

DRAFT

**Millridge Homeowners Association
Meeting Minutes
Special Board of Directors Meeting
November 30, 2018**

A Special Meeting of the Board of Directors of the Millridge Homeowners Association was held at 1610 ½ NW 143rd Avenue, Portland, OR 97229 at 6:30 pm on November 30, 2018 for the following purposes:

Review, revise and/or approve proposed 2019 budget recommended by the ad-hoc budget committee; and review, revise and/or approve draft of 2019 reserve study prepared by Schwindt & Co.

- I. **Call to order.** The meeting was called to order at 6:30 pm by Justin Redd.
- II. **Board Member Attendance:**
DIRECTORS PRESENT: **Justin Redd** (President)
 Tom Messecar (Vice President)
 Sue Seaver (Treasurer)
 Jim Bauer (Director at Large)

NOT PRESENT: Laura Holgate (Secretary)
- III. **Budget committee report by Tim Jackson and Sue Seaver.** The 2019 Budget Committee consisted of Sue Seaver, Chairperson; Tim Jackson, and Dave Edwards. It was explained that the proposed budget recommended by the committee was developed by starting with a proposed budget from CMI that was based primarily on actual expenses of the last 12 months. After discussion with Steve Meyer at CMI, Tim Jackson made revisions to the CMI proposal which resulted in the initial draft of the committee's proposed budget. After much fine tuning by Tim Jackson and after questions, discussion, and committee meetings between Tim, Sue, and Dave, the committee reached a consensus and forwarded the final version of the recommended budget to the Board of Directors.
- IV. **Presentation by Tim Jackson.** The proposed budget was displayed on a TV screen donated to the HOA by Tim Jackson. The display made it possible for all owners in attendance to see the proposed budget and follow the discussion. The displayed budget showed the committee's adjustments and two additional columns not included on the initial CMI proposal. A pie chart created by Tim Jackson illustrated the percentage of HOA fees used for the various operating expenses and the added columns showed the budget line-item expenses in terms of the monthly amount paid per owner per month (on average). Sue Seaver asked if there were questions. All present seemed to agree that the format and presentation was very helpful. *The proposed budget, in the form submitted by the committee, is attached as Exhibit A.*
- V. **Review and approval by Board of Directors.** The Board of Directors reviewed the proposed budget line by line, asking questions and discussing as review proceeded. Sue Seaver moved that the proposed budget as recommended by the budget committee be approved. The motion was seconded and unanimously carried. *The budget approved by the Board of Directors, is attached as Exhibit B.*
- VI. **2019 Reserve Study.** It was agreed that review, discussion, and revision and/or approval of the 2019 Reserve Study would be postponed until the next regular meeting.
- VII. The meeting was adjourned.

EXHIBIT A

**MILLRIDGE HOMEOWNERS ASSOCIATION
2019 PROPOSED OPERATING BUDGET**

2019 Millridge Budget With Committee Adjustments

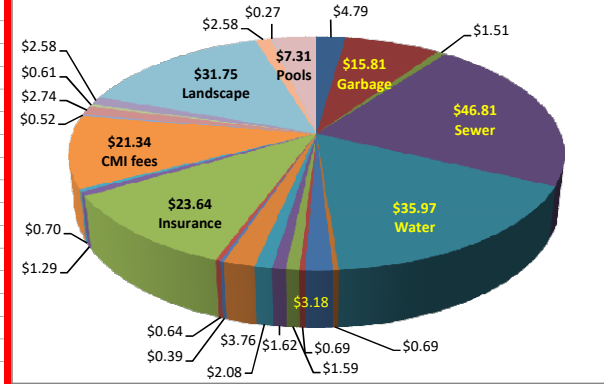
The increase approved by the Board can be inserted into cell G-9; the Income and Reserves totals will automatically populate

