

**NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION**  
**Annual Meeting June 11, 2016**  
**10:00 AM, Newport Recreation Center, Room 117**

**Members Present:**

66A Elliott Black	76G Gillian Pack	86E Karen Eibner
66E Rose Ebel	85B Al Gilhuly via phone	86F Barbara Lewis
66G Paula Jones	85C Roger Leo	96A Reuben, Carla Johnsen
76B Ed Hallahan	86D Dolores Johnson	96E Penny Eaton

**Proxies Presented:**

76E Kramer proxy to Board of Directors	96C Winters proxy to Board of Directors
76F Sumner proxy to Board of Directors	96H Miranda proxy to Board of Directors
96B Daniel proxy to Reuben Johnsen	

**Others Present:**

Lee Hardy, Yaquina Bay Property Management, Inc.

**Call to Order/Establishment of a Quorum:**

Paula called the meeting to order at 10:05 AM. Seventeen of thirty two units were represented in person or via proxy and phone, constituting a quorum.

**Introductions:**

Members present introduced themselves and designated the units the represented.

**Minutes of 2015 Annual Meeting:**

A motion was made, seconded and passed to approve the minutes of the 2015 annual meeting as posted on the website.

**Budget Review:**

**Financial Report:** Lee reported that the operating account balance totaled \$1,943.94 as of May 31, 2016, and the reserve account balance totaled \$50,685.66. She noted that the operating expenses average about \$115.00 per month per unit while the HOA is only charging operating dues in the amount of \$100.00 per month per unit. This creates a gradual reduction of resources over time and the carry-over from year to year is decreasing significantly. The increase in operating costs is due to greater expenses in landscape maintenance, insurance and regular gutter and roof cleaning. Other maintenance costs vary from year to year. The increased insurance cost is due to better coverage and lower deductibles for the HOA which includes covering the individual unit interior finish. This in turn reduces unit owner insurance costs as unit owners now only have to insure their personal property, liability and whatever HOA deductible that may be associated with damage to their units.

Members discussed options in dealing with the increase in operational costs which include borrowing funds from the reserve account, re-allocating the amount of dues versus reserves charged while leaving the overall monthly assessments the same, and reducing operating costs in some way. Al noted that the reserve fund will provide for the necessary component replacement items currently scheduled including painting the 96A-D building in 2017 and replacing the 85 building roof in either 2017 or 2018. Then funds can be accumulated to provide for the 5% deductible required to be able to use the earthquake insurance in the event of major damage due to a quake. Roger suggested that accumulated reserves could be invested rather than just sit in an interest bearing bank account. And he felt that the board needs to review the insurance coverage on a regular basis. Lee said the policy is posted on the website for anyone who wishes to review it, and the local agent is very knowledgeable.

The board and general members will continue this consideration of the adequacy of dues and reserves charges. Lee noted that major projects have not required special assessments due to the number of unit owners and the proactivity of the various boards that have served over time. Lee suggested that various projections could be calculated to compare the best way to maintain a healthy operating account balance in conjunction with an adequate reserve account and still keep monthly assessments low.

**2016 Reserve Projects:** The projects scheduled for 2016 include the painting of the 85 building and the replacement of roof and skylights on the 96A-D building. The power washing of the 85 building in preparation for painting should start Monday if it has not already. The painter will need access to the rear patio area of 85C which will require the installation of possibly two gates. Al said he would communicate with the owners of 85C and D to coordinate this. Both projects will be completed this summer. Ken Brophy is working on decks including re-sealing those that were done just previously but whose seal coats have failed due to product failure.

**Old Business:**

There was no other old business.

**New Business:**

**Future Reserve Projects:** Al commented that the painting of the 96A-D building should be done in 2017 and the color should be the same gold color used on the 76 building. He did not feel that the 85 building roof needed replacement in 2017, but we will rely on the advice of the roof maintenance contractor who cleans gutters and roofs regularly.

**Other Maintenance:** Penny asked if her building might be settling since she has cabinet doors that open on their own. It was suggested that Ken Brophy could check that or that she could obtain a carpenter's level to test her floors. Karen reported that she is missing one exterior fixture and part of another one. Lee will call an electrician to deal with that.

**Election of Directors:**

A motion was made, seconded and passed to open nominations for five positions on the board of directors. Volunteers were welcomed. Rafael Miranda and Barry Winters were nominated; and Karen Eibner, Elliott Black and Roger Leo volunteered. Nominations were closed and a vote held. All five were elected to the board of directors without opposition. These directors will hold a board meeting right after this annual meeting to elect officers.

Ed Hallahan thanked all departing and new board members for their service.

**Adjournment:**

A motion was made, seconded and passed to adjourn this meeting at 10:49 AM.

Lee Hardy  
June 11, 2016