

**Millridge Homeowners Association
Meeting Minutes
Board of Directors Meeting
January 9, 2020**

I. Call to order.

A regular monthly meeting of the Board of Directors of the Millridge Homeowners Association was held at 1610 ½ NW 143rd Avenue, Portland, OR 97229 on January 9, 2020. The meeting was called to order by Tom Messecar at 6:07.

II. Introductions and Director attendance.

Introductions proceeded throughout the room.

Board member attendance:

DIRECTORS PRESENT: **Tom Messecar** (Vice-President)
 Laura Holgate (Secretary)
 Jim Bauer (Director at Large)
 Sue Seaver (Treasurer)

III. Approve / modify agenda. Laura Holgate moved to approve the draft agenda with additions. Motion was seconded and agenda was adopted.

IV. Approve / modify minutes of 12/5/19 monthly board meeting and minutes of 12/31/19 special board meeting. [Draft of minutes were distributed to board members for review prior to meeting.] Sue Seaver moved that both sets of minutes be approved as drafted. The motion was seconded and unanimously carried. The minutes of the 12/5/19 and 12/31/19 meetings were approved and adopted.

V. Director needed. A call was made to fill the vacancy on the board of directors. There were no interested volunteers in attendance and no new director appointed.

VI. Committee Reports.

a. Treasurer's Report. Sue Seaver, Treasurer, reported. Operating income 2% above anticipated; accounts receivable is \$22,000 (up a couple thousand from last month); we have \$228,000 in total reserve assets and YTD have spent \$59,000 from the replacemtn reserves account and nothing from the serial special assessment account (funds designated for the garage roofs which were completed in 2017 with a loan from the replacement reserves account, which is being repaid from the serial special assessment dues). Electric and gas are over budget; all other utilities are under budget. Once again, Financial Statement says that irrigation repairs and landscape maintenance and miscellaneous are over budget, but they're really not. We continue to have to work with CMI to get those expenses put in the correct categories. Overall, YTD operating expenses were 2.6% under budget as of the last financial statement, which covered through November 30th, so I think we'll be really close to budgeted amount by the time the year wraps up.

b. Landscape Committee. Christine Morris, landscape committee chairperson, reported. The committee didn't meet in December and no new landscape requests have been received. Tree work was done in December of 2019. The funds for the work were available in the 2019 budget,

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but the invoice didn't get submitted until 2020. Also, if the insurance meeting is held on January 16th, as proposed, the landscape committee meeting will need to be rescheduled.

- c. **Architecture Committee and Maintenance Report.** Jim Bauer, ACC chairperson, reported. Gutter cleaning will be started next Tuesday, weather permitting. ACC consent was given to owner of 1668 to install heat exchanger on common area property without waiting for board to approve because there was no heat to the unit – it's on the agenda for board to ratify. The items on this month's agenda that continued from last month are the lights at 1632 and 1654. Both are end unit lights that are controlled by switches somewhere in the unit or garage, or even in the crawl space. For 1632, the recommended solution is to convert the light attached to the exterior of the unit to a hard-wired light controlled by photocells. This light actually provides more light to area than the carriage light, and repairing the carriage light would be three times the cost of converting the overhead light because of the rock and concrete that would have to be moved to replace the underground line to the carriage light. On 1654, the carriage light is being hardwired to be controlled by photocell instead of by the switch it's now connected to that also controls the owner's patio lights. The hardwiring project for 1654 was approved last month with a "not to exceed" amount, but is on the agenda this month because we now have a bid and it's less than the "not to exceed" amount previously approved.
- d. **Clubhouse Committee.** Sue Seaver, clubhouse committee, reported that there is one reservation on January 25th, and she just got a message that someone wants to make a reservation.
- e. **Neighborhood Watch.** Shirley Carlson, Neighborhood Watch committee was not in attendance, but asked Jim Bauer to express her main concern is parking in the fire lane behind building one.

