

Rainbow Springs Community Club
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April 25th, 2015 Annual Shareholders Meeting
Alfy's Pizza, Granite Falls

Minutes from May 19th, 2014 Rainbow Springs Annual Shareholders Meeting

The meeting was held at the Granite Falls Alfy's Pizza after a last minute change in venue.

The Annual Shareholders meeting was called to order at 1:05 PM by President Vicki Jans. President Jans Welcomed the Shareholders and introduced the Board of Directors. Also in attendance were board members; Secretary/Treasurer Annette Blandino, Board of Trustee-Parliamentarian Trustee Kevin Hayes, Trustees, Warren Rainville, and John Angell. Absent and out of the state, was Trustee Molly Ronne. Also present were 24 community members in good standing.

President's Report: The president made the point that the board was in need of volunteers to get involved. The board was limited to what it could do because of being spread so thin. It was mentioned that the board of Directors currently has several openings. President Jans invited all to come to meetings and get involved.

Vice President's Report: No report - position open

Parliamentarian: The meeting etiquette was reviewed by Trustee and Parliamentarian Kevin Hayes. Questions and comments were asked to be held until the end of the meeting agenda.

Secretary's Report: The Meeting Minutes were read from the 2013 Annual Shareholders Meeting. A motion to accept the Meeting Minutes as presented was made by Kevin Hayes. The motion was seconded and all were in favor.

Treasurer's Report: The Financial Overview was presented by treasurer, Annette Blandino, who reported the 2013-2014 income of \$36,914.00. Expenses totaled \$38,105.39. Because of very conservative spending, and carry over of reserve funds in a Money Market account, the end of business for 2013-2014 totaled \$56,949.41. It was also reported that despite vigorous collection efforts unpaid balances at year's end totaled \$12,748.21. The treasurer highlighted that only the most minimum maintenance and improvements were made, but that road issues must be addressed in the near future. And even though some costs did rise in several areas, we saved money by not spending all of the budgeted amounts. Not having a snowfall, also helped keep costs down.

The Treasurer also reported that she spoke to the county about the dispensation of empty homes with deceased owners still listed at the county. It takes years for the county to auction properties that owe back taxes.

New Business & Special Requests: Trustee Kevin Hayes provided a line by line review of the 2014-15 Budget Proposal explaining each item. A motion was made by Vicki Jans to accept the Budget Proposal as presented. The motion was seconded and all were in favor of raising the dues by \$10.00 to \$230.00. One proxy vote from absent resident Khoa Tra, was entered into the official count. Resident John Yauger thanked the board for keeping costs low and for all their diligent work in keeping the association functioning.

Kevin Hayes highlighted some of the projects we were able to complete. Included was the replacement of the rotted wooden posts, and dangerous cable fencing at the parks with large rocks, installing metal gates at both parks, replacing the vandalized River Park sign, the repair and repainting of the entrance gate, brush cutting, sanding and repainting the keypad and barricade posts at the entrance, and also upgrading the gate security.

Also discussed was the board's intent to update the outdated Bylaws to current standards and to strengthen the wording to aid in our collections process.

New Business: A resident shared that they had difficulty with their remote signal not opening the gate unless their car was right up to the gate. The board planned to look into ways to improve the signal. John Angell offered some ideas.

Meeting adjourned at 2:21 PM by President Vicki Jans

2015 Treasurer's Report and Overview

We currently have **223** lots and **189** lot owners. At year end we still have **21** properties that have debt. Some of those will end up being write-offs (see debt list). An indication that our economy is still not as strong as it should be, is that last year 24 residents requested payment plans, including some long time residents. We lost a few residents this year due to job losses. We have focused on continuing to work with people in getting their accounts current, and have spent less time and money on costly lien filing. We have a smaller number of empty homes than we have had last year. But keep in mind that every time we have a foreclosure, we have to write off the majority of that debt. We can only collect on amounts from the foreclosure filing date forward, so banks leave the properties in the former owners name until they are ready to make them suitable to put on the market. While we still have a few foreclosures, and bankruptcies (which impacted our income in the past years), the overall number of foreclosures has decreased. Industry analysts are warning of another housing crash. If every single property owner were to pay their dues we would have an income of \$51,290.00. That is never the case. With 202 properties paying their dues, the income was \$40,745.00 (some of those are still partial payments). Debts from the remaining 21 properties currently total \$15,745.49. We have expenditures of \$33,499.86. With the reserve of \$56,949.41 to begin with we currently have a total of \$64,194.55 left. A few people pay in advance and had credits in their accounts

