

Brian Babey testimony

Co-owner Jackie Babey (Bah-Bee) and Brian Babey (Bah-Bee), Former board member

Brown Road Court Townhome/Condominium Association in Long Lake, MN (Orono area)

Self-Managed from 1998-2000

Personal Touch Management Company 2001-2021

Compass Management Group Inc 2022- current

Formed in 1998 after conversion of condemned rental property consisting of

3 buildings each building has: 4 units per building: 2 two level townhomes, 1 one level townhome and 1 one level Condo unit above the four garages, total 12 units/owners

1st time homeowners were the “only” original owners 27 years, next longest owner 15 years here. We are the property historians (has its pros and cons), of sharing HOA information over the years to new owners. Due to lack of communication on behalf of management companies, board members, general sales of non-servicing homeowners' units, who knew HOA history due to lack of shared documents.

THANK YOU to Republican House Representative, Andrew Myers District 45A, who has had several town meetings in Long Lake and surrounding cities to hear about all issues and concerns for our area and within days he had shared this workgroup with us.

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Due to speaking time limit ~ PLEASE rewatch the two Speaker Presentations and one Public Testimony, we agreed/raised our hand on EVERYTHING the 2 speakers said, they both summed it up for most issues HOA owners experience in a nutshell, so many issues and they checked every box on our list we wanted to talk about. But we do agree with Julie Gugin, there should be somewhere to go for HOA homeowner issues, Accountability for boards and management companies to comply through a government group/agency, or this will continue “As-Is”.

Please refer to Agenda: Meeting 3- Friday, October 25, 2024, 10:00 AM-12:00 PM Ladyslipper Room, Centennial Office Building [658 Cedar Street, Saint Paul, MN 55155](https://www.google.com/maps/place/658+Cedar+Street,+Saint+Paul,+MN+55155)

SPEAKERS: Presentation 1—Ron Elwood, Supervising Attorney, Legal Services Advocacy Project, Mid-Minnesota Legal Aid (15 min.) and Presentation 2—Julie Gugin, former CEO of the Minnesota Homeownership Center (retired) (15 min.)

As for the FAIR CREDIT COLLECTIONS: Please refer to Agenda: Meeting Capitol 120, Tuesday, Nov. 26, 2024, 10:00 AM – 12:00 PM Public Testimony of Dr. Jolene Johnson She made so many strong points on assessments, late fees, leans, foreclosures. Etc. Billing practices. Lawyers/Mngt Co.: no cap on charges with no itemized explanations, board said you owe it- you prove you don't. Board/mngt co doesn't have to provide evidence according to Bylaws, the more you ask, the more you are charged \$\$\$\$ with little

to NO ANSWERS vs. REAL WORLD~ Collection Agencies: Fair Credit Act, letters of detail/itemized charges, time frames, appeals process, payment plans, checks and balance before lawyers and courts get involved.

If I was a single-family homeowner, then state law would protect me.....wait a minute.... wait a minute.... STOP THINK ABOUT IT..... a homeowner is a homeowner is a homeowner no matter what way you say it. I should have the same rights not less because of a connecting wall, or common land area, Due to being a HOA.

Bullet Points of issue:

A. Newly hired Compass Management Group Inc 2022-to current. Online billing: 2 months afterwards we get a mystery charge on PORTAL BILLING site. We questioned the charge to Compass Mngt, they said I don't know, " and asked Personal Touch Management Company, who said everything was turned over to the new mngt company. We have nothing. 10 of 12 units had some type of balance which no one knew about. Most were cleared up due to software billing errors... the board said don't pay, no late fee, we are investigating balances. (email to support this, 2/22/22) 3 years later balance still billed monthly as overdue, no answers.

B. Hindsight Update: Personal Touch Management Company 2001-2021 we had a rocky road with communications, availability, bookkeeping, Notices, low to no repair's reserves, Maintenance. Somewhere before 2014 we were charged or charges totaling \$82.23? No late or collection letters ever sent. No proof given by anyone, not a day, month, even the year it happened or for what it was for.

C. Online Compass Portal updates meeting docs folder on 1/17/24 This is the only available meeting notes ever made public, meeting dated 5/25/22. Which was a 3-member Board of Directors meeting. No notices were sent to 9 other homeowners to attend. (We can't see any other docs but Bylaws on Portal)

D. Meeting dated 5/25/22, They talked about several costly financial impacts on the HOA community **without** 1 single homeowner present or informed with board meeting notes. (please see meeting notes doc~3 pages) The 4 supporting Enclosures: such as quotes/bids have never been released to homeowners to see, even after asking Board, Mngt company, and Lawyers Office. 2 years after meeting 2022 with no mention of it in forward meetings. Until the assessment letter received.

