

**MERIDIAN VALLEY MAINTENANCE ASSOCIATION  
GENERAL MEMBERSHIP MEETING  
DECEMBER 13, 2011**

**CALLED TO ORDER:** 7: 30 p.m. by President Bill McLaughlin

**ATTENDANCE:** Forty-seven accredited homeowners were present, which provided a quorum for the meeting; thirty-four proxies were received giving a total of eighty-one.

**OPENING REMARKS FROM PRESIDENT:** Bill McLaughlin

Residents were welcomed and thanked for their attendance at the Annual Meeting. The Board members, Webmaster – Bob Steiner, and Office Manager – Cheryl Havener were introduced and thanked.

There are sign-up sheets in the entry for the 2012 committees which support various Board activities. Please hold all questions and comments until after the reports are given.

**MINUTES OF THE DECEMBER 14, 2010 GENERAL MEETING:**

It was moved, seconded, and passed to dispense with the reading of the 2010 Annual Meeting Minutes and accept the minutes as submitted and posted to the MVMA website.

**COMMITTEE REPORTS:**

**SECURITY:** Dale Mjelde

Unfortunately in 2011 we did have a couple of home break-ins. In two instances there was evidence that these were perpetrated with inside knowledge. Also on October 18<sup>th</sup> one of these aforementioned homes was burglarized for the second time. A rear door was found unlocked. Police records show that in many instances the same home will be victimized several times, after items stolen have been replaced. Moral of this story is to be sure that ALL windows and doors are securely locked.

Another break-in was the result of the posting of an obituary. On the date and time of the funeral, thieves entered the vacated home. Criminals do read the newspapers, so sadly it appears it would be best to leave someone at the resident or post security on the day of the service.

The Board is now working on a new policy in regard to skateboards in MVCC, due to our concerns for safety and law suits. There has already been one instance of a broken arm due to a fall on our roadway.

In closing, I would like to remind everyone of our posted speed limits and very limited stop signs. These signs are here for the safety of all; and at the most only add mere seconds to your commute.

Kim Sharrah was introduced and thanked for her service to our community. She expressed the need for security to have vacation information and especially if the homeowner is having issues with anyone – tell them so that they can stop them from entering.

**TREASURER'S REPORT:** Mike Rucker

A complete slide presentation on the income, expense, and reserve fund performance for 2011 was given. The Long Range Plan and our tax status were explained. A presentation on the proposed 2012 budget was given and discussed. M/S/P to accept the proposed budget. Copies of all information are attached in file.

**ARCHITECTURAL:** Frank Wisdom

I would like to first thank the eight 2011 volunteers on the Architectural Committee; they are Sarah Davidson, Barb Farley, Jan Lewis, Sheila Mayden, Pat Mjelde, Joanne Ottini, Mike Rucker and Bruce Yahr. The Committee had 12 formal meetings, occasional site visits, periodic inspections, and handled numerous phone calls as part of their duties.

Over the last six years the Committee has issued an average of 165 letters per year. By the close of 2011 the Committee anticipates we will have issued 160 letters responding to project requests and violation letters.

This year approximately 75% of the letters were for project requests such as Tree Removal, Landscaping, Painting/Siding or Roofing. The remaining 25% were for Maintenance or Yard Needing Attention letters.

We have three vacant lots with no homes under construction. The 2011 Architectural Committee will be forming shortly. The first meeting will be held in early January and those of you, who are interested in serving on the Committee please place your name on the sign up sheet, notify a Board member, or the MVMA Office Manager for consideration by the new Committee Chair.

**FACILITIES:** Janet Lewis

Our streets, drainage system, gates, and perimeter fencing are owned by our resident-owners. All of our gates receive a tremendous amount of traffic, resulting in periodic repairs, and regular maintenance. For maintenance/repair planning purpose, an assessment/inventory of our street curbing and drainage catch basins/grates was conducted, resulting in two grates being repaired. The perimeter fence was breached twice and repaired.

