

NORTH SHORE TERRACE HOMEOWNERS ASSOCIATION
Board Meeting June 17, 2017
10:00 AM, Office of Yaquina Bay Property Management, Inc.

Directors Present:

Barry Winters Rafael Miranda Roger Leo Karen Eibner

Others Present:

Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order/Establishment of a Quorum:

Rafael called the meeting to order at 9:59 AM. Four of five directors were present, constituting a quorum.

Minutes of May 13, 2017 Board Meeting:

A motion was made, seconded and passed to approve the minutes of the May 13, 2017 board meeting as delivered.

Financial Report:

Lee said that the balance of the operating account as of May 31, 2017 totaled \$1,842.75; and the balance of the reserve account totaled \$34,789.04. She noted that the typical carryover from year to year in the operating account used to be between \$10,000.00 and \$15,000.00. This enabled the HOA to pay its insurance premiums, which come due early in the year, in full rather than in installments as is being done now. Increased costs of insurance, the termite treatment and increased costs for landscape maintenance have resulted in an annual decrease in the carry over amount. The carry-over from 2015 to 2016 was only \$6,703.66 and from 2016 to 2017 was \$8,717.29. She presented a breakdown of average cost per unit per month for each line item in the operating budget. Budgeted costs are now averaging \$109.00 per unit per month total, and the monthly operating assessment is \$120.00 per unit per month. The HOA is currently spending roughly 90% of the operating income it takes in, more if unexpected expenses arise.

Old Business:

96 Building Deck Status: Rafael noted that there are major repairs pending for the deck on 96A with minor repairs pending on some of the other 96 decks. Estimates have not been received.

96 Building Fence Repairs: The fence between 96A and B has partially collapsed and will need repair. An estimate has not been received yet. The owners of 96D have erected a short fence as a pet enclosure and painted it a color not used on other fences. This may be a topic for the annual meeting in terms of advising owners what they can or cannot do without HOA approval if it involves limited common area. It has to be determined if the HOA documents specify any restrictions on fencing.

96 Building Power Washing: 96A-D is scheduled for power washing this summer in lieu of painting which is not yet necessary. The first estimate obtained totaled \$2800.00. A second estimate will be requested. The gutters on this building may need to be touched up after power washing.

85 Building Roof Evaluation and Skylight Condition: Lee said that the contractor who cleans roofs and gutters on a monthly basis reports that the 85 building roof is serviceable. There is one defective skylight on 85D, and the estimate to replace that skylight is \$579.00. A motion was made, seconded and passed to approve the replacement of the defective skylight as estimated.

Deck Sealing: Roger noted that the west decks on the 85 building need to be stained. He asked if an owner can treat his or her own deck rather than wait for scheduled maintenance. Directors discussed the relatively short life span of deck stains and what the most desirable products to use would be. Lee said she will check with the painter Lee Baker. Once the best product is determined, it can be referenced on

NORTH SHORE TERRACE HOMEOWNERS ASSOCIATION
Board Meeting June 17, 2017
10:00 AM, Office of Yaquina Bay Property Management, Inc.

the HOA website. A motion was made, seconded and passed to ask owners who wish to treat their own decks to contact the HOA for the name of the preferred product to use.

New Business:

Insurance Letter for the Annual Meeting: Directors present reviewed two drafts created by two individual directors of an informational letter that they want to present to the membership before the annual meeting so that members will have a chance to think about the issues presented regarding the earthquake/flood coverage currently in place for the HOA. Issues include the amount of deductible the HOA needs to have on hand in order to exercise the coverage in the event of an earthquake or flood, whether the event creates a major catastrophic loss or only a partial loss. Once the deductible is accrued, is it worthwhile to invest the funds in an interest bearing instrument? Considerations include whether the complex would be rebuildable after a major event if liquefaction seriously compromised the ground, how long rebuilding could take based on the availability of funding, contracting resources and the integrity of necessary infrastructure.

Roger pointed out the benefit of registering the HOA as a non-profit corporation which has the advantage of providing liability protection for the board because of the board's decision making responsibilities. A motion was made, seconded and passed to authorize Lee to initiate the incorporation process with the HOA's attorney of record, Cliff Collard.

Directors present felt the letter should be informative. There are currently two versions, a long version with much detail and a shorter version which could be considered an executive summary. Directors agreed both versions should be sent to the membership prior to the meeting to give owners time to read, reflect and perhaps generate pertinent questions that then can be answered. A survey of the membership was suggested, and a synopsis of the options could be presented so owners can indicate their preference. Thus, the membership can provide guidance to the board which then can make a decision based on an informed consensus of the membership.

A motion was made and seconded to have Rafael amend his letter to say the board is not making a recommendation regarding maintaining earthquake coverage at this time. A vote was held. Two directors voted in favor of the motion and two abstained. The motion was not passed.

Meritage Trash: One director noted the city is not apparently inclined to do anything regarding complaints about the Meritage trash management or lack thereof. Lee suggested directors read the municipal code regarding nuisances which requires that fencing screen some accumulations of material on private property to prevent an attractive nuisance that could lead to injury to children or adults. Then a specifically worded complaint can be submitted to the city's community service officer for response. She provided the name of that officer.

Proposed Agenda for Annual Meeting to be Held July 8, 2017: Rafael outline an agenda for the annual meeting as follows:

Call to order/Establishment of a Quorum

Owner Introductions

Minutes from 2016 Annual Meeting

Financial Report

 Review last 12 months repairs/reserves expenses

 Need for new reserve study to update the November 2011 Reserve Plan

 List of reserve projects for the next 10 years with cost estimates

 Review of dues assessments and whether an increase is needed

Old Business

NORTH SHORE TERRACE HOMEOWNERS ASSOCIATION
Board Meeting June 17, 2017
10:00 AM, Office of Yaquina Bay Property Management, Inc.

New Business

Insurance discussion

Election of Directors

Adjournment

Convene Board Meeting Following Annual Meeting

Call to order/Establishment of a quorum

Election of Officers

Old Business

New Business

Set next board meeting date

Adjournment

Rafael noted a special assessment was levied in 2016 in the amount of \$400.00 per unit to fund the completion of the roof on 96A-D. He said he would like to create a credit of that amount back to owners by reducing the monthly reserve assessment until owners recover the \$400.00 levy amount. A motion was made, seconded and passed to table this until the next board meeting when there will be more information regarding 2017 expenditure requirements.

Adjournment:

A motion was made, seconded and passed to adjourn this meeting at 11:49 AM.

Lee Hardy
June 17, 2017