E. Received letter via mail March 4<sup>th</sup> 2024 dated 2/29/24 Limited Common Element Assessment for wood post replacement using a general/generic declaration calling them awnings with a generic letter and a hand written \$ amount \$605 States will take effect 4/1/2024 and due 5/1/24 we would owe due in full, not half down or payment plan options, May 1<sup>st</sup>, 2024 No quotes/bids or itemized billing attached with notice. (see letter) (Notice the time limit to pay 30 days or 45 days? Postal service mail delivery issue/carrier shortage in city- delayed mail)

F. Several owners questioned the assessment, everyone was trying to find answers, there were 2 different groups of costs for this assessment (post work with and without cement steps repairs) two different payment due dates, 2 different dates to replace posts, 1 different date for cement work... no one would answer or provide documents to anyone or even the name of the contractor hired.

G. 5/6/2024 email for phone message left for Compass mngt. Later found out it was new owner Jackie unit 1800 who called, not us, asking assessment questions. (see email) 1st time learning in 27 years we

were switched sometime between 2022 to 2024 to a contract mngt company that was “financial only package” No notices were sent to other homeowners. Only 3 board members knew this.

H. May 23<sup>rd</sup>, 2024, received via mail 1st notice past due monthly statement dated 5/17/2024 for \$687.23

I. Email 5/29/24 about work time frame June 3<sup>rd</sup> and 4<sup>th</sup>, Concert work late July. Still no response to getting a copy of quotes/bids/contract of charges. Please note the association was paying ZERO towards the repairs/replacement. This was the full owner's cost.

J. Received via mail~ Sent to Lawyer Collections Notice: 31 days after due date from Toohey Law firm P.A dated 5/31/2024 Stating \$752.23 (\$605 assessment + Personal Touch previous balance \$82.23 Not addressed or answered + \$65 lawyer fee) Stated amount payable within 30 days of date of letter, making that June 31<sup>st</sup>, 2024. NOT EVEN 90 days to collect past due balance.

K. 6/4/24 BEI shows up to property with NO posts... Only metal wrap, they want to remove old metal wrap from old, rotted posts and put on new wrap (which would be too short due to the years of dry rot) and their words... They would come back another day to replace posts. Questioning them that is doesn't sound correct, they said the contract is between the board and them BEI and they will not talk to homeowners about the repairs. Called Compass Mngt talked to Jill as we and another homeowner on the call explained we questioned BEI, on the repair process but never said work can't be completed.... Jill then explained Mngt company is now financial only with us, can't talk about contracts? We took before, during and after pictures of lack of workmanship.

L. Series of Emails 6/5/24 back and forth with a board member (Brian husband and board President Wendy) 1<sup>st</sup> time hearing this is an open checkbook contract and \$605 is NOT the complete charge this is not looking out for the homeowner's best interest.... still asking for itemized charges.... last email part of a proposal from BEI starting over charges. At no time was the metal coil wrap ever removed to see posts prior. These were not 8-foot posts but 12-foot into an old L shape roof system. They only did 4 units, and it took hours for them to cut body shape holes into the roof to remove posts. They acted like they had never replaced posts before.

M. 6/17/24 Dispute letter Brian wrote to Board member, Compass mngt, Law firm (see copy)

N. 7/24/24 received a response from a dispute letter from Toohey Law Firm. Dated 7/11/24, They sent copies of the same Compass monthly ledger and a Payment ledger spreadsheet from Personal Touch dated 3/1/2014 to 12/31/2021 Printed so tiny that even with a magnifying glass it was almost impossible to read. (see letter)

O. 8/22/24 payment of \$605 which scheduling days (Mondays and Tuesdays) due to Brian works from home 2<sup>nd</sup> shift and weekends, 2<sup>nd</sup> round of repairs where delayed and cement and other post replacement no work done yet. (see letter)

P. 9/19/24 monthly statement showing Compass mngt put \$560.92 charge as Collection fee chargeback Toohey Law Firm Inv #119944 which we have never received a copy of this bill or explanation of charges. We are getting \$20 and \$30 late fees also

Q. Oct 8<sup>th</sup> and 9<sup>th</sup> 2024 cement work started on 4 units. Oct 12<sup>th</sup>, 2024, Damage was done to Paul's unit doorway roof knocked off, Paul was never contacted or told. I have video and pictures.

R. 10/18/24 Friday and 10/21/24 Monday and 10/22/24 Tuesday return of BEI to replace units' posts more pictures on my phone as proof. Not once did they come to our unit to replace our posts which we paid for.