As our landscaping continues to mature, your maintenance association, in partnership with homeowners, will need to continue to trim back vegetation, allowing for unobstructed water drainage. Likewise, trees need to be trimmed back for full illumination from street lights and shrubs need to be trimmed to reduce obstructed view of walkers and on-coming traffic.

**COMMON GROUNDS:** Barb Farley

This year was both my first year on the Board (serving as Common Grounds chairperson) and also Trent Allen's first year as our landscape maintenance contractor. Trent's first project was to trim back all the landscaping along the back side of the course (along the 5<sup>th</sup> fairway). The photinia in that area had crept over into the street at 144<sup>th</sup> Avenue SE over the past years. He spent much of his time at the beginning of the year keeping our common areas clear of debris caused by windstorms. We had a very cold winter and a late spring and summer in 2011. Some dying shrubs at the north end of the common area along 144<sup>th</sup> Avenue SE were replaced.

As we approached June and July, we realized that we had lost a good deal of plants over the winter. Trent removed these plants and we decided that our summer months would be too risky to replace them. We have allocated money in the 2012 budget to replace the plants when the danger of a prolonged freeze has past. Over the summer we removed a dying tree at the south entrance and applied bark in the common areas. Trent has focused on fall leaf removal, gathering them twice a week during these past months. We also included money in the 2012 budget to rent a lift truck to trim the tops of the photinia along the street at 144<sup>th</sup> Avenue SE in hopes that they may thicken up and appear healthier.

**MVMA WEBSITE:** Robert Steiner

Thanks to the efforts of Web designer, Gordon Fasbender, the MVMA website has undergone a redesign. If you have not checked out the website lately, I encourage you to do so.

We have also been working with Gordon to establish a web based database of the information which is currently keep on paper records at the MVMA Office. When the database is completed, residents will be able to log onto their accounts and update their resident information, vehicle information, guest list, phone numbers, e-mail addresses, etc. Ultimately rather than having to complete additional forms for the MVMA office and or security, residents will be able to do it from their personal computers. Of course a hardcopy update will also be an option. You will be provided with account information and individual password in the next couple of months and asked to update your information. This database will not be publically accessible and only used by security and the MVMA office.

As of today, there are 290 e-mail accounts on the MVMA e-mail distribution. Thirty-seven of the addresses are multiple addresses for residences, so 253 different residences are included. This is about 60% of the residences in MVCC. This is our most efficient methods to provide relevant information to our residents. We try to send mass e-mails to residents only for items of information and security issues. The e-mail addresses are not shared. If you are not on the distribution list and would like to be, please contact me after the meeting and provide me the e-mail address. If you got an e-mail notification of the meeting tonight, you know that you are on the list.

#### **PRESIDENT'S REPORT: Bill McLaughlin**

**MVMA Tax Exempt Status under IRS, Section 501 (c) (4):** In February of this year we agreed to Fast-Track Mediation with the IRS. Jim Schack, Mike Rucker, Bill McLaughlin and Filmore Rose our attorney, met with the Mediator and the two agents representing the IRS at the Seattle IRS office. The Mediation session lasted from 9 am to 6 pm for a total of 9 hours.

The IRS argued that the association was not a community within the meaning of the (IRS) regulations, that the association did not provide an adequate public benefit, and did not provide sufficient public access to our common properties. They proposed that to satisfy these requirements MVMA must: Open the Main, North and South gates to all vehicle traffic from 6 am to 10 pm seven days a week. In addition, the guards may not ask non-members what was their business entering MVMA property.

Since we could not accept these conditions, we had two choices, continue the appeals process with a significantly increased cost and uncertain outcome or accept revocation of the exemption. In defense of our tax-exempt status, the association spent a considerable amount of money. Continuing the appeals process would continue to escalate our legal fees. Even if we prevailed on appeal, we would only have preserved our exemption for the years under audit (2007, 2008). The IRS would be free to resume the process when auditing future tax returns. We did not believe that continuing these expenses with such an uncertain outcome would be in the best interests of the association.

