

NORTH SHORE TERRACE CONDOMINIUM ASSOCIATION
Annual Meeting, June 9, 2007
Atonement Lutheran Church, Newport, 10:00 AM

Members Present:

Andrew & Deborah Cordone	Clayton & Tia Richman
Ed & Joann Hallahan	Madi Steffens
Velma Burkert	William & Marita Barbat
Patricia Roberts	Lewis & Grace Rickabus
Lori Dayton	Joanna Rose
Dolores Johnson	Reuben Johnson
Larry & Wilma Daniels	Meg Miranda
Penny Eaton	Theresa Frederickson
Rafael Miranda	

Proxies Presented:

Rose Ebel presented by Lori Dayton
Ken & Marge Wallace presented by Lori Dayton
Carol Sumner presented by Meg Miranda
Bob & Elizabeth Boyd presented by Grace Rickabus
Tom Rudd presented by Madi Steffens
Paul & Jean Amundson presented by Madi Steffens

Members Present and Proxies Presented: Unit Numbers removed for WEB publication

Others Present:

CALL TO ORDER:

In the absence of either a chairman or vice chairman, Lee Hardy called the meeting to order at 10:05 AM. 17 unit owners were present in person and proxies represented 6 unit owners. A quorum was declared present. Members and others present introduced themselves.

ELECTION OF BOARD OF DIRECTORS:

Lee called for an election of the board of directors and opened nominations. She asked if anyone would like to volunteer. Madi Steffens, Lori Dayton, Theresa Frederickson, Rafael Miranda, Andrew & Deborah Cordone, Joanna Rose, and Clayton Richman volunteered to fill the seven-position board. The Cordone's will act as one board member. A motion was made, seconded and passed to elect the slate of volunteers. A decision was made to elect officers at the board meeting immediately following this annual meeting.

MINUTES OF NOVEMBER 06 AND APRIL 07 BOARD MEETINGS:

Lee asked if the members present had any additions or corrections to the minutes of the November and April board meetings, which were mailed to the general membership after each meeting. A motion was made, seconded and passed to approve the minutes as delivered. A question was raised as to whether the minutes of the June 2006 annual meeting had been approved. Lee said she did not know, but she could mail

out the documents she received from that meeting and the board meeting held on July 2, 2006, with this meeting's minutes so that owners can review all of them.

FINANCIAL REPORT AND BUDGET DISCUSSION—MAINTENANCE AND RESERVES PROJECTS:

Lee reported that the balance of the maintenance account as of May 25, 2007, was \$8,466.47, the balance of the reserves account was \$27,042.20, and the balances of the two remaining CD's were \$21,212.69 and \$21,345.88 respectively.

She presented a draft of a tentative budget for 2007/2008 and reviewed the proposed and yet-to-be approved projects listed on the budget. Earlier this year, the insurance cost was split between the maintenance and reserves accounts due to availability of funds. Andrew noted that the 2007/08 budget should include a line item for insurance only in the maintenance account budget. Lee said she would remove the expense item from the reserves budget and enter the total cost of insurance in the maintenance budget. Lee said that beginning balances for the maintenance and reserves will be entered at the end of June, which will improve the bottom line for both accounts. There are still expenses and income to be entered for June, which will complete the 2006/07 summary and affect the starting balances for July 2007. Proposed reserves projects include a new roof (overlay) on the 66 building, siding replacement and paint on the 96 building. Changes in the maintenance budget include increasing the landscape maintenance to a monthly service with an initial spreading of bark mulch and casseron for weed control. Also, Gerry Nieto has proposed to do moss control on the roofs for \$1900.00.

Reuben and Andrew both said that they did not think the reserves were accumulating at an adequate rate to cover component replacement. Andrew felt that the roofing did not live up to its projected life span. He said reserves were about \$80,000.00 short as of two years ago. The reserves study needs to be updated, and Andrew is willing to do that and will work with the board and with Lee over the next few months. Reuben noted that the 66 roof was poorly installed in the first place and the 86 roof was done before it was actually needed. The roofs are aging at different rates due to differences in exposure to the winds.

Insurance this year cost \$10,258.00. Concern had been raised in the past over the adequacy of the coverage in terms of replacing damaged common area components. Lee said that a determination of the value of the common area could be obtained by hiring a commercial appraiser. The key will be supplying enough information to the appraiser that he or she can clearly separate the common area from the unit area. She was asked to get an estimate from an appraiser to do such an appraisal. The adequacy of the unit owners' insurance for the interiors and personal property was questioned, and Lee suggested that all owners review their policies, including the adequacy of owner liability coverage. One owner had recently done that and found he was very underinsured. Deborah pointed out that association documents require unit owners to provide proof of insurance to the association. Lee said that she would send a reminder letter out asking for certificates of insurance from the unit owners.

