



The meeting was called to order at 6:05pm via Zoom with 20 members in attendance along with the management team from Rockwood Property Management, Community Manager Gil Pierce, Association Admin Melissa Owens and Inspection Specialist Dori Bush. Jim Frank of Greenstone Development joined towards the end of the meeting in time to provide the Development Update.

Community Update

After a year of limited s7/16 summer movie at Orchard Park and community party on 7/30, at which the Association will serve Longhorn BBQ in River Rock Park.

River Rock Park sign is still under development. Planning was delayed due to covid but development negotiations are underway.

Budget Review

- Gil explained the budget structure; all homes pay \$25/mo for services covered by the main association (common area maintenance and HOA administration). Several sections of the community receive additional services, such as Orchard Place, Sahale Townhomes and River Crossing East.
- We projected a small deficit for 2020 but covid limitations left the Association with a small net cashflow. We're projecting another small deficit for 2021. Combined with increased landscaping expenses, the main association dues may be subject to a small increase next year.
- Management fees have gone up \$0.75/door over the last 5 years. RPM is regularly shopped and find that its fees are on target (or slightly under) market rate for the level of service provided.
- Orchard Place can expect a small increase in 2022 due to increased landscaping costs.
- River Crossing East Townhomes and Cottages are built out so 2021 will be the first year of fully built-out services for the full development.
- Several homeowners expressed concerns regarding landscape services. RPM asks that homeowners report questions and concerns regarding HOA services early and often so the HOA can manage expectations and hold vendors accountable.
- Excess operating funds will be invested in a CD or MMA

Adoption of Annual Meeting Minutes (2019)

Due to restrictions imposed by the State of Washington to prevent the spread of COVID-19, there was no annual meeting held in 2020. As such, the members present considered the minutes of the last annual meeting, which was held on 4/16/2019. With no objections, the 2019 Annual Meeting Minutes were adopted as submitted, a copy of which can be found on the HOA's website (www.riverdistricthoa.com/minutes-archive).



Association Turn-Over

Turnover from declarant (developer) to the members is expected to begin in the next few years. Greenstone will help the community establish a well-functioning board and management practices to ensure the owners continue to enjoy the same level of services they've come to expect under current operating standards. The transition will happen slowly over several years so the community is well prepared when the developer no longer controls the voting power.

Resolution to Adopt IRS Ruling 70-604

With no objections from the members present, the attached Resolution to Adopt IRS Revenue Ruling 70-604 was approved.

Development Update

River District was always intended to be a mixed use, walkable residential community. Residency needs to reach a critical mass before the commercial elements can be added and remain viable. From a residential standpoint, we built from west to east. We're now east of Harvest Pkwy, development is focused between Indiana and Mission. The last phase of development will be east of the river due to sewer main access because we have to build out the utility before homes can go in. Trutina is on the east side of Harvard Rd, which is an age restricted Greenstone community. Improvements for curb and sidewalk will be installed on Mission to connect walkability between River Crossing and Trutina. Jim Frank shared a short presentation with renderings for the interface between the new mixed use areas and residential neighborhoods.

A small greenhouse will be located near the power line easement and the Indiana frontage. Fruit trees have already been planted to establish the orchard that will accompany "the farm". We hope to cultivate volunteerism to grow food for our neighbors. The greenhouse will provide for vegetable starts for free and/or purchase by community members to promote home-grown fresh food. Education and access to locally sourced food is our primary goal for the farm.

The Noll District is located on Indiana between Harvard Rd and Bitterroot. The building that's under construction will house the community center, with an information center, coffee shop and meeting spaces. This space is intended to deliver a "downtown Liberty Lake" feel.

Member Questions and Concerns:

Q: Harvest Parkway is already congested. New mixed use space will further impact this area.

A: Pedestrian assistance will be installed in at least one location, likely more. The developer will likely foot the bill for these improvements.

Q: Several members requested a small specialty grocery store like My Fresh Basket.

A: There isn't space for something that large but we're hoping for something similar like the Rocket Market on the South Hill. We're trying to find a way to make it work.



Q: What restaurant will go in at the NoLL?

A. Three Ninjas is in discussion but the coffee shop will be owned and operated by the developer. We hope to have 5-6 restaurants by the time development is complete. We don't intend to rent to chain restaurants or large corporate providers; we prefer locally owned businesses.

With no other business rightfully brought before the membership, the annual meeting was adjourned at 7:50pm.