In the end, we agreed to the revocation of our tax-exempt status. We believe that exchanging the costs of continuing appeals which would be significant and difficult to control, for a tax liability primarily associated with reserve fund investments for the Long Range Plan which we can manage and budget with a reasonable amount of certainty is in the best interests of the association. In addition, based on data from our accountants, maintaining our tax-exempt status for 2007 – 2010 would relieve the association of a potential tax liability of over \$7,000.

The IRS did agree to leave our tax status and tax returns for the years 2007, 2008, 2009 and 2010 as they were filed (tax exempt) and to begin our new status December 1, 2010, if and only if we agreed to the revocation of our 501(c) (4) tax exemption at the mediation session and also if we agreed not to file an appeal. We agreed.

**Safety Fair:** Our Security Supervisor asked permission of the MVMA Board to hold a Safety Fair at the Meridian Valley Country Club. The Safety Fair was held on May 12<sup>th</sup> and was a very successful event. Making presentations were our Kent Mayor Suzette Cooke, Kent Fire

Department, Kent Police Department, Bauer's Landscaping, Kent Police Officer and Neighborhood Response Team (NRT), Kent Community Emergency Response Team (CERT) and the King County Police Union in conjunction with "MY ID Club". Attendance was good and everyone learned something in helping to protect their home.

**Property Assessments:** In June of this year we received input from our attorney which states the following: "The Board has the authority, under Article V, Section 7 of the Declaration of Restrictions governing the Meridian Valley properties, to prohibit any homeowner or their guests from using any of the common property within the Meridian Valley development, if they have not paid their homeowners dues."

Our roads are "common property", which means the Board has the authority to prohibit a delinquent property owner from driving on our roads. It is expected that this would only be used as a last resort, short of taking someone to court, but is an option that will be exercised by the Board in the event that it becomes necessary.

**Guard Radio's:** The Radio's that our guards use have been out of date for some years now. The Board looked into purchasing new radios at a cost of approximately \$3,500. In purchasing these new radios there is a requirement that we must also purchase an annual license with the FCC at a cost of \$1,000 per year. In researching our options we discovered that our current security firm, Pacific Coast Security would lease us the radio's we need at a cost of \$44 per month including the FCC License. The Board approved the leasing of the radios.

**Skateboard and Bicycle Policy:** A homeowner asked the Board if MVMA has a policy for skateboarding and bicycling within Meridian Valley. Currently MVMA does not have a policy but we are working on one in conjunction with our attorney and hope to have a written policy soon.

**Creek Restoration Update (Hole #12):** The permit from the Army Corp of Engineers is still waiting approval, once all permits have been received and the Kent City Council approves the project, the in-water portion of the project can be constructed. In-water construction has to be completed between July 1<sup>st</sup> and the middle of September.

Thank you to all of the current Board members Janet Lewis, Mike Rucker, Dale Mjelde, Frank Wisdom, and Barb Farley for their help and guidance last year, also a special thanks to Office Manager, Cheryl Havener and to Kim our Security Supervisor.

#### **QUESTIONS/COMMENTS FROM THE FLOOR:**

The common grounds plantings, the partial moving of the south fence, and the road easement were discussed and explained. A lengthy discussion was held concerning spending \$25,000 in conjunction with MVCC to cover the cost of advertising homes for sale in the MVCC. Motion was made, seconded, and failed. Concerns were given about skate boarding; the membership was assured that soon a formal policy will be in place. Thoughts were also given about not distributing phone books within the community – the new Board will look into this. Discussion was also held concerning an estate sale and a community garage sale – at this time they are not allowed.

#### **CLOSING REMARKS:**

Bill McLaughlin announced that Jan Lewis will be next year's President and Mike Rucker – Treasurer. The Boards first meeting will be in January, tonight's minutes, and the new Board position chairs will be posted on the Web.

Jan Lewis thanked everyone for attending the meeting and presented Bill McLaughlin and Frank Wisdom with a gift from the Association.

**MEETING ADJOURNED:** 8: 48 p.m.  
Minutes prepared by Cheryl Havener