Fiscal Ending Date: 12-31-19

CODE	INCOME	2018	2018	2019		% Change	Monthly \$	2019 Per
		MONTHLY	12 MONTH	Proposed	Proposed			
		BUDGET	AVERAGE	MONTHLY	ANNUAL	2018	2019 Over	Owner
			Actual	BUDGET	BUDGET	Actual	Budget	Per
								Month
5000	Homeowners' Fees	25,503.33	25,503.33	26,140.91	313,690.96	2.5%	637.58	269.49
5230	Clubhouse Income	41.67	\$16.67	29.17	350.07	75.00%	-12.49	
5830	Interest Income	3.67	\$25.26	25.26	303.12	0.00%	21.59	
5845	Late Charges	38.33	\$71.41	71.41	856.92	0.00%	33.08	
	TOTAL INCOME	25,587.00	25,616.67	26,266.76	315,201.07	2.54%	679.76	
6060	Electric	450.00	443.01	464.27	5,571.29	4.80%	14.27	\$ 4.79
6090	Garbage	1,470.50	1,475.00	1,534.00	18,408.00	4.00%	63.50	\$ 15.81
6105	Gas	141.67	149.88	146.73	1,760.79	-2.10%	5.07	\$ 1.51
6150	Sewer	4,208.33	4,340.60	4,540.27	54,483.21	4.60%	331.93	\$ 46.81
6195	Water	3,041.67	3,075.20	3,489.12	41,869.46	13.46%	447.46	\$ 35.97
6225	Plumbing Maintenance	66.67	41.75	66.67	800.10	59.70%	24.92	\$ 0.69
6540	Gutters & Downspouts	308.33	479.58	308.37	3,700.44	-35.70%	0.04	\$ 3.18
6585	General Maintenance Supplies	25.00	67.12	67.12	805.44	0.00%	42.12	\$ 0.69
6675	Pest Control	140.00	154.58	154.58	1,854.96	0.00%	14.58	\$ 1.59
6690	Property Maintenance	833.33	156.82	156.82	1,881.84	0.00%	(676.51)	\$ 1.62
6735	Roof Maintenance	416.67	161.25	201.56	2,418.75	25.00%	(215.10)	\$ 2.08
7105	Office Expense - CMI	166.67	364.39	364.39	4,372.68	0.00%	197.72	\$ 3.76
7330	Office Expense - HOA	41.67	37.50	37.50	450.00	0.00%	(4.17)	\$ 0.39
7120	Consulting Fees	145.83	291.67	62.50	750.06	-78.57%	(229.17)	\$ 0.64
7225	Insurance	2,274.33	2,220.89	2,292.62	27,511.50	3.23%	18.29	\$ 23.64
7255	Legal	125.00	318.04	125.02	1,500.26	-60.69%	0.02	\$ 1.29
7285	CMI Management Expense	41.67	67.50	67.50	810.00	0.00%	25.83	\$ 0.70
7300	CMI Management Fee	2,019.00	1,998.31	2,070.25	24,842.99	3.60%	51.25	\$ 21.34
7375	Website Expense	50.00	50.00	50.00	600.00	0.00%	-	\$ 0.52
7465	Taxes, Licenses, Fees & Audit	250.00	265.92	265.92	3,191.04	0.00%	15.92	\$ 2.74
7480	Bad Debts - Uncollectable	60.00	59.58	59.58	715.00	0.00%	(0.42)	\$ 0.61
7630	Sprinkler System Repair	250.00	269.70	250.01	3,000.14	-7.30%	0.01	\$ 2.58
7675	Landscape Maintenance Contr	2,983.00	2,933.17	3,079.83	36,957.94	5.00%	96.83	\$ 31.75
7690	Landscape Improvements	250.00	500.00	250.00	3,000.00	-50.00%	(250.00)	\$ 2.58
8455	Club House Expense	50.00	25.91	25.91	310.92	0.00%	(24.09)	\$ 0.27
8530	Swimming Pool Maint & Chem	666.67	708.69	708.69	8,504.28	0.00%	42.02	\$ 7.31
	TOTAL FROM OPERATIONS	20,476.00	20,656.06	20,839.26	250,071.09	0.89%	363.26	\$ 214.84
1790	General Operating Contingenc	-	-	-	-			
1908	Replacement Reserves	5,111.00	4,960.61	5,427.50	65,129.98	9.41%	316.50	\$ 55.95
	TOTAL OPERATIONS & RES	25,587.00	25,616.67	26,266.76	315,201.07	2.54%	\$ 105.95	\$ 39.3%

