

**NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION**  
**Board Meeting July 16, 2016**  
**10:00 AM, Office of Yaquina Bay Property Management, Inc.**

**Directors Present:**

Barry Winters	Rafael Miranda	Karen Eibner
Elliott Black	Roger Leo	

**Others Present:**

Lee Hardy, Yaquina Bay Property Management, Inc.

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

Rafael called the meeting to order at 10:02 AM. All directors were present, constituting a quorum.

**Minutes of June 11, 2016 Board Meeting:**

A motion was made, seconded and passed without opposition to approve the minutes of the June 11, 2016 board meeting as delivered.

**Financial Report:**

Lee reported that the operating account balance as of June 30, 2016 totaled \$2,350.42, and the reserve account balance totaled \$25,077.35. Since the end of June, the bill for painting the 85 building was received and paid out of reserves in the amount of \$13,350.00 as bid. This leaves \$12,727.00 in the reserve account as of today. She said the budgeted income for both operating and reserve accounts has been adjusted to reflect the re-allocation of dues and reserves charges approved earlier. This re-allocation will increase the operating dues income by \$3,840.00 for 2016 and decrease the reserves income by the same amount. The down payment for the roof has been paid.

She recommended taking a serious look at the budget based on the projects both scheduled and in progress for this year. These projects include a new roof on the 96A-D building and deck repairs on both 96 buildings and the 85 building.

**Old Business:**

**96A-D Roof:** Although the down payment has been made, the scheduled start date is unknown. At completion, the final bill will be \$22,321.00 plus the cost of any dry rot repairs to the roof sheeting. .

**Fence & Deck Repairs:** Last month, Ken Brophy billed the HOA for \$10,719.10 in deck and post repair/replacement and sealing for the 85 building. A gate has been completed to be installed in the fence between 85C and 85D as a fire exit. Authorization to install that gate has not yet been given to the contractor.

Lee reported that she received a verbal summary earlier this morning summarizing the expenses incurred to date by unit but not yet billed or paid. The costs are broken down as follows:

76E--\$3,533.00 for repairs to the south wall (dry rot) and replacement of a rotted beam due to a window leak, replacement of one window that had a cracked frame  
86C--\$190.00 for gate repair  
86D--\$176.00 for gate repair  
86E--\$463.00 for more extensive gate repairs  
96A--\$100.00 for gate repair  
96B--\$1,684.00 for deck board replacement, power washing the deck and deck re-staining  
96C--\$2,181.00 for complete replacement of 3<sup>rd</sup> floor deck and railing and brackets and staining  
96D--\$1,130.00 for deck board, brackets and railing replacement (Re-staining has not been done yet and will be additional cost)

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96E—\$513.00 for deck board and hardware replacement  
96G--\$761.00 for deck board and hardware replacement  
Gang meter base shelter--\$105.00 replacement of door for gang meter base by 76 building

These heretofore unbilled costs total \$11,836.00 at this point. Work is still pending on 96A, F and G decks, although at least one of these looks to be a very minor deck repair. Also repair to the fences behind the 96E-H building is needed, including replacing rotten posts. The known cost for the additional deck work as listed above (\$11,836.00), if billed now, will pretty much fully deplete the reserve account. When the additional deck work which is not yet estimated is billed, it will have to be paid out of the normal monthly reserves collections which are estimated at \$5,120.00 per month. And this will leave no funds to pay the balance due on the roof. \$5,894.20 in reserve funds was spent on operating expenses earlier this year and will need to be repaid.

In summary, impacts on the operating and reserve budgets come from more than one direction. The operating account was affected by the low carry over from 2015 caused by increased landscape maintenance costs and costs of other minor maintenance and the increase in insurance premium. The insurance premiums are higher due to the improved coverage and lower deductibles on the hazard and earthquake policies. While the premiums are higher, there is a trade-off in that the HOA policy now covers the interior unit finish which reduces the amount of coverage individual owners have to pay for. Re-allocating the monthly assessments to increase the operating dues collected somewhat offsets these impacts, but it remains to be seen if the offset is complete.

The reserve account is being impacted by pre-planned projects, the 96A-D roof replacement and deck work on the 85 and 96 buildings. However, the initial estimated cost of the deck work as shown in the budget is less than half what the actual costs will be in the long run due to the discovery of more dry rot and deteriorated bracketing than was expected. This means there will be a shortfall in the amount of reserves needed to pay for both projects. The shortfall is likely to be between \$15,000.00 and \$20,000.00, depending on when the roof and deck work is completed and whether dry rot is found in the roof sheeting. Regular reserve assessment collections run about \$5,120.00 per month for the entire complex.

The board considered options for accomplishing and funding the projects on the table for this year. The options include (1) going forward on all projects and levying a special assessment to insure funding is available when work is completed, (2) looking into an installment payment program for the roof replacement such as deferred payments made in installments including interest, (3) postponing the roof replacement for one year, and (4) researching financing the projects through a local bank. The pros and cons of all options were considered, and it was concluded the roof replacement needs to happen this year as there is an active leak over 96C. It may be possible to delay the roof replacement a month or two, however, and still get it done in time for the rainy season if the roofer's schedule will permit that. Then the regular monthly collections would decrease the amount of any special assessment needed. Lee estimated that a special assessment in the amount of \$700.00 per unit would generate the funds necessary to fully finish the roof if the assessment was collected within a month. After discussion a motion was made and seconded to levy an assessment in the amount of \$400.00 per unit, payable within a month, while engaging the roofing contractor in conversation about scheduling the work and installment payments. A vote was held and 4 directors voted in favor and 1 voted in opposition. The director opposed preferred the full assessment of \$700.00 per unit to cover the roof so work could begin without much delay and monthly collections of normal reserves could be applied to the deck work.

**Fire Gate In Fence Between 85C and 85D:** Roger asked if Al had contacted the owner of unit D to get permission to install a fire exit gate in the fence between 85C and 85D. 85C has no exit from the back yard area in the event there is a fire in that unit. Lee said she had not heard if permission was

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granted, and Ken has said the gate has been built and he is just waiting for authorization to install it. Roger said he would contact the owner of 85D personally.

**Next Board Meeting:**

The next board meeting is scheduled for 10:00 AM, Saturday, August 13, 2016. It will be held at the office of Yaquina Bay Property Management, Inc.

**Adjournment:**

A motion was made, seconded and passed to adjourn this meeting at 11:28 AM.

Lee Hardy  
July 16, 2016