



**SUNRISE MASTER ASSOCIATION**  
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**2018 BUDGET RATIFICATION MEETING**

**Meeting Minutes**

***Sunrise Master Association Clubhouse***

**December 5, 2017 – 6:00 PM**

**BOARD OF DIRECTORS:** Eric Corliss (Absent), Sloan Clack, Monica Gildea, Roger Elmore, Brenda Pearson

**Association Management:** Kathy Berrens, TMT Community Association Manager  
Robbin Coltom, TMT Assistant Community Manager  
Denise Rasmussen, TMT Executive Community Association Manager

- 1. Call Meeting to Order:** The meeting was called order by Board President Sloan Clack at 6:00 pm. Approximately 11 homeowners were in attendance.
- 2. Proof of Notice of Meeting:** SMA Manager, Kathy Berrens provided an explanation of the 2018 Budget mailing process and presented proof of mailing which included an invoice/proof from the printer and the Consent for Electronic Transmission mailing list.
- 3. Review and Approval of the December 7, 2016 Budget Ratification Meeting Minutes.**  
***Motion*** to approve the December 7, 2016 Budget Ratification Meeting Minutes as written was made by Brenda Pearson and seconded by Monica Gildea. Approved 4/Opposed 0.
- 4. Presentation of the 2018 Budget**  
***Manager Review*** – SMA Manager Kathy Berrens reviewed the 2018 Budget identifying specific line item increases and providing explanations and data to support the 2018 numbers. She shared how numbers were calculated based on data from previous years and expected rate increases. She noted that the management contract was increased due to the projection of new homes and the addition of a new position in the SMA office. Kathy reported that there would no longer be patrols by Securitas in 2018 because, per the Security Committee's recommendation, Sunrise will have only Pierce County Sheriffs on site. Landscaping increases are due to hiring a company which will meet the standards of Sunrise.

***Budget Committee*** – Brenda Pearson, who served as the Board of Director's Liaison to the Budget Committee, noted the efforts of SMA Manager Kathy Berrens and the members of the committee, Ian Black, Steve Koleszar, Martha McNeill, Maynard Hedegaard, throughout the Budget process.

***Question and Answer Session (Budget related – limit to 3 minutes per speaker)***

- Questions were asked regarding the new dues policy. SMA Manager Kathy Berrens explained the reasons behind the change to full year payments. She then reviewed the timeline for full year payments and the process for using the Auto Debit service which is the only option for monthly payments. She further explained that monthly credit card payments were not currently an option in the system and would include merchant fees, but she will seek more information.

The change is an effort to streamline the billing and payment processes in order to decrease delinquencies and increase time allowed for other community services. Concerns were expressed about the security of the auto debit option. The process was reviewed and management will look into more specifics about security measures.

- Questions were asked about the increase for management services. Kathy explained the purpose of a new position in the office and how the increase in units impacts the management contract.
- Questions were asked about landscaping maintenance and water usage. The difference between the contracted and non-contracted line items was explained. It was reported that water usage is being tracked from year to year and new rain sensors are expected to impact usage.
- Questions were asked about green belt maintenance. It was explained that the definitions and maintenance requirements are found on the face of the plat. Natural growth spaces are not maintained or altered unless otherwise noted in the language on the plat.

**5. 2018 Budget Ratification** - The ratification language was read aloud by Brenda Pearson:

*As provided in the Revised Code of Washington 64.38.025 (3) Within thirty days after adoption by the board of directors of any proposed regular or special budget of the association, the board shall set a date for a meeting of the owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the owners of a majority of the votes in the association are allocated or any larger percentage specified in the governing documents reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the board of directors.*

For the record, we do not have a majority (2,365) of the membership rejecting the 2018 Sunrise Master Association budget, so the budget is ratified as approved by the Sunrise Master Association Board of Directors on November 6, 2017.

**6. 2017 Tax Resolution** – Kathy Berrens reviewed the meaning of the 2017 Tax Resolution and read the resolution aloud:

Each year, the Sunrise Master Association, a non-profit corporation, has to identify any excess membership income to be carried over from the prior year's budget. It is not known at this time if there will be excess funds; however, excess funds are not subject to IRS income tax if the membership annually adopts the following resolution:

**WHEREAS**, the Sunrise Master Association is a 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 Sunrise Master Association:

**BE IT RESOLVED**, that any excess of membership income over membership expenses for the year ended 2017, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

**Motion** to approve the Sunrise Tax Resolution for 2017 as presented, was made by Brenda Pearson and seconded by Roger Elmore. Approved 4/Opposed 0.

**7. Adjournment:**

**Motion** with no further discussion regarding the 2018 Sunrise operating budget, the meeting was adjourned at 8:26 pm made by Brenda Pearson and seconded by Roger Elmore. Approved 4/Opposed 0.

Monica Gildea  
Monica Gildea, Secretary

12.4.18  
Date

Sloan Clack  
Sloan Clack, President