The sewer lift station has been service about once in the last eight years, approximately 3 years ago. Lee said she was told annual service was needed, and she will arrange for that. Members present told her to check the level of accrued surcharges for the 96 building units to determine what funds were there to do the service. Also, she was directed to ask Newport Plumbing to recommend grease treatments that could be added to the drainage system. Andrew suggested that the plumber should be asked about the estimated remaining life of the pumps and what new pumps and controls might cost so that could be built into the reserves study. Lee discussed different pump options and their relative costs.

Unit owners have expressed displeasure with the appearance of the landscaping. Lee said that Carmelo Reyes, the landscape maintenance contractor had been called in twice to work since last summer. She said that Rafael and Lori had met with Carmelo and asked for an estimate to do a monthly service. Carmelo has recommended that bark mulch be spread with pre-emergent herbicide to reduce the cost of ongoing weed control. Reuben reminded the gathering that the center island actually belongs to the City of Newport, but the City does not maintain it. Deborah noted that the area around the water meters still has not been cleaned out. Two times per year service is not adequate to keep the complex looking good, but Rafael said that the tasks need to be specified for Carmelo. And Carmelo has made recommendations regarding some of the touchy plantings like the heather. Lee suggested that a landscaping committee could be formed to draw up a task list to present to Carmelo. Rafael, Lori and Dolores volunteered to serve on the landscaping committee, and Lori volunteered to be the contact person. A map or diagram will be sought to help Carmelo to identify the common areas that will need attention.

Roof maintenance has cost \$3,640.00 this fiscal year to date. A proposal has been provided by Gerry Nieto to treat the moss on the roofs for \$1900.00. This figure has been built into the 07/08 budget in addition to the historical average costs to maintain the roofs. Siding and deck painting has cost \$14,373.22 to date. Complaints are being received about peeling paint on some decks as well as some rotted posts. These will be surveyed to develop a cost to address. There was discussion regarding whether the owners should be maintaining their decks or the association should. Decks are limited common area.

Lee asked about the adequacy of pest control. Is there a need for greater frequency than doing pest control "on call"? A couple of members noted that they have seen small winged "ants". Lee asked if she could see samples of the insects to determine if they are, for example, moisture ants or termite soldiers. Ants and termites are common in the outdoors, especially in wooded areas. There is cause for concern if they are appearing indoors. Johanna said is seeing evidence of moles. Deborah said that she was using a battery-operated device, which seems to work well to discourage them.

Other maintenance issues have been presented to Lee. She said that fencing and latticework repairs have been noted and ordered. Owners are complaining of rusting doors on the 66 and 76 building. Deborah asked if door replacement is needed? Reuben said the policy in the past has not been to have the association replace doors. Rafael made a motion to replace any door with extensive rust rather than spend the money to prep and paint them, as painting is not cost effective. Ed Hallahan asked that doors not be replaced with new metal doors. Rafael reworded his motion: Determine the number of doors that need replacement (and those with metal sidelight panels) and see if these can be budgeted at a good level of cost per year to start replacing them with fiberglass doors. The motion was seconded. Andrew noted that there was no money in the budget for doors, and he felt that replacing doors would require a special assessment. Any proposal has to include how to pay for the work. Reuben said that past practice was to replace doors to save cost on ongoing maintenance. He cautioned against setting a precedent as some doors have already been replaced and paid for by the association. The motion was not voted on.

Larry Daniels reported that the ground drain fed by the downspout between 96A and 96B seems to be plugged as it backs up. Lee said she could have Newport Plumbing snake the drain to clear it.

Lewis Rickabus asked who is responsible for inspecting the property. The decks on the 85 building look old, and the paint on the decks did not last. If it is repainted, the color should be gray. Larry said the prep on those decks was not done well. They may not be restorable. Different decks are constructed of different materials; some are cedar, and some are treated wood. Johanna reported a leaking hose bib outside 86C.

Ed said that \$1900.00 was a good investment now for moss treatment, but he recommended that copper or zinc ridge strips be installed as an ongoing preventative.

Gutters at 85C and 86D have split seams and leak.

Members present brought up other issues. Patricia Roberts asked if there is any chance of the association paying for garbage service. Others noted this has been discussed at length before. The problem is that there is no central place to put a common trash receptacle. Some plantings would need to be taken out. A central location would help the truck with access to the receptacle. Between the 66 and 76 buildings, cars park in front of garages; and it is difficult for the garbage truck to get all the way back to the F and G units in those buildings. Common service would likely require a couple of dumpsters. Velma noted that there will no longer be any one time per month service from Thompson's Sanitary for those who do not live here full time. Patricia made a motion to research the cost of centralized common garbage service and where to site the receptacles. The motion was seconded. Lori suggested that Thompson's Sanitary be asked about the difficulty getting their trucks in between the 66 and 76 buildings. A vote was taken, and the motion failed by a wide margin.

A truck has been parked on 33rd Place for some time. It blocks the view of traffic for drivers on that street, and some consider it a hazard. Lee said that members need to continue to call the police to report the problem, and ultimately the city code enforcement officer may take steps to have the truck removed.

ADJOURNMENT:

A motion was made, seconded and passed to adjourn the meeting. The meeting adjourned at 12:11 PM.

Lee Hardy
June 12, 2007