

NORTH SHORE TERRACE CONDOMINIUM HOMEOWNERS ASSOCIATION
Board Meeting May 26, 2018
10:00 AM, Office of Yaquina Bay Property Management, Inc.

Directors Present:

Al Gilhuly Rafael Miranda Karen Eibner Roger Leo

Others Present:

76D Scott Nielsen 96D Steve & Christie Lathrop

Lee Hardy, Yaquina Bay Property Management, Inc.

Call to Order/Establishment of a Quorum:

Rafael called the meeting to order at 10:00 AM. Four of five directors were present, constituting a quorum.

Minutes of May 7, 2018 Special Board Meeting:

A motion was made, seconded and passed without opposition to approve the minutes of the May 7, 2018 board meeting as delivered.

Financial Report:

Lee reported that, as of April 30th, the operating account balance totaled \$7,126.01. Since that date a down payment for the earthquake insurance in the amount of \$1,628.27 and a down payment for the reserve study in the amount of \$1,895.00 have brought the balance down to \$3,902.74. This net total does not include the dues being collected now for the month of May.

The reserve account totaled \$68,900.16 as of April 30th. Since that date, a payment in the amount of \$2,910.00 for the FEMA policy was made, bringing the total reserves down to \$65,990.16. This net total does not include the reserves being collected now for the month of May.

The new policies for earthquake and flood have been secured with a partial payment for the earthquake policy and full payment for the FEMA policy. The balance of the earthquake policy will be made in installments throughout the year. The reserve funds used to pay for the FEMA policy will be paid back to reserves out of the operating account later.

Old Business:

Decision Regarding Re-Plumbing units 96E, F & H: Electrolysis in the copper plumbing led to a leak that caused major water damage to unit 96G earlier this year, requiring that unit to be re-plumbed. An estimate to re-plumb the other units in that building, E, F and H, was obtained. It will cost approximately \$16,000.00 per unit or \$48,000.00 overall to re-plumb the other three units. The question before the board is to determine when to perform this work which is need due to the widespread corrosion was discovered in the pipes and whether to do all three units at once or schedule the work one unit at a time over a longer period of time. Directors present expressed concern with the availability of funding given that the 96A-D building will be painted this year and consideration is being given to deck and siding work on the 85 building. They felt the reserve account will not cover all of these expenses in a single year. Rafael also expressed concern about the significant interference the plumbing work would have on the owners' ability to use their units over a period of time. Concerns were raised regarding the possibility of plumbing failure resulting in damage to the units if the re-plumbing is not performed soon. There was also a question from an owner present regarding whether doing all three units at once would provide a cost savings compared to scheduling them separately one at a time. Scott Nielsen suggested having all units inspected for proper grounding of the water heaters so that improper grounding can be

corrected to slow down the corrosion process. Owners are responsible for their own water heaters, but the HOA can take the step of doing an inspection.

Rafael made a motion that, since the association is aware of the plumbing issues and desires to inspect all units for proper water heater grounding, the board defer the re-plumbing of 96E, F & H for six months and re-visit the issue then for scheduling the work when funds are available. Roger seconded the motion, and the motion passed without opposition. Roger made a motion to have all units inspected for proper water heater grounding and to advise any owner who will be absent for a prolonged period of time to shut the water off to the unit. Also owners should be mindful of the problem and promptly advise Yaquina Bay Property Management immediately if a leak is discovered. The motion was seconded and passed without opposition.

85 Building South Wall and Deck Treatments: The bubbling paint on the south wall of the 85 building will cost approximately \$1,300.00 to correct by replacing the affected pieces of siding. Power washing and sealing the 85 building decks will cost approximately \$8,500.00. Rafael made a motion that the board consider the 85 building deck sealing a priority and then prioritize other buildings in terms of need for deck treatments and defer a decision on the decks until the reserve study is complete. The reserve study will provide information so the board can then more accurately assess prioritization of the deck work. The motion was seconded and passed without opposition. A motion was made, seconded and passed to approve the repair of the 85 building south wall.

Color Choice for 96A-D Building: Karen and Al have interviewed the owners of the units in 96A-D. All of those owners agreed on green as the desired color for their building. Lee will need the identifying code or name for the green paint and said it should be Sherwin Williams Resilient brand.

Landscaping: Al met with Ryan Bancroft, the owner of Ground FX Landscape Maintenance, and walked the property identifying sections of concern in both the general and limited common areas. These concerns include overgrown and unmaintained shrubs and ground covers. Some owners are not maintaining their entrance limited common areas. Some ground cover such as heather needs to be removed, and shrubs need to be severely pruned. Pruning of rhododendrons is needed, but this would be done after the blooming season. Ground FX offered an estimate in the amount of \$1875.00 which is more than the earlier estimate, but it includes more serious efforts. Directors and members present discussed the proposal, and Al noted this work needs to be done every 3 or 4 years. A motion was made, seconded and passed without opposition to approve the Ground FX proposal.

Attorney Response to Roger Leo's Questions: Earlier this month Dennis Bartoldus provided a written response to a list of questions developed by Roger regarding the need to adopt new by-laws for the HOA since its incorporation as a non-profit entity. Roger noted the attorney's response cited the expense for updating the by-laws and stated there was no need for the HOA to adopt new by-laws. Roger felt that there is a balance between cost concerns and legal concerns and noted the board has a fiduciary responsibility to the HOA to use care in making financial and other decisions. He offered as an alternative to do a review of the by-laws to create a checklist of procedural requirements that are provided in ORS chapter 65. Directors present felt this was a good idea. A motion was made and seconded to not pursue any updates to the by-laws, leaving them as is. The motion passed without opposition but Roger abstained from voting.

New Business:

Lathrop Request for Removal of Cedar Tree Next to Unit 96D and Installation of a Short Fence around the Sewer Lift Station: Steve Lathrop described the cedar tree as one with dead branches that were rubbing on the siding of his unit. He said he pruned the branches and feels the tree should be removed altogether. Roger cautioned him about working on vegetation in the common area and said such

work should be approved by the board. Steve asked if a short fence could be installed around the sewer lift station to shield what could be a tripping hazard. Al offered to remove the tree and install the fence.

Moss on Roof of 86 Building: Karen asked if the moss on the roofs of her unit and an adjoining unit in the 86 building could be treated by the roof maintenance contractor. Lee said she would ask the contractor to do that.

Adding Bark Chip to Common Area Landscaping: Al offered to obtain a load of bark chip to spread in the common areas west of the 66 building and at the entry to the complex. He felt the landscaper would charge too much to do this and felt he could get the bark and with other volunteers spread the bark for about \$500.00. A motion was made, seconded and passed to authorize the purchase and spreading the bark at a cost of up to \$500.00.

Mail Room: The old paint and an old ladder stored in the mail building will be removed and disposed of. Roger asked where he could get mail box key. Al told him a local locksmith could obtain one for him.

Agenda for the Annual Meeting:

Directors proposed the following agenda items for the annual meeting which is scheduled to be held at 10:00 AM, June 30, 2018 at the Newport Recreation Center in Room 117.

1. Reserve Study and a five year maintenance plan to be developed after the reserve study is completed.
2. Consideration of dues levels with a possible \$10.00 per unit per month increase to cover increased cost of operations including insurance.
3. Report on plumbing issues, electrolysis and a water shut-off recommendation for those who are absent from their unit for prolonged periods.
4. Report on major upcoming projects.
5. Election of Directors.

Adjournment:

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

Lee Hardy
May 26, 2018