



MONTROSE

Montrose Master Association

2021 Annual Membership Meeting

April 21, 2021 at 6pm via Zoom

The meeting was called to order at 6:05pm with Kevin Schneidmiller present to represent the Declarant. The Association is still under Declarant control so there's no quorum requirement. Gil Pierce, Dori Bush and Melissa Owens were present.

Due to health and safety guidelines imposed to stop the spread of covid-19, no meeting was held in 2020. Through adaptation of technology, the 2021 Annual Meeting was held via Zoom. Considering the increase in member involvement, we're taking steps to ensure that future Boards may conduct business electronically, should they so choose. More information on this is forthcoming.

Community Update

The covid pandemic prevented the Association from hosting regular summer events in 2020 but we expect events to resume this year.

Most growth taking place South or North of Midway Ave. 60-70 lots per year over the last 3-4 years. Two projects have been submitted for City approval – north of LDS and the other south of Wollaston. 2022 development will focus on the area south of Elementary school. Vacant area along pole line isn't suitable for sewer install so new development will be south of the railroad tracks, which will likely conclude Montrose development.

Projected timeline for development north of Malad is likely scheduled for 2022. Malad will not connect to McGuire but will instead turn north.

2020-21 Budget Review

- Gil reviewed the budget format and provided a basic explanation of income vs expenses with an explanation of significant variances:
- Income is significantly higher than expected due to prepaid assessments were received in December but intended for January 2021. The Association expected a deficit in 2020 but the prepaid assessments combined with a slight decrease in expenses (due to services/events cancelled due to covid) resulted superficial excess income of \$50k.
- Master tree plan work was considerably over budget in 2020 due to tree removal and extra pruning for walkway clearance around all the HOA Common Areas
- Water is extremely affordably because Montrose is within the East Greenacres irrigation district.
- \$7k deficit projected in 2021 despite the recent increase in assessments, which was the first increase since the inception of the HOA.

- A question was raised as to whether a dog station would be installed in the new park. Gil responded that the Declarant may do that prior to build out but if not, the HOA may do so afterward. These types of installations are usually installed in response to community need/request. The members present requested two dog stations, one in Chetco Park and another on Midway.
- A question was raised as to if the Association follows a bidding process to ensure its receiving a good value on its service contracts. Gil confirmed that landscape services are regularly bid out to ensure pricing is on par with standard market rates.
- There are currently 677 homes with 715 expected to be built by the end of 2021.
- Reserves are on target to meet future replacements.

IRS Revenue Ruling 70-604

A copy of the revenue ruling resolution is attached hereto. The Association will apply excess income (if any) to future obligations.

Owner Access Portal

Rockwood PM launched a new online platform for owners to access their assessment account balance and enforcement materials (if any) in real time via the Owner Access Portal. Members are encouraged to register via the email invite that was distributed in January or request a new invite via the HOA's website (www.montrosehoa.com/homeowner-information-form).

Bylaws Amendments (forthcoming)

In the near future the Bylaws will be amended to allow for electronic business and voting, which provides greater access to members and functionality for the Board.

Homeowner Forum

- A question was posed as to if owners can make development requests. Gil & Kevin responded that members are encouraged to submit feedback and amenity requests to the Developer/HOA for consideration.
- Enforcement was discussed in response to an inquiry as to how violations are identified. RPM staff inspects the community regularly and enforces the standards equally but not all homeowners are responsive to the HOA's enforcement efforts.

With no other business rightfully brought before the membership, the Annual Meeting was adjourned at 6:55pm.

Respectfully submitted,
 Melissa Owens, CMCA, CAMP
 Association Admin, Rockwood Property Mgmt

**Montrose Master 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 Montrose Master Association is a not for profit, mutual benefit corporation duly organized and existing under the laws of the State of Idaho; 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 Montrose Master Association:

RESOLVED, that any excess of membership income over membership expenses for the year ended 2020 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 April 21, 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:

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Kevin Schneidmiller, Director

4/22/2021

Date