Respectfully submitted,
Melissa Owens, CMCA
Association Admin, Rockwood Property Management

2021 Budget - River Crossing Main

INCOME		Cost/Mo	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
5010	Dues	\$ 25.00	12	676	\$ 190,500.00	\$ 193,517.46	\$ 204,000.00
<i>Projected % of Delinquent Dues</i>			2.5%		\$ (4,762.50)		\$ (5,100.00)
5012	Dues - Builder	\$ 25.00	9	26	\$ 9,450.00	\$ 12,375.00	\$ 5,850.00
Total Assessments:					\$ 195,187.50	\$ 205,892.46	\$ 204,750.00
5014	Transfer Fee				\$ -	\$ (25.00)	\$ -
5020	Late Charges				\$ 4,650.00	\$ 1,540.24	\$ 2,650.00
5021	Late Interest				\$ 380.00	\$ 115.62	\$ 210.00
5025	NSF Income				\$ -		\$ -
5026	Fine Income				\$ -	\$ 271.02	\$ -
5032	Lien Income				\$ -	\$ 50.00	\$ -
5045	Initiation Fees				\$ -	\$ 400.00	\$ -
5050	Interest Income				\$ -	\$ 9.14	\$ -
5100	Misc. Income					\$ 20.00	
Total Income:					\$ 200,217.50	\$ 208,273.48	\$ 207,610.00
EXPENSES		Contract Dates	Frequency	# Per Year	2020 Budget	2020 Actuals	2021 Budget
Landscaping Expenses:							
6810	Mowing - Commons/Fall Leaf control				\$ 58,200.00	\$ 59,703.00	\$ 60,950.00
6820	Fertilize - Commons				\$ 7,830.00	\$ 7,707.66	\$ 8,485.65
6830	Turf Spray - Commons				\$ 7,710.00	\$ 7,619.89	\$ 8,495.00
6843	Master Tree Program				\$ 8,000.00	\$ 10,178.07	\$ 9,025.00
6850	Flowers (Planting and Removal)				\$ 650.00	\$ 577.98	\$ 650.00
6860	Sprinkler Turn On & Blow Out				\$ 4,500.00	\$ 3,820.22	\$ 4,205.22
6880	Landscape Labor and Materials				\$ 8,550.00	\$ 8,294.75	\$ 9,350.00
6890	Misc. Landscape- Planter beds				\$ 5,500.00	\$ 5,524.48	\$ 6,603.68
6891	Swale Maintenance/splash pads				\$ 300.00	\$ 285.86	\$ 314.00
Total Landscaping:					\$ 101,240.00	\$ 103,711.91	\$ 108,078.55
Other Expenses:							
6120	Community Events				\$ 6,500.00	\$ -	\$ 6,500.00
6135	Board & Annual Meetings				\$ 100.00	\$ 51.93	\$ 100.00
6305	Accounting				\$ 195.00	\$ 195.00	\$ 195.00
6306	Legal				\$ 250.00	\$ -	\$ 250.00
6310	Insurance Expense				\$ 1,220.00	\$ 799.00	\$ 850.00
6330	Bank Charges				\$ 40.00	\$ 256.82	\$ 110.00
6415	Electricity				\$ 30,000.00	\$ 29,257.93	\$ 30,000.00
6420	Water				\$ 7,400.00	\$ 9,049.87	\$ 9,500.00
6615	Snow Removal				\$ 10,000.00	\$ 6,566.67	\$ 8,000.00
6625	Supplies				\$ -		\$ -
6626	Postage				\$ 3,740.00	\$ 3,241.98	\$ 3,465.00
6630	Repairs & Maintenance/doggie pot				\$ 2,100.00	\$ 2,702.98	\$ 2,600.00
6635	Centennial Trail Sponsor				\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
6900	Web Fees				\$ 75.00	\$ 18.44	\$ 75.00
7505	Management Fee				\$ 35,551.00	\$ 35,658.25	\$ 37,401.50
7508	Property Taxes				\$ 400.00	\$ 355.30	\$ 450.00
7515	Income Taxes				\$ -		\$ -
Total Other:					\$ 99,071.00	\$ 89,654.17	\$ 100,996.50
Capital Funding:					\$ 4,000.00	\$ 4,000.00	\$ 4,000.00

