

**Millridge Homeowners Association
Meeting Minutes
Board of Directors Meeting
August 23, 2018**

I. Call to order.

A regular monthly meeting of the Board of Directors of the Millridge Homeowners Association was held at 1610 ½ NW 143rd Avenue, Portland, OR 97229 on August 23, 2018. The meeting was called to order by Justin Redd at 6:31 pm.

II. Introductions.

Introductions proceeded throughout the room. Bob Osburn, unit 1634, introduced himself and was given time to comment on his need for an additional visitors parking space due to current circumstances.

III. Board Member Attendance:

DIRECTORS PRESENT: **Justin Redd** (President)
 Tom Messecar (Vice-President)
 Sue Seaver (Treasurer)
 Laura Holgate (Secretary)
 Jim Bauer (Director at Large)

IV. Approve / Modify Agenda. The agenda was approved with modifications.

V. Approve / Modify Minutes of 7/26/18. Sue Seaver moved to approve the Minutes of 7/26/18 Board Meeting. The motion was seconded and unanimously carried.

VI. HOA President's Remarks. Justin Redd, President, thanked all the committee members and board members, saying he didn't realize how much work was involved in the operations of the HOA until he started his term a couple months ago and that he now has more appreciation for everyone that takes part in making everything work in the community. Since starting his term, he has spent a lot of time reading and learning about the role of a board of directors for an HOA, and specifically about his role as president of the HOA and now understands that the purpose of the board meeting is for the board members to conduct the business of the HOA and get to everything that's on the agenda. The board of directors can only discuss and make decisions during open meetings, so the meeting is the culmination of everything that has come up since the last meeting. By law, the meetings are all open to owners, but the meeting is really for the directors to conduct business. The role of the owners that aren't on the board is primarily to be observers. He told of how, prior to joining the board, he watched the meetings and was sometimes frustrated that he didn't have more of a chance to say what he wanted and make comments and suggestions, but now he understands that he needed to be doing that BEFORE the meetings. He suggested to all present that the best way to have a voice in what is discussed at a meeting and what gets on the agenda is to make suggestions, requests or comments PRIOR to the meeting - prior to the agenda being distributed - so they can be put on the agenda. He invited people who have something they feel needs to be discussed to talk to a board member about the process to get that included on a meeting agenda.

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He closed by expressing his commitment to making Millridge an even better community than it is already. It's a great place, he said, but let's make it even better - more beautiful, more neighborly, get along better, better financially. He said he is committed to all those things and knows the rest of the board is too.

VII. Committee Reports.

- a. **Treasurer's Report.** Sue Seaver, Treasurer, reported. Financial statement wasn't received from CMI until shortly before the meeting. Woefully underfunded in reserves, the board is being very careful with money. Serial assessment to do flat roofs was very helpful and the project is underway now. Accounts receivable is about \$8000, same as last month, of which \$715 is considered doubtful to be collected. Ms. Seaver explained the reason it's doubtful is because it's owed by a former owner and due to the particular situation, no further collection activity is expected. Ms. Seaver discussed how the "over budget" and "under budget" amounts given on the financial statement can vary because many expenses are seasonal, meaning that they may be over or under as of a given date, but the budget is an annual budget, with the annual amount divided evenly per month even though many of the expenses are higher during certain times of the year. Our YTD operating expenses exceeds the YTD income - and that is a red flag that will require further discussion. Clubhouse rental income still isn't being applied correctly by CMI - rental fees are being applied as credits to the owners that are paying them instead of as a credit to the clubhouse income. It's been a recurring problem for a couple years and Ms. Seaver is continuing to get the corrections made each time it's misapplied.
- b. **Landscape Committee.** No report given. There were no new requests submitted in time to be reviewed by the committee for this meeting.
- c. **Architecture Committee.** Jim Bauer, ACC chairman, reported. The ACC recommends approval of the request from Don Cook, unit 1724, to replace his large picture window with another window of the same size. The ACC also recommends that the board contact the owner of unit 1700 and require that the garage door be replaced because it's in very poor condition.
- d. **Maintenance Committee.** Glen Beckley, Maintenance Committee chairman, reported. The flat roof coating project is going well. The company will leave empty 5-gallon buckets near their worksite trailer in the North corner of the East alley that are available for owners to take. They will be left for a week after the job is completed, and then any remaining buckets will be removed. Mr. Beckley reported that the committee recommends the "partial painting" option for buildings 9, 10, 11 and 12 instead of full repainting and has been told the partial painting will extend the need for a full painting by 5 years. Powers Painting doesn't want to give a partial bid for building 12 if that bid is going to be used to solicit bids from other contractors. Mark Powers spent a lot of time measuring and evaluating specific areas that need to be painted and doesn't want to give the advantage of the time he spent to another contractor to use for making their bid. In response, the board requested that two bids be obtained, including Powers, but that the bids be kept confidential from other bidders so each bidder is required to do their own inspection, evaluation, and measuring.
- e. **Clubhouse Committee.** Sue Seaver, Clubhouse Committee, reported. There is one reservation scheduled.
- f. **Neighborhood Watch.** Shirley Carlson, Neighborhood Watch Committee, reported. The Sheriff's department often has a car parked in the parking lot of SAC or just on the other side of our