VII. Owners Forum. Owners were given time to make comments and suggestions.

- a. Marlo Rocci asked when the annual review by the CPA would be completed. Board members responded: the engagement letter for the review was signed today and work is just starting. It will be at least a month, probably 5 or 6 weeks at minimum.
- b. Tim Jackson stated that he is extremely dissatisfied with the manner in which they communicated the CAT tax. He stated it was deceitful and manipulative in the way it was represented. He submitted a written record of his communications with Steve at CMI about it and left copies of that for owners to take if interested.
- c. Ron Burn stated that the four items from the inspection done in connection with the sale of his unit should have been included on agenda and asked when those items would be done. A director replied that the realtor indicated those were not conditions of the sale and that the buyer would submit requests for them if necessary after they take possession.
- d. Wenlan Rocci asked if the board was aware that CMI was taking 50% of late charges collected from owners. Director's reply: yes, that is the agreement in the contract with CMI. CMI is responsible for the administrative work in connection with tracking the date payments are received and sending late notices, and the fees collected are split 50/50 between CMI and the HOA.

VIII. OLD BUSINESS.

- a. **Informational meeting regarding HOA insurance (Larry Thompson, American Family Insurance).**
Sue Seaver moved to approve any date in February that Larry Thompson is available. The motion was seconded and unanimously carried. Deb Messecar agreed to schedule the date with Mr. Thompson.
- b. **Carriage Light at 1632** (postponed from last month). Jim Bauer made a motion to accept the bid from Smiley Electric to hardwire the existing overhead light attached to unit and install photosensors to control light for a cost of \$470 (\$320 to install photosensors and \$150 to hardwire the light). The motion was seconded and discussed. If carried, the hardwiring of the existing light would be instead of rewiring the carriage light. The cost to rewire the carriage light would be \$1100 because of the obstruction covering the underground line that runs from the unit to the post of the carriage light. After discussion, **the motion to accept the Smiley bid of \$470 to hardwire the existing light and install a photocell was unanimously carried.**
- c. **Carriage Light at 1654.** Laura Holgate made a motion to rescind the approval given last month to hardwire the carriage light at a cost not-to-exceed \$300, and to replace that with a motion to approve the Smiley Electric bid to hardwire the carriage light at a cost of \$150.00. The motion was seconded and discussed. Following discussion, **the motion to accept the Smiley Electric bid to hardwire the carriage light in front of 1654 for the cost of \$150 was unanimously carried.**
- d. **Commercial Activity Tax ("CAT").** Laura Holgate reported on advice from attorney and information from president of CMI. The HOA attorney advised that, based on his review, the HOA's contract with CMI allows for CMI to pass a proportionate share of the CAT to the HOA, regardless of the that its description says it's "not a sales tax." He also confirmed that the tax is applied as follows: \$250 on the first \$1 million of a company's gross revenue (for companies that have revenues over one million), and .0057 per dollar (.57%) of the gross revenue above \$1 million. He provided an example to suggest a formula that would result in a fair calculation of the share to be charged to Millridge. In preparing that example, he made certain assumptions about CMI's number of clients and amount of revenue, and the example was communicated to CMI with a statement that we disputed the tax unless it was calculated in a similar manner, so as to account for the fact that only \$250 total is due for the first \$1 million dollars of revenue. In a follow up conference call with the president of CMI and the HOA attorney, the actual number of CMI clients was plugged into the formula suggested by our attorney, and using that number, the difference to the Millridge share is only about \$33. The president of CMI acknowledged that the industry has struggled to come up with the best way to handle the new tax, and stated that their CPA assisted them in deciding whether and how to pass it on to the clients they represent. In light of the small amount involved and the value of maintaining a good business relationship with the management company, the HOA attorney advised that the best business decision would be to accept the tax as initially set forth by CMI (.0057 per dollar of services charged by CMI to Millridge). No motions were made. The tax will be charged to the existing budget category of "taxes, licenses, fees, and audits" and no changes will be made to the budget.