TOTAL EXPENSES		\$ 204,311.00	\$ 197,366.08	\$ 213,075.05
NET CASH FLOW:		\$ (4,093.50)	\$ 10,907.40	\$ (5,465.05)
Capital Improvement Expenses:				
BEGINNING CASH BALANCE:		\$ 174,667.58	\$ 174,667.58	\$ 189,574.98
ENDING CASH BALANCE:		\$ 168,404.38	\$ 189,574.98	\$ 184,109.93
Operating Account		\$ 272,844.40		
Savings Account		\$ 13,039.48		
Working Capital Account		\$ 22,942.47		
		<u>\$ 308,826.35</u>		
2019 Dues \$22				
2020 Dues \$25				

2021 Budget - River Crossing Orchard Place

INCOME:		Cost/Mo	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
5010	Dues	\$ 95.00	12	30	\$ 34,200.00	\$ 35,823.54	\$ 34,200.00
Total Income:					\$ 34,200.00	\$ 35,823.54	\$ 34,200.00
EXPENSES:		Contract Date	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
Landscaping							
6812	Mowing - Homes				\$ 15,870.00	\$ 14,554.62	\$ 16,009.92
6822	Fertilize - Homes				\$ 1,650.00	\$ 1,666.17	\$ 1,834.47
6832	Turf Spray - Homes				\$ 964.00	\$ 1,004.60	\$ 1,041.50
6843	Master Tree Program				\$ 848.00	\$ 874.74	\$ 961.40
6860	Sprinkler Turn On & Blow Out				\$ 1,030.00	\$ 1,029.11	\$ 1,132.51
6880	Landscape Labor/Materials				\$ 1,525.00	\$ 1,143.41	\$ 1,525.00
6890	Landscape-Planter Beds/fall clean up				\$ 5,046.00	\$ 5,203.78	\$ 6,659.26
Total Landscaping:					\$ 26,933.00	\$ 25,476.43	\$ 29,164.06
Other Expenses							
6615	Snow Removal				\$ 4,500.00	\$ 8,466.98	\$ 6,500.00
7505	Management Fee				\$ 2,880.00	\$ 2,880.00	\$ 2,880.00
Total Other:					\$ 7,380.00	\$ 11,346.98	\$ 9,380.00
TOTAL EXPENSES					\$ 34,313.00	\$ 36,823.41	\$ 38,544.06
NET CASH FLOW:					\$ (113.00)	\$ (999.87)	\$ (4,344.06)
BEGINNING CASH BALANCE:					\$ (1,615.44)	\$ (1,615.44)	\$ (2,615.31)
ENDING CASH BALANCE					\$ (1,728.44)	\$ (2,615.31)	\$ (6,959.37)

2019 \$90

2020 \$95

2021 Budget - River Crossing Sahale Townhomes

INCOME:		Cost/Mo	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
5010	Dues TH	\$ 75.00	12	45	\$ 40,500.00	\$ 57,503.76	\$ 40,500.00
5010	Dues Cottages	\$ 100.00	12	14	\$ 15,600.00		\$ 16,800.00
5012	Builder Dues	\$ 100.00			\$ 2,100.00	\$ 2,100.00	\$ -
<i>Projected % of Delinquent Dues</i>			2%		\$ (810.00)		\$ (810.00)
Total Income:					\$ 57,390.00	\$ 59,603.76	\$ 56,490.00
INCOME:		Contract Date	Frequency	# per Yr	2020 Budget	2020 Actuals	2021 Budget
Landscaping							
6810	Mowing - Commons/leaf control				\$ 14,276.00	\$ 10,619.40	\$ 11,315.72
6820	Fertilize - Commons				\$ 1,360.00	\$ 1,320.69	\$ 1,451.88
6830	Turf Spray - Commons				\$ 1,220.00	\$ 900.46	\$ 1,013.70
6843	Master Tree Program				\$ 1,700.00	\$ 1,491.39	\$ 1,700.00
6860	Sprinkler Turn On & Blow Out				\$ 1,500.00	\$ 1,255.34	\$ 1,381.03
6880	Landscape Labor/Materials				\$ 2,550.00	\$ 2,752.30	\$ 2,900.00
6890	Landscape-Planter Beds/fall clean up				\$ 8,000.00	\$ 3,530.27	\$ 7,089.36
6891	Swale Maintenance				\$ 55.00	\$ -	\$ 130.80
Total Landscaping:					\$ 30,661.00	\$ 21,869.85	\$ 26,982.49
Other Expenses							
6415	Electricity & Gas				\$ 2,220.00	\$ 2,179.47	\$ 2,220.00
6420	Water				\$ 3,090.00	\$ 2,383.79	\$ 2,630.00
6615	Snow Removal				\$ 7,500.00	\$ 6,403.34	\$ 7,500.00
6630	Repairs & Maintenance/Doggie pots				\$ 250.00	\$ 54.45	\$ 250.00
7505	Management Fee	\$ 12.00			\$ 8,232.00	\$ 8,244.00	\$ 8,496.00
Total Other:					\$ 21,292.00	\$ 19,265.05	\$ 21,096.00
Capital Funding:					\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
TOTAL EXPENSES					\$ 56,953.00	\$ 41,134.90	\$ 53,078.49
NET CASH FLOW:					\$ 437.00	\$ 13,468.86	\$ 3,411.51
CAPITAL EXPENSES:						\$ -	
BEGINNING CASH BALANCE:					\$ 73,119.47	\$ 73,119.47	\$ 91,588.33
ENDING CASH BALANCE:					\$ 73,556.47	\$ 86,588.33	\$ 94,999.84
Cash Balance Including Capital Income:					\$ 78,556.47	\$ 91,588.33	\$ 99,999.84
2018 Dues \$65							
2019 Dues \$75 & \$100							
2020 Dues \$75 & \$100							