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southerly fence. If you need help and tell them you're in Millridge when you give your address, they can usually have a car here in five minutes.

- g. Pool Committee.** Penny Moody, Pool Committee chairperson, reported. The buoy line broke but will be repaired. The health department completed their annual inspection and the only item needing correction was that the property address needed to be posted on the emergency phones at both pools. Ms. Moody has written the address on the inside cover of both phones so we're now in compliance. The inspector was very complimentary about the cleanliness of both pools.

VIII. Owners Forum. Owners were given time to make comments and suggestions.

IX. UNFINISHED BUSINESS.

- a. Approve/deny board member's suggestion to relocate dumpsters away from garage buildings.** Sue Seaver moved to relocate the dumpsters that are currently against garage buildings. The motion died for lack of a second.
- b. Establish/approve guidelines for projects suitable for volunteers.** Laura Holgate moved that when owners or residents volunteer to complete projects on Common Area or to building components the HOA is obligated to maintain, the board needs to approve having it done by volunteers before work is started; certain projects should not be undertaken by volunteers, including: any job that would typically require a licensed contractor, including plumbing, electric, and painting or repair projects subject to the Renovation, Repair, and Painting Rule, which is an Oregon law related to buildings constructed prior to 1978 (called "RRP"). Renovating, repairing or painting an area of less than 20 square feet is exempt from the RRP rule and may be completed by volunteers, subject to the approval of the Board of Directors. **The motion was seconded, discussed, and unanimously carried.**
- c. Approve/deny painting of buildings 9, 10, 11, and 12.** Sue Seaver moved to approve the remediation/partial painting of buildings 9, 10, 11 and 12, instead of having those buildings fully repainted, and to direct the maintenance committee to obtain a bid from Powers Painting for building 12 similar to the partial painting bid they've already given for buildings 9, 10, and 11; and to obtain a bid from Verhaalen Painting for doing touch up and remediation painting currently needed on these four buildings to extend the need for full repainting by approximately 5 years. **The motion was seconded, discussed, and unanimously carried.** Note: In discussion, it was confirmed that the current bid from Powers Painting is good through May, 2019.
- d. Approve/modify revised version of violation letters and Schedule of Fines Resolution.** Laura Holgate moved to approve the proposed Fines Resolution, a copy of which is attached as Exhibit A, and the related proposed violation notice templates. **The motion was seconded and after reviewing and discussing the draft documents, the motion was unanimously carried.**
- e. Approve/deny suggestion to move reserve funds to an account that yields higher interest.** For sake of discussion, Laura Holgate moved to approve transferring reserve funds to a financial

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institution that meets requirements but pays a higher interest rate. **The motion was seconded and discussed. After discussion, the motion was withdrawn and the matter postponed** to allow time for further research, including the fee schedule of US Bank and banks being considered; Justin Redd agreed to request written confirmation from CMI as to any one-time or ongoing administrative or accounting fees that would be charged by CMI if we switched to a different bank.

