

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION

Annual Meeting June 21, 2014

Newport Recreational Center, 10:00 AM

Members Present:

66A Elliott Black	86D Dolores Johnson
66G Paula Jones	86E Dee Roby
76B Ed Hallahan	86F Barbara Lewis
76F Rich & Carol Sumner	96C Barry & Phyllis Winters
76G Velma Burkert	96D Paul Amundson
85B Al & Linda Gilhuly	96E Penny Eaton
86C Joanna Rose	96F Theresa Frederickson

Proxies Presented:

66B Marty Peets proxy to Gilhuly	96B Larry Daniel proxy to Amundson
66C Clay Richman proxy to Board	96H Miranda proxy to Winters
76E Brian & Mary Kramer proxy to Gilhuly	

Others Present:

Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order/Establishment of a Quorum:

Al called the meeting to order at 10:03 AM. Nineteen of the thirty-two units were represented, constituting a quorum.

Agenda Review:

There were no changes or additions to the agenda as presented.

Minutes of 2013 Annual Meeting:

A motion was made, seconded and passed unanimously to approve the minutes of the June 22, 2013 annual meeting.

Budget Review and Old Business:

Lee provided members present with a copy of the 2014 draft budget and financial summary. She reported that the operating account balance as of May 31, 2014 totaled \$7,236.56 and that the reserve account balance totaled \$60,627.84. She directed the attention of members present to the reserve budget and indicated the reserve projects that have been approved for this year. Al noted that these include painting the 96D-H building and the mailbox building, replacing the roof and skylights on the 76 building, performing a major moss treatment and replacing 3 failed skylights on the 96A-D building and installing new side panels at the entry doors for 86B-G. The funds are on hand to perform all of these projects now.

Al noted that the balance of the reserve account is the total as of the end of May. He projected that there would be \$46,000.00 in reserves on hand after projects are paid for by the end of 2013. By this time in 2015, there is expected to be approximately \$80,000.00 in reserve funds available for next year's projects which will include painting the 86 building and replacing the roof on one of the 96 buildings. He guessed that, by 2020, there could be \$100,000.00 held in reserves. Barbara noted that the monthly reserve assessment was increased to provide this level of funding and asked if the assessment would come down. Al said there would be no increases. Some members present indicated they understood that the reserve assessment could be lowered in 2 to 3 years.

Barry reminded members present that the reserves were grossly underfunded several years ago and the increase in the monthly reserve assessment was approved to start building reserves up. The need to do that still exists in order to have the ability to pay for needed component replacement out of cash flow instead of levying large special assessments. He noted that reserves are a kind of insurance as is taking care of necessary maintenance in a timely manner. He asked members to consider the current comfort level as opposed to sudden

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increases in the future. Barry noted, and Lee concurred, that North Shore Terrace looks very good compared to some other HOA's and said the final decision belongs to all owners and not just the board of directors.

Al discussed the background of the new landscape contractor, Ground FX. Ryan Bancroft has excellent background and knowledge and has made great progress in improving the appearance of the common area, including clearing out trash and debris that have accumulated over the last several years.

Penny asked if 96E-H skylights will be checked. She reported that the moss cleaning on that roof had resulted in dust and needles falling from her skylight into the interior of the unit. Theresa said she had a similar experience. Lee said she would check with Gerry, the contractor, and have him take a closer look. No water leaks were reported.

Al said that mailbox replacement was being considered as well. Some reportedly leak when it rains.

New Business:

Penny asked about The Meritage trash issue. Al said he talked to the Newport City Manager Spencer Nebel and code enforcement officer Dustin Kittel about the problem with Meritage. They in turn met with the city attorney Rob Connell. In the last two weeks Freitag has started cleaning up the debris especially along the north boundary North Shore fence. Lee added that the HOA attorney, Cliff Collard, had arranged for a survey of the north boundary and found that the fence is well within the North Shore property line, contrary to allegations by Mr. Freitag that the fence encroaches on Meritage property. A letter has been sent with a copy of the survey to Freitag's attorney.

Other Business:

Velma noted that there are a lot of rentals in the 66 and 76 buildings and that occupancy in one unit appears to exceed the maximum that should be allowed. She wondered if the owners of the rental units check on their units from time to time. Also there are items of personal property stored on the front porches which make the units look trashy. Al suggested that if you see there is a problem with a rental and you know who the manager is, you can call the owner and ask if they are aware of conditions at their unit. This way the owner can go back to their manager for correction. Or you can report the problem to Al and he and Lee will deal with it.

Carol thanked the board for the time and effort they have spent and commended the good job the board is doing. Barry said that Al and Lee are responsible for a lot of that.

Election of Directors:

Al reminded members that the bylaws had been amended to require only five directors instead of seven. This has made a big difference in the ability to generate a quorum for meetings. He opened nominations for five director positions. Ed made a motion to nominate the current directors to continue to serve on the board. Al asked if there were other members who wanted to volunteer to serve on the board. No one came forward. The motion was seconded and passed without opposition.

Adjournment:

A motion was made, seconded and passed to adjourn this meeting at 10:44 AM. A board meeting will follow immediately after this meeting.

Lee Hardy
June 21, 2014