2021 Budget - River Crossing Trailhead Townhomes

INCOME:		Cost/Mo	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
5010	Dues:	\$ 100.00	12	18	\$ 21,600.00	\$ 20,837.00	\$ 21,600.00
Total Homeowner Assessment:					\$ 21,600.00	\$ 20,837.00	\$ 21,600.00
EXPENSES:		Contract Date	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
Snow Removal							
6615	Alley/Sidewalks				\$ 3,000.00	\$ 2,885.85	\$ 3,500.00
Snow Removal Total					\$ 3,000.00	\$ 2,885.85	\$ 3,500.00
Landscaping Expenses							
6810	Mowing - Commons/Homes				\$ 6,810.00	\$ 6,463.88	\$ 7,010.04
6820	Fertilize - Commons/Homes				\$ 687.00	\$ 684.11	\$ 755.37
6830	Turf Spray - Commons/Homes				\$ 345.00	\$ 345.00	\$ 377.69
6843	Master Tree Program				\$ 630.00	\$ 1,016.85	\$ 880.00
6860	Sprinkler Turn On & Blow Out				\$ 627.00	\$ 625.09	\$ 687.79
6880	Landscape Labor				\$ 1,325.00	\$ 1,523.02	\$ 1,625.00
6890	Misc. Landscape (Bed Weeding)				\$ 2,413.00	\$ 1,514.80	\$ 2,139.64
Landscaping Total					\$ 12,837.00	\$ 12,172.75	\$ 13,475.53
Common Area Utilities							
6415	Irrigation Timers/Street Lights				\$ 552.00	\$ 498.19	\$ 552.00
6420	Water				\$ 800.00	\$ 484.02	\$ 590.00
Common Area Utilities Total					\$ 1,352.00	\$ 982.21	\$ 1,142.00
Common Area Repair & Maintenance							
6440	Alley				\$ -	\$ -	\$ -
6630	Site Amenities				\$ -	\$ -	\$ -
Common Area Repair & Maintenance Total					\$ -	\$ -	\$ -
Administrative Expenses							
	Reserve Account Fund				\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
7505	Management Fee				\$ 2,592.00	\$ 2,592.00	\$ 2,592.00
Administrative Total					\$ 4,092.00	\$ 4,092.00	\$ 4,092.00

Total Expenses: \$ 21,281.00 \$ 20,132.81 \$ 22,209.53

Net Cash Flow: \$ 319.00 \$ 704.19 \$ (609.53)

