

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION
Annual Meeting July 11, 2015
10:00 Newport Recreation Center

Members Present:

66A Elliott Black	86E Barbara Lewis
66E Rosalia Ebel	96A Reuben & Carla Johnsen
66G Paula Jones	96B Larry Daniel
76B Ed Hallahan	96C Barry Winters
76G Velma Burkert	96D Paul Amundson
85A Al Gilhuly	96E Penny Eaton
86A Richard Otten	96F Jay Frederickson
86D Dolores Johnson	

Proxies Presented:

76E Kramer Proxy to Board of Directors
76F Sumner Proxy to Al Gilhuly
96H Miranda Proxy to Barry Winters

Others Present:

Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order/Establishment of a Quorum:

Al called the meeting to order at 10:00 AM. Eighteen of thirty-two units were represented, constituting a quorum.

Owner Introductions:

Owners present introduced themselves and identified the unit they own.

Additions to Agenda:

Members present asked that the agenda include a discussion of gate maintenance, landscape maintenance and insurance.

Minutes of the 2014 Annual Meeting:

These minutes were mailed to all owners following the annual meeting on June 21, 2014. A motion was made, seconded and passed without opposition to approve the minutes as mailed.

Financial Report:

Lee reported that the operating account balance as of June 30, 2015 totaled \$6,840.34 and the reserve account balance totaled \$51,127.63. She listed project costs to date and noted that the projects budgeted this year are reflected in the budget and summary included in the meeting packet.

Reserve Projects for 2015: The three reserve projects for this year are the roof replacement on the 96E-H building, the exterior painting of the 86 building and the sealing of all decks. Al reported that the painting of the 86 building is scheduled to start July 20th. The roof replacement on the 96E-H building is expected to be complete this coming Monday or Tuesday. The deck sealing is underway with the 66 and 76 buildings being complete and work in progress on the 86 building. The 85 building decks will be next.

Old Business:

There was no old business.

New Business:

Insurance: Lee reported that the State Farm policy that had been in place for years has shown regular premium increases, 28% overall since 2009 or so. This year showed an increase as well, and the board decided to shop the policy. A local agent provided policy options with pricing. The decision was made to change insurance companies and use Liberty Mutual for the general hazard insurance and another company for earthquake and flood combined. The original State Farm policy for the HOA covered the common areas: building structural elements, siding and roofing. The unit owner was responsible for insuring the interior finish of their own unit and their personal property. The new policy provides “walls in” coverage which means the HOA insures the building structural components, siding and roofing, structures in the common area and the interior finish of each unit. The unit owners now only have to insure their personal property and liability. There will need to be a decision regarding how to handle the deductible in the event of an insured loss. The standard approach is to have any unit owner cover that deductible amount if their unit is damaged, rather than have the HOA pay the deductible. After doing research the HOA attorney has proposed a resolution defining the responsibility for paying the deductible. The board will be reviewing this.

The earthquake coverage under the new policy shows a lower deductible than the original State Farm policy. The old deductible was 10% of the value of the loss. If there was a total loss, the HOA would need to come up with over \$500,000.00 in order to be able use the earthquake coverage. The new deductible is 5% of the value of the loss. Al noted that, since there are only 2 years or so of major projects left to complete, the HOA will be able accrue that lower deductible within a few years.

The new policies are posted on the website: northshoreterrace.com. Al advised members present to review those policies and have their insurance agents review their individual coverage. He said it is likely that individual owner premiums will decrease based on the new HOA coverage.

The question was asked whether the change in insurance would change the unit owner responsibilities for maintaining the interior of their unit. The unit owner would remain responsible for ensuring that their unit and interior components were maintained properly because the HOA documents have not been amended to require otherwise.

Landscape Maintenance: Al discussed the relative responsibilities of the HOA versus the unit owners for maintaining the landscaping. Lee noted that the landscaping at the entry of each unit, typically between the sidewalks and the garages and in the rear yards of the units, is limited common area which is under the control of the unit owner. Therefore the unit owner is responsible for maintaining those areas. The other areas, central islands and grounds away from the units, is the HOA’s responsibility. Al said any questions regarding the division of responsibility should come to him. There are owners who may not be able to maintain their limited common area due to prolonged absences. The landscaper has done some one-time cleanup of some of the limited common areas but only on request.

Velma noted that some areas are full of dried weeds which can be a fire hazard. Al said those have been identified to the landscaper to be dealt with. She also noted that the ground on the east side of the 66 and 76 buildings has become a dog park and playground for children, and it is a mess. That area needs to be more finished and better maintained. She has done that in years past but is unable to do it any longer. Al said he would talk to the landscaper about that area. The central islands have also become a dog dumping ground. Al said that the plan is to plant hydrangeas in that area and erect a two foot tall fence to keep dogs out of that area. Members present discussed the need for owners and tenants to pick up after their dogs. Lee said that rules could be compiled and fines levied against owners who either violate the rules or who have tenants that violate the rules. Barbara said she may need help with shrub pruning in her front courtyard. Al said he would ask the landscaper for help on that.

Decks and Failed Window Seals: Larry Daniels said that he has sealed his deck once per year and that he has replaced his owner windows or had them re-glazed. He asked whether the HOA should be responsible for that. Lee said that the HOA has covered window replacement and that she would contact Lincoln Glass on his behalf. Al said that the HOA has been dealing with the decks every 2 or 3 years but not annually. He said it was fine if a unit owner wants to do it themselves more frequently.

Building Colors: In response to a question, Al said the new color for the 86 building will be blue, the same color as others in the complex. Reuben said he liked the new colors better than the old one.

Election of Officers:

Al asked if any current directors were interested in being re-elected to the board. All indicated they were. Elliott Black said that he would be willing, and Al reported that Richard Sumner had expressed willingness. Paul and Dolores indicated that they were willing to serve until their units sold. A motion was made, seconded and passed without opposition to re-elect the current directors. If one or more leaves the HOA, there are volunteers willing to be appointed as replacements.

Richard Otten said the board does a really good job handling the affairs of the HOA. Barry asked for a show of gratitude for the work the manager does. Members present agreed on both counts.

Adjournment:

A motion was made, seconded and passed to adjourn this meeting at 10:50 AM.

Lee Hardy
July 11, 2015