

**NORTH SHORE TERRACE HOMEOWNERS ASSOCIATION**

**Annual Meeting June 29, 2019**

**1:30 PM, Newport Recreation Center**

**Members Present:**

66A Elliott Black	85B Al Gilhuly
66F Michael & Rosie Hereford	85C Wendy Birchfield
66G Susanne MacDonald	86A Richard Otten
76B Ed Hallahan	86E Karen Eibner
76D Scott Nielsen	86F Barbara Lewis
76E Brian & Mari Kramer	96G Richard & Keri Bowden
76F Richard Sumner	96H Rafael Miranda
76G Gillian Pack	

**Proxies Presented:**

66C Cheryl Cornelison proxy to Board of Directors  
76A Margarita Nilsen proxy to Board of Directors  
96A Reuben & Carla Johnsen proxy to Board of Directors  
96D Steven & Christie Lathrop proxy to Michael & Rosa Hereford  
96E Penny Eaton proxy to Barbara Lewis

**Others Present:**

Lee Hardy, Yaquina Bay Property Management, Inc.

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

Rafael called the meeting to order at 1:34 PM. 20 out of 32 owners were present or represented via proxy, constituting a quorum.

**Minutes of 2018 Annual Meeting:**

A motion was made, seconded and passed to approve the minutes of the 2018 annual meeting as written.

**Financial Report:**

Lee reported that the current operating account balance totaled \$4,648.28, and the reserve account balance totaled \$82,601.80. There are no current serious arrearages in dues collections. Increased cost of insurance is largely responsible for the low operating account balance due to enhanced coverage of the common area plus the interior finish of each unit as well as new coverages for earthquake and flood.

Rafael reviewed the building maintenance performed and paid for out of reserves over the last 12 months. All six storm water catch basins were replaced at a cost of \$23,350.00. The 96A-D building was painted at a cost of \$24,640.00, and the decks on the 85 and 96 buildings were sealed or painted at a cost of \$10,350.00. The remaining project this year will be replacing the roof on the 85 building. In 2020 the asphalt is scheduled for repair, sealing and striping; and the decks on the 66 and 76 building are scheduled for staining or replacement. In 2023 the 66 and 76 buildings are scheduled for painting, and the 86 fencing is scheduled for replacement. 96E-H is scheduled for painting in 2024, and the 86 building is scheduled for painting in 2025. He reviewed the expected costs of these future projects based on the estimates provided by the reserve study performed last year.

Rafael reviewed how the monthly assessments are allocated between reserve and operating costs and broke down the approximate amounts spent monthly on various operating tasks such as landscaping, insurance, utilities, pest control and management. He noted that starting in 2020, there will be less spent on building maintenance so reserves can start to accrue more. Operating expenses exceeded collections in 2018 and will exceed collections in 2019 even more. Explaining the increased cost of insurance, Rafael noted that the coverage that applies to earthquake and flood would not be accessible if the HOA did not

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have the deductible on hand at the time of a loss. Therefore, coverage for the deductible was secured through FEMA which increased the cost of the insurance overall. That deductible could be as high as \$300,000.00. With the FEMA coverage now much less cash needs to be available on hand in the event of a loss.

Al noted that the costs to clean roofs and gutters and maintain the landscaping has increased a lot as well and recommended that these projects be re-evaluated in terms of what is done and who is doing the work.

### Old Business:

**Moisture Inspections:** In 2018, part of the 96E-H building was re-plumbed due to leaking copper pipes which suffered electrolysis. The rest of that building was inspected and no other leaks detected. Lee explained what causes electrolysis and advised members present to check the grounding on their water heaters. Also, she said that electrical code changed in 1996 and now requires that electric meters be double grounded. This last upgrade was done for the complex when most of the 66 building had to be re-plumbed several years ago for the same reason.

Rafael said that the board had agreed to schedule a moisture inspection for the 66, 76, 85 and 86 building units to determine if there was evidence of leakage in the plumbing in those buildings. It will be more cost effective to do a number of units at one time rather than schedule the inspection one unit at a time. Members were asked to communicate to Lee what times their units could be available for inspection.

### New Business:

**Deck Replacement on 66, 76 and 86 Buildings:** The decks on these buildings sit so low to the ground that they do not ever fully dry out which means any sealing or painting will not provide a lasting finish. There are only 2 decks on the 86 building, but all units in 66 and 76 have low decks. 66 is very shaded and suffers the worst effects. 76 is not shaded as much but still has deck sealing issues. Rafael said that members need to start thinking about whether the wooden decks should be replaced with pavers or concrete or some other product. Members present discussed other options that work well such as sealed composite products except for Trex which is not a sealed product. The board will review input from the 66 and 76 unit owners and then do cost comparisons. A preliminary poll taken at this meeting showed that most favored a sealed composite decking product with one owner expressing a preference for concrete. Al suggested that deck replacement could be staged with 66 being done the first year and 76 done the next and 86 done the third year. Lee was asked to check with Fitzpatrick Painting to see if they had any recommendations.

**Yearly Cleaning of Skylights:** Rafael proposed having the skylights, which are included on all buildings, cleaned annually or twice per year. Scott said he did not think this was that important. Al suggested having it done in May each year. Members present want to look at the cost and determine if it is worth that cost.

**Wood Chips:** Al said he will borrow a truck around July 9 or 10 and bring in a load of wood chip to cover the exposed dirt in the common area landscaping. Volunteers to help spread the chips will be welcome.

**Other:** Scott said the parking space numbers are fading and should be repainted. Rafael said that could be done next year when the asphalt is sealed.

### Election of Directors:

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Rafael opened nominations for the positions of five directors. Three names had already been submitted on the nomination forms sent out prior to the meeting. The nominees were CJ Bryan, Al Gilhuly, Karen Eibner, Rafael Miranda, Scott Nielsen and Gillian Pack. A motion was made, seconded and passed to re-elect Al, Karen, Rafael and Scott to the board and then hold a runoff election for the fifth position. Paper ballots were distributed to members present who returned them to Lee. Lee tallied the votes and declared Gillian the winner by majority vote.

Ed thanked the Board and Lee for their efforts on behalf of the HOA.

**Adjournment:**

This meeting adjourned at 2:50 PM.