The way we have managed to stay afloat, and keep the mandated operating costs in reserve, has been by tightening our belts. And, by carrying over the overages from previous years. As you can see by the actual amounts spent last year (in the Budget Proposal), we kept *many* items far under budget, even though some items have gone up in cost. We are able to do this by not spending every item listed, and doing the most minimum maintenance and improvements, and also by using volunteer labor.

The board was extremely conservative this year with our operating costs. It helped again that we had no large snowfalls. But we do have some major road issues to address soon. The good news is that because we have been so conservative in our spending, the upcoming road project will not require an additional special assessment. We need to continue being conservative, and save as much in reserve as we can.

Year	Income	Year	Year End Balance
2010	\$52,082.00	2010	\$13,021.00
2011	\$49,088.00	2011	\$22,668.00
2012	\$34,467.00	2012	\$40,934.00
2013	\$36,914.00	2013	\$56,949.41
2014	\$40,745.00	2014	\$64,194.55

Please Note: In the process of record keeping we do not keep any banking information for the security of our residents. The only thing recorded is the date of payment, amount, and check number. Although we had a computer failure this year, no data was lost, since we back up all account information every time we exit the accounting program. An additional copy of the accounting data is also kept offsite at another Board Member's home to ensure no records are ever lost.

Real Estate Overview

Rainbow Springs is a private community which consists of 223 privately owned lots. 17 of the lots are empty lots, or perhaps not-buildable.

4 of the lots have small cabins which are used primarily in the summer only.

Of the 202 remaining lots which have homes on them, 7 of the homes are empty, abandoned, or in foreclosure. Two of those are in lengthy short sales. Two homes near the river park had deceased owners, and those properties are awaiting County auctions.

Of the 195 inhabited homes, approximately 57 properties have owners who list their home mailing address in other cities so some of those are rentals, as best as we can determine. Home owners usually do not inform the Assoc. when they rent out their property.

Of the 223 lots in Rainbow Springs, 29 people own multiple lots. All of these property owners pay multiple dues. 24 property owners own 2 lots. 4 property owners own 3 lots. And one property owner owns 4 lots.

3 Large Lots are technically outside the legal boundaries of Rainbow Springs, however since they participate in our community, by using our security gate and roads, they have been also paying dues.

The Real Estate inventory is extremely low right now. In the last month there have been 4 sales. One had a one week closing. Two had 2 week closings, and one is closing on May 8th. One home had 6 offers and sold in 46 hours, over the asking price. This is unprecedented in recent years. One home on the corner of 123rd and Rainbow Drive is about to go on the market. The Holt property (3 empty lots) on the lake was just listed this week. Short sales are still taking between 6 months and a year to close. We currently have 2 of those languishing in escrow purgatory.

While Property values in Rainbow Springs are still lower compared to the county comps, home values are higher right now, than they have been in the years since the housing crisis. The low inventory is pushing our home values up. However, Industry Analysts are still warning of a second housing bubble crash in the future. For information on that just google "next housing bubble"