IX. NEW BUSINESS

- a. **1642 – Approve/deny request to lease unit.** Laura Holgate moved that owners' request to lease be approved on the condition that the remaining required forms are completed, signed, and submitted within 90 days of notice of conditional approval. Required forms are: Statement of Lot Occupancy, Owner Affirmation, and Lessee Statement of Agreement. The motion to conditionally approve the request to lease was seconded and unanimously carried.
- b. **1736 – Approve/deny request that small fence next to unit be painted.** Sue Seaver motioned to approve this be painted by volunteer, Jim Bauer, when weather permits. The motion was seconded and unanimously carried.
- c. **Building 16 – Approve/deny bid to repair loose flashing.** This item removed. Upon inspection, it wasn't loose flashing, just an old zinc strip that came loose and has been removed.
- d. **1668 – Ratify installation of heat exchanger in front of unit.** Sue Seaver moved to ratify the consent given to owner to replace the heat exchanger in front of his unit (on common area). The motion was seconded and discussed. Ratifying serves as the board's consent to the action taken without a meeting. The motion was unanimously carried.
- e. **Rescind approval for new sump pump and installation of designated electrical outlet.** Sue Seaver made a motion to rescind the approval given at the special meeting held January 31st to install new sump pump and outlet within reach of sump pump. Motion was seconded and discussed. In discussion, it was explained that upon additional inspection and testing, the sump pump could be plugged in without an extension cord, and worked correctly when plugged directly into outlet.
- f. **Sump pump inspections – potential alternatives to CMISD.** Laura Holgate moved to postpone this to next month pending written bids.
- g. **ACC and maintenance committees – Approve/deny proposal to have maintenance projects and requests coordinated and overseen by ACC chair until or unless a maintenance committee chairperson is appointed.** Laura Holgate made a motion to have maintenance requests and projects that would typically fall to the maintenance committee, if one existed, to be handled under the direction of the ACC chairperson. The motion was seconded and discussed. A written outline was presented. If motion carries, Homeowner Request Forms would be directed to the ACC chair (from CMI and/or from owners directly) with a copy to board members. The ACC chair (Jim Bauer) would acknowledge receipt of the request, make initial determination of steps needed, and appoint a volunteer (which may be himself) to take lead in getting information to the board for a decision (including examination of the problem, photos, gathering information from owner or contractors, getting bids, and formulating a recommendation to be included in the maintenance report for the next board meeting. This would be a temporary assignment of the ACC chair; only needed until a new maintenance chairperson is appointed. After discussion, the motion was unanimously carried.

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- h. Reimburse Laura Holgate – approve/deny reimbursement of \$54.14 for purchase of ink.** Sue Seaver made a motion to approve reimbursement of \$54.14 to Laura Holgate. Motion was seconded. There were three affirmative votes; Laura Holgate abstained from voting due to conflict of interest. The motion carried by majority.
- i. Gutter screens – approve/deny Jim Bauer’s recommendation that gutter screens be installed in area near 1750 and other areas where leaves and needles from trees are clogging gutters and downspouts.** Jim Bauer recommended that gutter screens be installed where there are none but have trees near enough for leaves and pine needles to accumulate. Laura Holgate moved that the HOA hire either Ben Jones or Jon Pallermini of Jon’s Gutters to install the basic screens available from Home Depot at a cost not to exceed \$200. The motion was seconded and discussed. Tom Messecar agreed to ask Jon Pellermini and/or Ben Jones how much they would charge, and to hire them if it is less than \$200. The motion to have gutter screens installed for an amount not to exceed \$200 was unanimously carried.
- j. 1640 – Owner request that HOA repair two “bellies” in sewer line running from unit to common line.** Laura Holgate moved to deny the request that the HOA repair the sewer line running from the unit out to the common area, but to authorize the owner to have a licensed contractor do the excavation necessary to make the repairs at owner’s expense. The motion was seconded and, after discussion, was unanimously carried.
- X. Next meeting date – set date and time.** Tom Messecar moved that the next meeting be scheduled for Thursday, February 6th, 2020 at 6:00 p.m. The motion was seconded and unanimously carried.
- XI. Adjournment.** The meeting was adjourned by Tom Messecar at approximately 7:20 p.m.