (JG/GG)

* Minor repairs were completed at the Kinsale pond.

Sidewalks – per long term plan (GG)

* Assessing concrete repairs on Turnberry, as well as throughout the community with plans to scope and repair slabs in 2024

Gate Island Maintenance – as needed (SM)

* Front tip of center Island and gate Islands completed
* Maintenance of new plantings and gate Islands underway (fertilization, weeding, etc.)
* Scheduling prune and planter winterization

CEF PROJECTS:

ISHOA Community Enhancements (CEF) - (SM)

* Transition Park (TP) Planning began (TP = line of demarcation between NP and grassy area in front). Design (implementation ECD 2025 and on as budget allows).
* Planning for removal of pampa Grass and heather at Rainier entrance underway ECD prior to November
* Anticipate work will be completed under budget

CEF ISHOA Power Washing - (GG)

* All Power Wash (Yelm and Rainier front entrances and Troon Cubs and curb gutters) completed.
* Hydrant meter removed by city of Olympia, Work completed under budget

CEF Chambers Site - (SM/WF/JG)

* Benches ordered. Delivery and installation scheduled for mid-September.
* Installation Location finalized.
* Irrigation mods TBD
* Plant material being planned and ordered for Fall installation.

* Funding secures. Anticipate work will be completed under budget

Lacey Neighborhood Grant – (SM/WF/JG)

* Bench ordered. Delivery and installation scheduled for mid-September.
* Installation Location finalized.
* Irrigation mods being planned
* Plant material being planned and ordered for Fall installation.
* Scheduling crushed granite installed around bench and purchase of accent planters to frame bench
* Anticipate work will be completed under budget.
* Likely no plantings in planters this year (maybe winter drought tolerant)

MISC. PROJECTS*:*

* **Gate lighting:** Looking into new lighting options, not happy with current low voltage tape lights. MC focal met with contractor to discuss options. Contractor to test options at his cost
* **2025 Budget Process:** process underway. Recent 15% down exercise completed
* **Storm Pond Signage:** Team named our Storm ponds named after Iconic NW mountains, i.e. “Mt Baker Storm Pond”. Signage completed and installed.
* **Front Entrance Speed signage:** New 15mp signage (2 signs) installed at front entrance.
* **Towing signage:** Assessing the best location for new towing signage to facilitate legal requirements to tow cars. Once determined signage will be installed
* **Holiday Lighting:** planning underway for mid-November install

NOTE: We are assessing our 2024 budget and plan to do emergent work only until we can assess our performance to budget

<u>2024 PERFORMANCE TO BUDGET:</u> *BELOW ARE **2024** AMOUNTS BASED ON INVOICES RECEIVED AS OF 9/10/2024.*

NOTE: Due to timing (our report is generated when we receive an invoice), these may not correspond exactly with VIS reporting (VIS reports when an invoice is paid). We have identified areas of concern and are working to manage costs. We don't expect any year end issues

Maintenance Codes			Budget	Accumulated	Delta
400920		Electric	20,320.00	10,797.59	9,522.41
400910		Water	29,171.00	7,612.64	21,558.36
401000		General Maintenance	22,000.00	14,313.08	7,686.92
	401000	Dump Site Cleanup	11,500.00	8,376.75	3,123.25
	401000	HOA Mulch	11,723.00	12,176.70	-453.70
	401000	Aerate & Overseed	4,500.00	6,797.01	-2,297.01
401001		Street Sweeping	6,500.00	1,850.76	4,649.24
401098		IRRIGATION & REPAIRS	11,426.00	11,665.75	-239.75
401100		Contracted Landscape Maint	83,932.00	58,981.94	24,950.06
401360		Catch basin Cleaning	8,000.00	7,693.47	306.53
401362		Storm Pond Maintenance	12,000.00	3,942.00	8,058.00
TOTAL Budget			221,072.00	144,207.69	76,864.31