2019 Average Fees, Per Owner, Per Month \$ **262.92** 2018 Average \$ **6.57** Increase Per Month

<https://www.nwnatural.com/AboutNWNatural/RatesAndRegulations/GasPriceInformation>
<http://cleanwaterservices.org/media/2338/adopted-budget-2018> page 37
<https://www.twrd.org/news-events/water-rate-increase-effective-november-1.aspx>



Each Owner's Share of Monthly Operational Expenses

CURRENT US CPI AT BUDGET FORECAST = 2.5% <https://www.bls.gov/news.release/cpi.t01.htm>

These projections are subject to increase or decrease to reflect changes in operating policies, and/or level of service, inflation or other causes. These projections are only estimates, prepared with due care.

**ARTICLE VII
Budget, Expenses and Assessments**

7.1 **Budget.** The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association; estimate the Common Expenses expected to be incurred, less any previous overassessment; and assess the Common Expenses to each Owner in the proportion set forth in this Article. The maximum annual assessment may be increased each year by the Board of Directors at a rate not greater than the published U.S. Cost of Living Index in effect at the time of such increase. However, such assessment may be increased above said rate pursuant to the approval of a majority vote of Owners, either in person or by proxy, at a duly constituted meeting called for such purpose.

Millridge CC&R's

EXHIBIT A

EXHIBIT B - APPROVED 2019 BUDGET

MILLRIDGE HOMEOWNERS ASSOCIATION

CMI/10/MRHOA

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2019 Millridge Budget With Committee Adjustments								
Fiscal Ending Date: 12-31-19								
CODE	INCOME	2018	2018	2019		% Change	Monthly \$	2019 Per Owner
		MONTHLY BUDGET	12 MONTH AVERAGE Actual	Approved MONTHLY BUDGET	Approved ANNUAL BUDGET		2019 Over 2018 Actual	
5000	Homeowners' Fees	25,503.33	25,503.33	26,140.91	313,690.96	2.5%	637.58	269.49
5230	Clubhouse Income	41.67	\$16.67	29.17	350.07	75.00%	-12.49	
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**MILLRIDGE HOMEOWNERS ASSOCIATION
2019 PROPOSED OPERATING BUDGET**

CMI/10/MRHOA

Cell: B8

Comment: HOMEOWNERS FEES: Income collected on HOA owners fees monthly.

Cell: G8

Comment: US CPI

Cell: H8

Comment: Monthly increase in revenue from new US CPI

Cell: H12

Comment: Total increase in monthly revenue from all sources

Cell: H40

Comment: Monthly increase from higher 2019 Operational costs

Cell: I40

Comment: Per owner ontribution to 2019 Operations

Cell: B42

Comment: General Operating Contingency:

Industry standard is to budget 5-10% of the monthly operating budget as an operating contingency for unexpected or under budgeted operating expenses.

Note: The budget committee will set the final number in this category.

Cell: B43

Comment: Replacement Reserves:

Oregon statute requires Association to reserve funds for replacement of common elements with life expectancies of 3 to 30 years. Schwindt & CO will perform a full onsite reserve study and maint plan in 2017/18. Until this study is complete, we have used the contribution figure from the 2018 budget.

Note: The budget committee set the final number in this category.

Cell: H43

Comment: New amount available that can be added to Reserves

Cell: I43

Comment: Averaage owner contribution to Reserves

Cell: I44

Comment: Owner contribution to Reserves including Serial Assessment