

MERIDIAN VALLEY MAINTENANCE ASSOCIATION
MONTHLY BOARD MEETING MINUTES
July 8, 2015

CALLED TO ORDER BY PRESIDENT Frank Wisdom at 7:03 p.m.

ATTENDANCE: Frank Wisdom, Jan Lewis, Brian Goodell, Roger Wall, Mike Rucker, Bob Steiner, and Cheryl Havener
Absent: Eric Zerr and Jack Ottini
Guest: Craig Benson

PREVIOUS MEETING MINUTES: Approved as written

Craig Benson reviewed and answered questions concerning the MVCC's desire to sell lots. The MVCC members have voted and approved moving forward with this project. It is not ready to be presented to the homeowners at this time.

TREASURER'S REPORT: Brian Goodell

- Financial performance is favorable through June 2015. Revenues are on budget. Expenses are on or below budget to date. Reports are available for review and discussion.
 - Revenue from dues and other sources is at budget.
 - Expense highlights:
 - Bark/ground cover costs are over budget in anticipation of the MVCC's 50th Anniversary.
 - Guard pay costs are under budget year to date but will exceed budget for the remainder of the year. Hourly rates increased 5.6% in June. This is the first rate increase since 2009.
 - We anticipate unbudgeted expenditures for later in the year.
- At this time, three homeowners have not paid full dues for 2014-2015. This represents about \$1,200 in anticipated revenue to the association. Each has been contacted.
- Federal income tax forms are completed. Our overpayment of \$4,000 will be used to prepay next year's taxes. Some lessons:
 - We will regularly file for an extension and submit a pre-payment of estimated taxes to the IRS. This is because our fiscal year ends November 30th instead of December 30th. We do not receive our reserve account reports early enough in February to file on time.
 - We have a choice each year of filing as an HOA or a regular business. IRS form 1120H appears to be our better option this year. This is a filing specifically for HOAs as it taxes only dividends, interest, and realized gains on our reserve funds (30%), nor our operating income. Total tax on form 1120H was \$6,193 instead of \$2,500 as budgeted.
 - In future years, IRS form 1120 (standard business filing) may be useful particularly when we have larger expenses/projects and lower net operating income (taxed @15%).
- Investment Committee met in May 2015 and their recommended actions were:
 - Rebalance our asset allocation for 2015 by purchasing an index fund – Vanguard Total Stock Market Index Fund Admiral Shares (VTSAX) – with cash of \$40,000.
 - Continue with our “ladder” of fixed income CDs by adding a \$10,000 “step” at 5-7 years when one of our CDs matures in August 2015.

- Treasurer concerns:
 - Truck maintenance expenses are running high. We should discuss the appropriate time to replace this asset. Report on truck related expenditures will be ready for next month.
 - Many projects have been discussed as a follow up to the security and safety meetings held early this year. High cost examples: increasing the height of the barriers at two of our gates. Real time video monitoring system for those same gates. What other projects should we plan for late this year or early next?

COMMITTEE REPORTS:

FACILITIES: Jack Ottini – no report

COMMON PROPERTIES: Jack Ottini – no report

SECURITY: Eric Zerr

- The 4th of July came and went without any major incidents. I believe the MVMA emails assisted in cutting down the number of people using fireworks in the neighborhood or kept them from using them at all this year.
- A 5.6% increase in payments to Pierce County Security started in June and is budgeted for. We are told 4% is for costs associated with the Affordable Care Act.
- The truck will be taken in next week to have its charging system checked. All of the lights dim when the vehicle is idling and brighten when the RPMs increase.
- The resident stickers were discussed and an example was shown to the Board. 2,000 stickers would cost \$570. An 18” computer monitor and a 32” TV for the guardhouse when the desk space is rearranged. Both of these items were discussed. M/S/P to purchase the stickers for \$570 but would prefer that they be smaller (the design was fine) also approved was the purchase of the monitor and TV for \$500 or less but question the size of the TV – may be too large.
- Some of the windows in the guardhouse may need replacement, will report back next month.

MVCC: Mike Rucker

- There is a possible interest in holding a running event in our community – will get more information.
- Our current internet service can be upgraded to 6 mega bites to the south gate but only 3 mega bites to the north gate. Comcast can upgrade to 16 mega bites. This increase would greatly improve video and hard drive capacity. Will continue to research.

WEBSITE: Robert Steiner

- Posted June Board meeting minutes to the website.
- Added/deleted/updated a number of residents to/from the e-mail distribution list.
- Sent out three emails to residents regarding security, July 4th issues.

ARCHITECTURAL: Roger Wall / Jan Lewis

- Thirteen approvals: one driveway, one extended driveway, one solar panel project, gray condos end siding replacement, tan condos (9th Fairway) siding replacement, home building review, trim paint, one paint, two roofs, boxwood plant removal, organic bin, and window replacement.
- Letter sent to Lot 247 reference tree limb removal from yard stating fines would follow; limbs were removed.
- Received an email from Lot 205 owner, they will be starting clean-up work in the yard and inside the home.
- Full discussion of Lot 123 issues with Lot 122 were discussed – set back concerns and tree infringement.

MEETING ADJOURNED: 8:45 p.m.

Minutes prepared by Cheryl Havener