S. Oct 15<sup>th</sup>, 2024, via mail Annual meeting letter set for 11/12/24 (see letter)

T. 11/12/24 annual meeting day.... a normal meeting has board members and 1 to 2 owners if lucky, usually JUST my husband Brian showing up. Highlights from meeting ...

Wendy the board President happy states construction work was completed. We stated they never came to do any work on our home, she was surprised and had no knowledge that it wasn't repaired due to lack of follow on the job. Explained we paid and the collection process of lawyers. She stated we should have not been sent to lawyers, and it wasn't approved by the board, she blamed Compass Mngt. They would look into it and get back to us. Wendy and another board member swore it was the other board members Leah's Porta/roof fell off/collapsed which it wasn't. Was she going to take Paul's credit?! see previous comment on Paul's unit above. We have photos and videos.

Board states unable to reach the management company most of the time and they don't respond to the board's questions and not returning calls? Many other issues addressed, meeting was 2 hours long

U. email late fee 11/20/24 - monthly Association dues? Showed proof it wasn't late. 2 weeks for response back. Response letter TROUBLING from a financial only mngt company dated December 2<sup>nd</sup>, 2024, from Jill at Compass mngt stating we have an outstanding balance of \$605 for Common Assessment from April NOT PAID. (see Letter) "other" charges unpaid as well.

V. emails 12/2/24 letter to board in response to Jill letter and response letter from board about outstanding balances 2 emails on 12/5/24. Removal of \$82.83 prior to 2014 Personal Touch, but standing hard on owing balance more of a covering their butt's letter (assessment see letters)

W. 12/27/24 balance outstanding \$837.92 in late/lawyer fees plus we paid \$605 ... So, we owe \$1442.92 for a job never done for an untrustworthy BEI construction company. (see ledger)

V. Email 1/7/2024 written meeting notes from Annual meeting by Board President Wendy ..... questionable accountability of meeting notes comments.

1. Now informing all homeowners of Compass Mngt status- Financial only services- covering their butts by stating it was talked about at the Dec 2023 meeting, but no one but the board members knew this again.

2. Addt'l Post damage- addt'l assessment based on BEI workorder, the open checkbook example of fraud charges on a faulty contract.

3. American Family insurance loss, moved to Berkshire Insurance

4. No repairs in a year and now suddenly back-to-back assessments suggested, is there alternative motives for board members? Sell? Need property improved?

They noted they want to do 7 more assessments, really as early as spring 2025

1. roof work this spring 2025

2. stairwell replacements
3. Universal replacement of boulders walls
4. Tree trimming around buildings
5. seal coating and leveling parking lots, that they just hire to repaint last fall
6. Repair mailboxes
7. consider an increase to continue with property improvements?? What don't have enough in reserves now. Currents dues monthly \$385 for nothing extra but lawn & snow service, garbage and insurance
5. Random notes at the end ... What?? \$500 fee in the first year for legal work? (I have already been charged more than that, with no work done and a pymt) & \$50 per board member change after 12/1? What? Board paying themselves? Any supporting documents available upon request, large amount of them

#### Brian's HOA Recommendations Points

##### Accountability of HOA's.

1. Must have some Government oversight or some place for people to complain too, instead of wasting courts time and resources.
2. HOA's boards really answer to no one right now, most homeowners don't get involved in HOA's meetings or property responsibilities so board take advantage of lack of involvement.
3. Smaller HOA'S like our 12 units should become a Cooperative. 1 person/Advisors per Building/structure to represent on board/committee
4. These advisors, to get estimates/bids/quotes for services and or repairs, must provide at least 3 estimates. Must share with all owners to vote on, then majority rules.

##### Debt Process changes:

1. Limit Legal fees based upon a percentage of debt. Example they can't charge any higher than 50% of debt, 1K they can only get \$500.
2. HOA's can only Foreclose with permission from Primary Mortgage holders or if paid in full need to follow MN Statute 580 as I heard referenced by several advocates, in these workgroups. No special rules for HOA homeowners.

3. Needs to be a yearly external audit of financial documents
4. Must also follow the FACT ACT or FCRA laws.
5. Assessments Special and otherwise if the amount is above 100\$ must allow for a 6-month payment plan.
6. Management companies must not be allowed to own any Rental Properties, a Construction Companies, Law Firm or Realty which would provide incentive for foreclosing of properties. Which I believe should be banned for HOA's and Property Management Companies.

From my own experience this is what I believe would make things fairer.

Absent due to work from home 2<sup>nd</sup> shift, Thank You for these workgroups.

LETS MAKE HOA'S GREAT AGAIN.

Brian M Babey