X. New Business.

- a. **Unit 1738 - Approve/deny Owner's request re rotting stump, tree in front yard touching house, and dead rhododendron.** Laura Holgate moved to postpone this item until the September meeting to allow time for landscape committee to review and make recommendation. **The motion to postpone was seconded and unanimously carried.**
- b. **Approve/deny removal of dead tree in center island between buildings 6 and 13.** Sue Seaver moved that the tree be removed by volunteers (Dave Edwards and Bob Hetzer). **The motion was seconded and unanimously carried.**
- c. **Approve/deny Owner's request for an additional visitor parking space next to the north end of building 13.** Sue Seaver moved that the space nearest to the north end of building 13 be temporarily reserved for use by visitors to unit 1736 due to current circumstances. **The motion was seconded, discussed, and unanimously carried.**
- d. **Unit 1700 - Approve/deny ACC recommendation that the garage door be repaired or replaced by Owner.** Sue Seaver moved that a violation notice be sent to the owner of unit 1700, requiring that the garage door be repaired or replaced. **The motion was seconded, discussed, and unanimously carried.**
- e. **Unit 1748 - Approve/deny Owner's request that HOA clean and repair patio downspout.** The maintenance company recommended this and Glen Beckley and Bob Hetzer request that board approve them to do it as volunteers. Sue Seaver moved to approve having Glen Beckley and Bob Hetzer clean out and repair the downspout on the back of unit 1748. **The motion was seconded and unanimously carried.**
- f. **Approve/deny Maintenance Committee recommendation that the peeling paint on the trim of the pool building by the small pool** (the arbor type structure that extends from the building out a few feet over the pool deck). Sue Seaver moved to approve having Glen Beckley and Bob Hetzer complete this repair/repainting. **The motion was seconded and unanimously carried.**
- g. **Approve/deny reimbursement to Glen Beckley.** Sue Seaver moved to approve the reimbursement of \$25.43 to Glen Beckley for his purchase of paint and masonry supplies. **The motion was seconded and unanimously carried.**
- h. **Discussion: Financial Statement.** The directors discussed certain features of the financial statement to confirm understanding of data being reported and where to find certain things in the monthly statements. As a result of discussion, a new topic arose:

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- i. Legal Fees and Administrative Costs related specifically to Serial Special Assessment.** Justin Redd moved that the costs and expenses charged by Vial Fotheringham and CMI that were directly related to the serial special assessment be removed from the operating expense category and re-categorized as expenses of the serial special assessment. **The motion was seconded, discussed, and unanimously carried.**

- i. Discussion and Consensus: Reserve Study.** The current state of the HOA reserve funding compared to expected needs was discussed. Through discussion and a series of informal poll questions, the directors agreed that:
 - i. that the amount of \$511,982 is the amount given in the 2018 reserve study as the funding need through 2020; and
 - ii. that the amount of \$158,857.04, which is the balance of the designated replacement reserves fund shown in the 7/31/18 financial statement, is correct; and
 - iii. that the 2018 contribution to the designated replacement reserves is \$5111 per month, for an annual 2018 contribution of \$61,332; and
 - iv. that the replacement reserve funding is underfunded; and
 - v. a portion of the undesignated operating reserves fund, the balance of which is given in the 7/31/18 as \$81,408.79, should be transferred to the designated replacement reserves fund. **The determination of the amount will be on the agenda for the September meeting.**

- j. Payment of net amount due to Commercial Roof Coatings, LLC for flat roof coating project and application of serial special assessment income.** Sue Seaver moved that all payments due to Commercial Roof Coatings, LLC be made as follows: payment amounts should be charged first against the balance available in the Serial Special Assessment category; amounts that become due and exceed the amount then available in the Serial Special Assessment category shall be paid by an advance of funds from the designated replacement reserves account. After advancement of funds from the designated replacement reserves account has been made, income received for the serial special assessment shall be credited to the designated replacement reserves account until the amounts advanced from that account for payment to Commercial Roof Coatings, LLC have been reimbursed. When the designated replacement reserves account has been reimbursed for all payments made for the flat roof coating project, the remaining income from the serial special assessment shall be credited to the serial special assessment fund until the conclusion of the Serial Special Assessment term. **The motion was seconded and discussed. After discussion, the motion was unanimously carried.**

- k. Approve/deny Owner's request for two additional visitor parking spaces adjacent to the south end of building 6.** Sue Seaver moved that the space nearest to the south end of building 6 be temporarily reserved for use by visitors to unit 1634 due to current circumstances. **The motion was seconded, discussed, and unanimously carried.**

- l. Ratify sump pump installation at unit 1638.** Laura Holgate moved to postpone until copies of all invoices are available, and until receipt of comparative cost information from CMI and confirmation from installers that location of the pump was chosen based on the location of pooling water.

