

# Martha's Landing Budget Ratification Meeting

*December 6, 2014 - 10:00am*

By Carla DeRosier (Board Secretary)

**Board Member's in attendance:** Tom Gish Jr, Paul Vereeke, Carla DeRosier, Jane Savage, Peter Muna, Sara

Meeting was called to order and it was great to see so many in attendance and so many new faces!

It was noted that we did not require a quorum for this meeting as we were not trying to pass any new legislation. This meeting was only/mainly to review, discuss and then ratify the 2015 ML budget.

We would have needed at least 51 'No' votes either in person or per valid proxy to shoot down the proposed 2015 budget but after much concern, many questions and answer's the budget was ratified by a vote of 25-Yes, 4-No and two (neither for or against).

Unit ownership by the Association of A206 was discussed at length. Tom re-read our attorney's letter about the order of events that lead to our ownership and where we are at this point as far as rent we are collecting. We had a group formed as a 'task force' regarding researching and legal counsel about further options on what we can do with this owned unit. Emma Packard, Vera Counsellor, Kurt? and possibly Michael Scheinine. They will seek another opinion from another attorney. They want to brainstorm and seek legal advice about the options available to deal with this unit.

**Tom's notes: The unit was turned over to the attorney for collection efforts once the account became seriously delinquent, the attorney pursued collection which included a demand letter, lien recording and then ultimately filing foreclosure on the association's lien. The association obtained the unit through the foreclosure process for a credit bid equal to the amount owed on the unit at the time. The association was the high (and only) bidder at the foreclosure sale. The credit bid relieved the former owner of his arrearage. The mortgage company was defaulted as they did not respond to the legal foreclosure notice.**

**At this point the unit is owned by the association, but likely would be tough to sell as the first mortgage lien is still a matter of public record and would likely need to be addressed if the unit were to be sold.**

At the time in 2011 we asked for \$800.00/mo rent. We applied \$237.00 of the \$800.00 to dues. The remainder \$563.00 applied to rent collected per month. We will be addressing the amount of Fair Market rent being charged and adjust it to more accurately reflect comp's in the neighborhood.

**Note:** The Association pays the assessment for this unit (from dues collected)

There were a lot of people wanting other issues addressed at this meeting so if you did not get the chance to voice your concerns or ask your questions please email or call Tom Gish Jr. at Port Gardner Property Mngmt. Or please feel free to attend the next Board Meeting which is always posted as to date and time and mentioned on the website as soon as we know when it will be. The next meeting will be toward the end of January 2015.

Complaint about McLeod Construction and some who say the work is sub-par. We would like to look into bid's for work on campus by other companies but need to hear your suggestions. Make sure your suggestions are for a campus of our size (100 units). WE get suggested vendor's at times just to find out they aren't a large enough company to handle the size of our campus.

**ACTION ITEM Q?/Tom:** E-Building Plumbing done by Pipeline Plumbing originally, if it fails would Pipeline still be legally liable for repair and costs?

**Vera C:** Financial statements presented by the property mngmnt co are on a 'Cash Basis' and not Accrual Basis which means that financial statements do not reflect a real financial position of the association in many homeowners opinion. Tom Gish Jr. is addressing this but there is opposing opinion on this topic and requires further debate. Our latest financials for November 2014 look different and so the property management co may have adjusted the way they report our financials. More to come on this topic!

The Special Assessment for \$150k begins January 1, 2015, as explained at this meeting it is essential to get the last 20 unit's re-plumbed before another break happens as we cannot afford it. We also have some decks that are dangerous and must be repaired/replaced ASAP. Payment booklets are on the way out to mailing addresses on file.

If we had chosen to do a \$10k, \$15k or \$20k (per unit) assessment in the beginning, of course we would not be dealing with these repair issues now but who could have or would have been able to pay that? You must understand that the Board at the time had to make decisions based on what was reasonable for all homeowners on campus. Just because some/few homeowners could maybe have afforded \$10k + doesn't mean we would have been able to collect it from everyone. Even at the small increments we have assessed over the past 7 years or so, we have not ever collected from every unit owner.

We (The Board and Property Manager) are still hoping we can get our delinquencies below 10% within this next year so that we may try applying for a commercial loan to do all necessary repairs on campus to start bringing up the values of our units.

Per the Reserve Studies we've had done the suggestions have been to do 5 x \$300,000.00 assessments (2008) and in 2014 it was suggested we do 7 x \$100,000.00 assessments. But these were for repairing everything on the reserve study, some of which was only best-case scenario repairs as if we were billionaires!

There were multiple different accounting type scenario's suggested for the collection and use of this 2015 assessment money, please speak directly to the Board and Tom Gish Jr. and we will certainly talk about these. Vera C. suggested we have a separate account for the assessment money collected for 2015 to be used ONLY for the plumbing work.

There were a lot of other topic's thrown in at this meeting and we really do want to address all concerns, we need you to know you have a voice, we just ask that you be respectful and not accusatory and present your ideas and solutions clearly. You can contact Tom Gish Jr. by phone or email or in person if you like. [tgish@portgardnermgmt.com](mailto:tgish@portgardnermgmt.com) 425-339-1160 regular business hours or any AFTER HOURS Emergencies 425-329-6210.