Beginning Cash Balance: \$ 18,205.05 \$ 18,205.05 \$ 20,409.24

Ending Cash Balance: \$ 18,524.05 \$ 18,909.24 \$ 19,799.71

Cash Balance Including Capital Income: \$ 20,024.05 \$ 20,409.24 \$ 21,299.71

2019 Dues \$95

2020 Dues 100

2021 Budget - River Crossing East Townhome Cottages

INCOME:		Cost/Mo	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
5010	Dues:	\$ 100.00	12	17		\$ 7,925.00	\$ 19,300.00
5012	Builder Dues	\$ 100.00	3	5	\$ -	\$ 4,800.00	\$ 1,500.00
Total Homeowner Assessment:						\$ 12,725.00	\$ 20,800.00
EXPENSES:		Contract Date	Frequency	# of homes	2020 Budget	2020 Actuals	2021 Budget
Snow Removal							
6615	Alley/Driveway/Sidewalks					\$ 686.07	\$ 3,000.00
Snow Removal Total						\$ 686.07	\$ 3,000.00
Landscaping Expenses							
6810	Mowing - Commons/Homes					\$ 3,169.06	\$ 12,597.54
6820	Fertilize - Commons/Homes					\$ -	\$ 746.90
6830	Turf Spray - Commons/Homes					\$ -	\$ 364.45
6843	Master Tree Program					\$ -	\$ 524.00
6860	Sprinkler Turn On & Blow Out					\$ 367.54	\$ 680.16
6880	Landscape Labor					\$ -	\$ 500.00
6890	Misc. Landscape (Bed Weeding)					\$ 642.51	\$ 3,187.10
Landscaping Total						\$ 4,179.11	\$ 18,600.15
Common Area Utilities							
6415	Irrigation Timer						\$ 135.00
6420	Water					\$ 14.50	\$ 650.00
Common Area Utilities Total						\$ 14.50	\$ 785.00
Common Area Repair & Maintenance							
6440	Alley				\$ -	\$ -	\$ -
6630	Site Amenities				\$ -	\$ -	\$ -
Common Area Repair & Maintenance Total						\$ -	\$ -
Administrative Expenses							
	Reserve Account Fund						\$ 1,500.00
7505	Management Fee	\$ 12.00				\$ 288.00	\$ 2,256.00
Administrative Total						\$ 288.00	\$ 3,756.00
Total Expenses:						\$ 5,167.68	\$ 26,141.15
Net Cash Flow:						\$ 7,557.32	\$ (5,341.15)
Beginning Cash Balance:						\$ -	\$ 7,557.32
Ending Cash Balance:						\$ 7,557.32	\$ 2,216.17
Cash Balance Including Capital Income:						\$ 7,557.32	\$ 3,716.17

2020 Dues \$100

2021 Capital Expenses Budget

River District		Cost per Mo	# per Year	# of homes	2020 Budget	2020 Actuals	2021 Budget
INCOME:							
5045	Initiation Fees	\$ 50.00	1	25	\$ 2,100.00	\$ 2,300.00	\$ 1,250.00
5050	Interest				\$ 18.00	\$ 11.79	\$ 18.00
Total Income:		\$ -			\$ 2,118.00	\$ 2,311.79	\$ 1,268.00

		Date	Frequency	# per Yr	2020 Budget	2020 Actuals	2021 Budget
Capital Expenses:							
6621-900					\$ -	\$ -	\$ -
6621-900					\$ -		\$ -
6621-900							
Total Expenses:					\$ -	\$ -	\$ -
Net Cash Flow					\$ 2,118.00	\$ 2,311.79	\$ 1,268.00

**River Crossing Homeowners Association
ANNUAL ELECTION: IRS REVENUE RULING 70-604
Excess Income Applied to Future Obligations**

EXPLANATION: Tax experts recommend that all HOA hold an annual vote on elective IRS Ruling 70-604, which allows the HOA to file Form 1120 (vs 1120H) thus only net non-membership income would be taxed. If the election is not made, any excess membership income would be subject to higher taxation. Essentially, this election gives the Association's CPA the opportunity to file the tax form (1120 or 1120H) that's most advantageous for the HOA (whichever form provides the lowest tax liability). Most CPAs make this election on behalf of their clients when filing the HOA's annual return; this election documents the CPA's authority to make such a determination. The Association has always applied excess income (if/when it exists) to future obligations, this election resolution formalizes its decision to do so.

WHEREAS, the River Crossing Homeowners Association is a not for profit, mutual benefit corporation duly organized and existing under the laws of the State of Washington; and


WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the River Crossing Homeowners Association:

RESOLVED, that any excess of membership income over membership expenses for the year ending 2021 and all years prior shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the meeting of May 26, 2021.

RATIFICATION: I hereby attest that the resolution made herein was conducted by the Members at a duly called Annual Membership Meeting and ratified by my signature below.

DocuSigned by:

D81E7B7D9D34CB

Kevin Schneidmiller, Director

5/27/2021

Date