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- m. **Set date for pool closure.** The pool will close on September 30, 2018, or sooner if needed due to weather conditions or lack of availability of the chemical-check volunteers.
 - n. **Schwindt Engagement Letter.** The Board of Directors agreed to continue to use Schwindt & Co. for tax preparation and annual financial statement reviews. Justin Redd signed the Schwindt Engagement Letter.
 - o. **Unit 1724 - Owner request for authorization to replace large front window with a window of the same size.** ACC recommended approval of this request. Laura Holgate moved to approve the request. **The motion was seconded and unanimously carried.**
- XI. **Next Meeting Date.** The September Board of Directors Meeting will be 9/27/18 at 6:30 PM.
- XII. **The meeting was adjourned by Justin Redd.**

MILLRIDGE HOMEOWNERS ASSOCIATION

Resolution of the Board of Directors

Schedule of Fines and Enforcement Remedies

This resolution replaces and supersedes all previous resolutions regarding fines.

RECITALS

- A. The Millridge Homeowners Association ("Association") is charged with the operation and management of Millridge Townhouses, a planned community located in Washington County, Oregon.
- B. The Association is governed by the following:
 1. Amended and Restated Declaration of Covenants, Conditions and Restrictions for Millridge Townhouses dated November 7, 1989 and recorded December 13, 1989 under document #89-60679, records of Washington County, Oregon, including amendments, if any; (referred to as "Declaration"); Bylaws dated November 7, 1989, including amendments, if any; and the Oregon Planned Community Act (ORS Chapter 94).
- C. ORS Chapter 94.630; Article 6 of the Declaration; and Article 4 of the Bylaws vest the Board of Directors ("Board") with all of the powers and duties necessary for the administration of the affairs of the Association.
- D. ORS 94.630(n) and Articles 4.3(f) and 7.5 of the Bylaws empower the Board to levy reasonable fines for violations of the Declaration, Bylaws, or Resolutions of the association after giving written notice and an opportunity to be heard.

RESOLUTION

IT IS RESOLVED THAT, pursuant to authorities recited above, the Board duly adopts the following schedule of fines for violation of rules contained in the MILLRIDGE Declaration, Bylaws, Resolutions, and other duly authorized rules and regulations (collectively, "Rules and Regulations").

1. **Rules subject to fines.** The escalating schedule of fines described in 2(a) through 2(d), below, applies to violations of the following Rules and Regulations:
 - a. Architectural standards (Declaration, Section XI);
 - b. Rules related to additions, alterations, or improvements (Bylaws 7.2);
 - c. Rules related to Use of Planned Community Property (Bylaws 7.3);
 - d. Any and all other duly authorized rules and regulations.
2. **Escalating Schedule of Fines**
 - a. **First Action on Violation.** A written notice, ("Courtesy Notice") will be sent to Owner. Such notice shall comply with ORS 94.630.
 - b. **Second Action on Violation.** If the violation is not remedied and a hearing is not requested in writing within 7 days of date of Initial Courtesy Notice, another written notice will be sent ("Second Courtesy Notice") and a fine of \$25 per day will be imposed beginning on the 8th day.
 - c. **Third Action of Violation.** If the violation is not remedied within 7 days of the date of the Second Courtesy Notice, a fine of \$50 may be imposed beginning on the 8th day from the date of the Second Courtesy Notice until the violation is remedied.
 - d. **Assessment and Collection of Fines.** Fines imposed in accordance with this resolution will be assessed to the offending Lot* as a Common Expense* and be subject to default remedies contained in Article 6 of the Bylaws.

- 3. **Repeated violations.** If the same violation that resulted in any of the actions listed above is repeated within 180 days of the Initial Courtesy Notice, the repeated violation will be considered a re-occurrence and continuation of the violation for which notice was previously given. **Action:** A supplemental notice ("Notice of Recurring Violation") will be sent to Owner, and an immediate fine of \$25 per day may be imposed, beginning as of the date of the Notice of Recurring Violation. The daily fine on a repeated violation may increase to \$50 if the violation is not remedied within 10 days of the date of the Notice of Recurring Violation, beginning on the 11th day from the date of the notice.
- 4. **Rules for which violations may be subject to additional or alternate enforcement remedies, as described specifically in duly authorized Rules and Regulations, include, but are not limited to the following:**
 - a. Parking;
 - b. Damage or Destruction of Common Area;*
 - c. Rental or Leasing of Lots;*
 - d. Use of Common Area.

ADOPTED this ____ day of _____, 2018

MILLRIDGE HOMEOWNERS ASSOCIATION

Justin Redd, President

Laura Holgate, Secretary

*Term is used as defined in Declaration and amendments.