2015-2016 Budget Proposal

2015-2016 Budget Proposal		<i>proposed 2014-15</i>	<i>actual 2014-15</i>	<i>proposed 2015-16</i>
RSCC OPERATING EXPENSES				
1	P.O. Box - Rental	\$ 60.00	\$ 60.00	\$ 74.00
2	Legal - Attorney Fees	\$ 5,000.00	\$ 1,163.00	\$ 5,000.00
3	Lien Filing Fees - Sno. Co Auditor	\$ 900.00	\$ 288.00	\$ 450.00
4	Office Supplies - computer storage, printer, paper, ink toner, 2 programs	\$ 400.00	\$ 948.09	\$ 400.00
5	Insurance - Liability & Umbrella Policies, deductibles	\$ 4,500.00	\$ 4,466.00	\$ 4,500.00
6	Postage & Delivery - billing, newsletters, correspondances, certified mail	\$ 600.00	\$ 393.21	\$ 450.00
7	Banking - any bank related fees (checks)	\$ 50.00	\$ -	\$ 50.00
8	Corporation Filing Fee - required annually by WA state	\$ 10.00	\$ 10.00	\$ 10.00
9	Income Tax - Accounting, Filing Fees	\$ 350.00	\$ 350.00	\$ 350.00
10	Rainbow Springs Phone - RS Hotline Phone	\$ 940.00	\$ 814.36	\$ 900.00
11	Secretary/ Treasurer - Salary	\$ 8,000.00	\$ 7,992.55	\$ 8,000.00
12	Security - monitoring, cameras	\$ -	\$ 331.68	\$ 200.00
13	Annual Meeting - Space Donation, food, supplies, copying expense	\$ 100.00	\$ 140.41	\$ 150.00
14	Annual Department of Ecology Filing Fee - Dam inspections	\$ 1,300.00	\$ 1,208.00	\$ 1,300.00
15	Meals & Entertainment - Volunteer Appreciation	\$ 350.00	\$ 103.80	\$ 200.00
16	Community Amenities - welcome paks, parking passes, remotes	\$ 600.00	\$ 649.35	\$ 600.00
17	RSCC Emergency -beaver trapper, snow removal	\$ 2,000.00	\$ 450.00	\$ 2,000.00
18	RSCC Website - Web administration	\$ 500.00	\$ 360.00	\$ 360.00
19	RSCC Operations totals	\$ 25,660.00	\$ 19,728.45	\$ 24,994.00
ROADS				
20	Road Maintenance -road paint	\$ 4,000.00	\$ 122.62	\$ 4,000.00
21	Brush Cutting	\$ 1,300.00	\$ 1,248.90	\$ 2,500.00
22	P.U.D. - street lights, gate power	\$ 800.00	\$ 774.64	\$ 800.00
23	Miscellaneous - dump loads	\$ 1,000.00	\$ 40.00	\$ 2,000.00
24	Roads totals	\$ 7,100.00	\$ 2,186.16	\$ 9,300.00
PARKS & COMMON AREAS				
25	Sanican Rental - River Park	\$ 450.00	\$ 351.10	\$ 400.00
26	Lawn Care - mowing	\$ 5,200.00	\$ 5,212.80	\$ 5,300.00
27	Arborist/ Tree Removal - after the sale of timber, and firewood	\$ 4,000.00	\$ 33.95	\$ 2,000.00
28	Equipment Rental - pressure washer, loader	\$ 750.00	\$ 396.35	\$ 750.00
29	Miscellaneous - gravel, new park sign, gate paint, locks, shed shelving	\$ 550.00	\$ 1,549.50	\$ 1,000.00
30	Parks & Common Area totals	\$ 10,950.00	\$ 7,543.70	\$ 9,450.00
GATE				
31	Maintenance - repair, parts	\$ 1,000.00	\$ 314.44	\$ 1,000.00
32	Gate Phone	\$ 700.00	\$ 622.87	\$ 700.00
33	Gate Security - lights, camera, electrical , antenna etc.	\$ 500.00	\$ 59.24	\$ 500.00
34	Gate totals	\$ 2,200.00	\$ 996.55	\$ 2,200.00
35	TOTAL BUDGETED 2015-16	\$ 45,910.00	\$ 30,454.86	\$ 45,944.00
36	Savings - 10% of Annual Budget	\$ 4,591.00	\$ 3,045.00	\$ 4,593.00
37	Grand Total	\$ 50,501.00	\$ 33,499.86	\$ 50,537.00
38	Annual Dues	\$ 230.00	\$ 230.00	\$ 230.00

- 2014-15 spending was conservative in anticipation of the upcoming road projects
- The state requires that we maintain 40% of our annual budget in reserve (RCW 64.38.065)