Meeting summary for 500 Market Street HOA Board Meeting (05/05/2025)

The meeting was called to order at 7:03

Present: Kent Allen, Linda Shipman, Durral Gilbert, James Brittain, Michelle Johnson.

The February 17th minutes were approved.

During the meeting, The board addressed various property management issues, including access to garages, package delivery, security concerns, and maintenance costs. The conversation ended with a discussion on financial matters, including the organization's operating account, reserve funds, and budget overruns, and plans for future maintenance and replacements.

Millhouse will send out a reminder email about the new front door code change on May 15th, including a note for owners to inform their tenants if those tenants' contact information had not already been provided to Millhouse.

It was decided to remove the cone from the side entrance and place it in the electrical room.

We also decided to put up signs on the inside of both side entrance doors reminding people not to prop them open.

There was a concern about into the large trash removal expense of $1,300 in March. Amount is to be investigated with the Millhouse / HOA Controller.

We decided to contact Juan Carlos (JC and JC) for an estimate on painting the first floor, broken down into sections (foyer, hallways, mail room). The reserve study estimated the cost or repainting the interior at $25,000.

Other maintenance concerns- inspection of the front and back doors for any wood rot or damage, particularly at the bottom and a check of the back lot for any areas that might need patching.

We discussed the upcoming termite inspection and the need for Millhouse to have access to all the garages and the units that face the street on the first floor. We discussed the security challenges of our building and how to minimize them. 2 solutions we discussed were making sure the outside doors are not propped open and encouraging delivery people to leave packages in the mail room.

We reviewed and accepted the financial report. We discussed a new line item under liabilities, "prepaid HOA assessments." We also discussed ways to better understand the ebb and flow of income and expenses and discussed actuals-to-budget variances. We specifically discussed the $9,900 overage in total administration and the $941 overage in expenses. The main drivers of these overages were insurance and legal fees, with the legal fees being a result of the requirement to file beneficial owner information with the Federal Government. We also had increased expenses for snow removal and for the redecoration of the lobby.

We discussed a new, monthly income statement that Durral had prepared. Because expenses were often times budgeted on a pro-rata monthly spread, this lended the financials to having budget variances simply due to timing. We were advised to focus on the year- to-date variance column for a more accurate comparison.

We discussed the need to build up our reserve fund in anticipation of higher cost maintenance and replacement costs and to avoid larger one-time assessments to the unit owners.

Durral discussed the financial performance of the organization. He explained that the excess from the HOA dues, earmarked for the reserve, was put into a new "other income" account. The organization generated $5,519 for the reserve but was partially offset by the higher-than-expected budgeted operating expenses. We also talked about the need to be thoughtful about managing expenses for the reserve.

We discussed various maintenance and replacement costs for the property. It was suggested that we should classify certain maintenance expenses that related to reserve items and that prolonged the lives of those assets from operating expenses to the reserve expenses, which was agreed upon. It was also mentioned that there was an issue with the elevator which needs to be looked into.

It was noted that there are finally new flowers in our flower pots. The board members also expressed their appreciation for team's work on the foyer.

The next meeting is scheduled for August 4th at 7 PM.

Respectfully submitted, Kent Allen