

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION

Board Meeting Dec. 16, 2017

10:00 AM, Office of Yaquina Bay Property Management, Inc.

Directors Present:

Roger Leo Rafael Miranda Betty Jo Otten

Other Members Present:

Al Gilhuly (via phone)

Others Present:

John Russell, Payne West Insurance (via phone)
Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order:

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

Minutes of Sept. 16, 2017 Board Meeting:

A motion was made, seconded and passed to approve the minutes of the Sept. 16, 2017 board meeting as delivered.

Financial Report:

Lee reported the operating account balance totaled \$4,678.46 as of Nov. 30, 2017, and the reserves account balance totaled \$61,385.42.

Directors present discussed year to date actual costs compared to budget line items. The lift station maintenance has exceeded the budget for that system, and Lee reported the big culprit causing failure of the system is the amount of grease that goes through the station. She suggested scheduling a regular clean out of the basin twice per year to see if that reduces the number of times the pumps in the station fail. Rafael made a motion to have the lift station serviced and cleaned out twice per year. The motion was seconded and passed. He also suggested issuing a letter to the owners of the 96 buildings which are served by the station describing what not to flush into the system. Owners with tenants can then advise their tenants of what to do and not to do.

Roger asked what the "other maintenance" line item represented. Lee said that includes exterior lighting maintenance and minor roof, gutter and skylight repairs which are not capital expenses for the most part. He asked about the scheduled roof replacement on the 85 building for 2018 and whether it was necessary. Rafael said the funds are available now to do the roof replacement, and it will be the last large capital expense for a long time. Once that project is done, the reserve fund will grow steadily and much more rapidly than it has before.

Old Business:

Insurance Coverage: John Russell from Payne West Insurance called in on the conference line and answered questions from directors regarding the insurance coverage. Roger noted that he has unresolved questions and was puzzled by the response from Crouse regarding wave action versus tsunami. John said he has not been happy with Crouse recently due to water damage claim issues. He requested an option from DIC (difference in conditions), including clarification on tsunami coverage. He has not heard back yet. He has also asked for a clarification regarding earthquake coverage as to whether that includes liquefaction. He has checked with another resource regarding wave action versus tsunami. The standard forms for hazard coverage cover everything but earthquake and flood. Some companies used to include earthquake, but most exclude it now. Roger asked whether John can find coverage for tsunami that could be caused by a rupture of the Cascadia Subduction Zone. John said he can send that out Monday or Tuesday. Roger noted that it looks like another meeting will be needed.

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Regarding the issue with the updating of the FEMA maps, Roger asked if FEMA is offering coverage. John said we can use the current coverage agreement until it is cancelled and that it has not been said that flood coverage will be unavailable. Roger asked how it would work if FEMA is the source of insurance. John said the HOA can consider a FEMA policy to absorb the current deductible for flood insurance. Roger noted the current coverage is ambiguous, and John said he will seek clarification. It sounds like the HOA will have a two-level structure for coverage: the primary policy plus FEMA coverage for the deductible for the primary policy. The FEMA policy will have a much lower deductible. John noted the deductible will be calculated on a per building basis and could be \$10,000.00 or \$15,000.00 instead of \$500,000.00. Roger asked if the HOA should keep or cancel DIC. John said Lloyd's of London is not his favorite insurer so we need to nail down the language and definitions and remove ambiguities. Crouse can be cancelled outright. He said CRC has been a good partner in terms of answering questions. He should have some answers next week on a couple of different options, and the HOA can decide once those are available. Al asked if the \$5,000.00 premium was earthquake or flood or both together. John said it was for both.

Power Washing 96A-D: Lee said she got a second bid for power washing the 96A-D building, and it was cheaper than the one from Greentuitive which was \$2400.00. But she discovered that the low bidder was not licensed and recommended against using an unlicensed contractor on a building that size. She said she will ask Lee Baker to bid it again and see if his schedule has improved. A decision can be made at the next meeting.

Building 85 Roof Replacement: Lee reported that Stutzman and Kropf had provided a bid for the 85 building roof that looked reasonable but did not include skylights. She will get a comparative bid from Maier Roofing and ask Stutzman to add the skylights to their bid. Then the board can decide. Rafael noted the funding for that roof is currently in hand. Al and Roger agreed that Gerry Nieto, the roof cleaner, should be asked for a report on the condition of the 85 roof. The roof is approximately 19 years old.

Tree Trimming Report: The tree pruning has been completed, and Rafael noted that Karen Eibner seemed very satisfied with the quality of the work.

Fill Vacant Board Seat: Al Gilhuly had been recommended for the board seat vacated when Elliott Black resigned, and Al has consented to fill that seat. A motion was made, seconded and passed to appoint Al to the vacant board seat.

New Business:

Response from Attorney Dennis Bartoldus Regarding Amending the By Laws for the New Non-Profit Status of the Association: In response to Roger's questions a lengthy email was received from Dennis Bartoldus regarding amending the HOA documents to reflect the new non-profit status of the HOA. Directors present discussed the response. Roger noted that the by-laws constitute the contract with the membership of the HOA and provides the board of directors with its authority and powers. He felt that new by-laws are needed to reflect the new non-profit corporate status. ORS 65 governs non-profit corporations, and ORS 100 governs condominiums. There are two potential areas where amendments might be a requirement. Rafael reviewed Dennis's response and discussed the potential costs involved which would come to at least \$3,000.00 and likely more. He asked if the board was satisfied with the status quo or whether the board wants to vote on this issue now. Roger suggested the low budget option would be that the new corporation vote to adopt the by-laws adopted by the HOA in 1992. This could be done at the annual meeting. Al said the board should ask Dennis what the base minimum action should be. Roger made a motion to ask Dennis for a low budget solution and ask if the plan to adopt the 1992 by-

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laws at the 2018 annual meeting is feasible. Rafael suggested amending the motion to stipulate that Lee ask Dennis this question and then report his answer to the board. The motion was reworded to be “ have Lee ask Dennis if the HOA adoption of the current 1992 by-laws at the 2018 annual meeting is sufficient to satisfy the requirements of both ORS 65 and ORS 100”. The motion was seconded and passed without opposition.

Other New Business:

Landscape Maintenance: Al said he was concerned about the high cost of and apparent poor quality of the current landscape maintenance program. He said this can be a future topic of discussion. Lee said that criticism needs to be specific and not general. Roger said a work list should be developed and made available for discussion at the next meeting.

Meritage Rodent Problem: Lee reported that, subsequent to her forwarding an email containing a complaint from a unit owner about rats and Roger’s response to that email to the City Planning Director, that email was then forwarded to the City Manager and Chief of Police. The report that came back is that a nuisance was confirmed by a responding officer, and the owner at Meritage was going to be contacted.

Next Board Meeting:

The next board meeting is scheduled for 10:00 AM, Saturday March 17, 2018. 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 11:26 AM.

Lee Hardy
December 16, 2017