

**Millridge Homeowners Association  
Meeting Minutes  
Board of Directors Meeting  
November 7, 2019**

**I. Call to order.**

A regular monthly meeting of the Board of Directors of the Millridge Homeowners Association was held at 1610 ½ NW 143<sup>rd</sup> Avenue, Portland, OR 97229 on November 7, 2019. The meeting was called to order by Tom Messecar at 6:30 pm.

**II. Introductions and Director attendance.**

Introductions proceeded throughout the room.

**Board member attendance:**

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

**III. Approve / modify agenda.** Tom Messecar moved to approve the draft revised agenda with an addition for executive session to follow at the end of the regular meeting to discuss specific collection accounts. The motion was seconded and unanimously adopted.

**IV. Approve / modify 10/03/19 and 10/25/19 meeting minutes.** Upon motion duly made and seconded, the minutes of the last monthly board meeting held October 3<sup>rd</sup>, 2019 were approved, and the special board meeting held October 25<sup>th</sup>, 2019 were also approved.

**V. Director needed.** A call was made to fill the vacancy on the board of directors.

**VI. Committee Reports.**

**a. Treasurer's Report.** Sue Seaver, Treasurer, reported. Overall budget has a large accounts receivable due to a handful of homeowners not paying their fees. The board has taken every legal step available to us to rectify the situation. The budget should level off as we get to the end of the year. Tim and Dave both prepared proposed budget. Dave likes to extrapolate through end of year; Tim takes last actual 12 months. Board will have executive session immediately after this open meeting to discuss attorney's advice and information regarding specific delinquent accounts.

**b. Landscape Committee.** Christine Morris, Landscape Committee chairperson, reported. A copy of the report is attached as an exhibit to these minutes. In addition to the written report, Chris thanked the volunteers. Several homeowners helped out, which allowed the committee to do what they wanted to do but weren't able to pay for within the budget. She also reported that Glen Beckley, who has volunteered to assist in evaluating our irrigation system, has met with Pacific Landscape and will be working with them to determine options to maximize efficiency. An owner reported that a tree on the Terra Linda property, across the alley from building 14 is leaning at a significant angle and looks like it could fall onto our fence and property. There was discussion about whose responsibility it is to keep the tree from being a hazard, and who would be responsible for

**DRAFT**

repairing damages to our property caused by a limb from Terra Linda's tree, or the tree itself, falling onto our property. A board member recalled that in previous incidents we [Millridge HOA] learned that we have the right to cut the portion of the tree that overhangs our property and that we would be responsible for damages to our property even though it's on a neighbor's property. Sue Seaver, who works for an insurance company, volunteered to confirm with experts at her employer whether Terra Linda could be held responsible if Millridge notified them that the tree was a hazard and they neglected to remove what was causing the hazard.

- c. **Architecture Committee.** Jim Bauer, ACC chairperson, reported. Fence caps job is complete. The committee recommends approving the bid from Smiley Electric for repair of two carriage lights. There is a large tree on the other side of the south alley fence, across from building 7, with branches that block the light from the large PGE street light. It was agreed that Chris Morris will ask NW Trees about the cost of trimming the branches that blocks the light.
- d. **Maintenance – Status Report.** Laura Holgate reported. Thank you to volunteers Glen Beckley, Tom Messecar, and Curt Gallaher for noticing and caulking holes and gaps in siding on building 15. Water Metrics has tested the new backflow device; awaiting written results. Paving update: Steve Meyer getting additional bids to compare to information from Vancouver Paving. The purpose of gathering the information now is to develop a schedule, stretched over the next few years, to repair or repave our cracked or crumbling streets. The bid from Vancouver Paving has a price per square foot for adding a top layer and the price per square foot for any areas that need to be dug up and replaced.
- e. **Clubhouse Committee.** Sue Seaver, clubhouse committee chairperson, reported and urged homeowners to make their reservations now for holiday gatherings.
- f. **Neighborhood Watch.** Shirley Carlson, our Neighborhood Watch Committee, reported. She reminded everyone to check their smoke alarms and change the batteries if they didn't do it with the recent time change. She also reported that people are continuing to park in the alley behind building 1 and 2, which needs to be kept clear as a fire lane. Options for posting notice that it is a fire lane and for enforcement of alley parking restrictions were discussed. It was suggested that the pavement be painted with "FIRE LANE" next spring, possibly at same time as other pavement painting.

**VII. Owners Forum.** Owners were given time to make comments and suggestions.

- a. Betty Lukins (1736) told the directors that she put an area rug out for trash pickup after calling Walker Garbage telling them to bill her for the pick-up.
- b. Ursula Locke (1600) complained that TVF&R parked their emergency vehicles (truck 61) directly behind her garage, blocking her in, instead of parking along fence which would have allowed access. After ambulance had left, the TVF&R vehicle remained behind her garage, with the employee in it doing his paperwork. Laura Holgate agreed to pass her complaint along to TVF&R.
- c. Marlo Rocci complained about CMI's lack of prompt response to his request for accounting documents and about what he considers inadequate answers to his questions about accounting methods. He asked if there was an outside accounting firm. Sue Seaver responded that Schwindt & Co. is the CPA firm for the HOA.

**VIII. OLD BUSINESS.**

- a. **Carriage Lights.** *Postponed from last month.* The board was presented with a bid in the amount of \$554 from Smiley Electric to install new fixtures, wiring, and photocells for two of the carriage light posts. The bid does not include the lamp; HOA will supply lamp at approximate cost of \$40 per lamp. Sue Seaver moved that the bid from Smiley Electric and the purchase of lamps for the fixture be approved. Motion was seconded and unanimously carried.

**IX. NEW BUSINESS**

- a. **Review and revise or approve proposed budget for 2020.** Sue Seaver moved to table this item for later in the meeting since other meeting items will affect budget. Motion was seconded and agenda item was tabled until later in the meeting. [See IX(g), below.]
- b. **Insurance renewal.** Proposals were received from American Family (total premium of \$28,109.38) and Cline Insurance (total premium of \$27,038); coverage amounts and included coverage differed between the two companies. After discussion Sue Seaver moved that the bid from American Family Insurance be approved in the amount of \$28,109.38. The motion was seconded and discussed. After discussion, the motion to approve American Family's bid was unanimously carried.
- c. **Gutter cleaning.** The board was presented with three bids. Jon's Gutter & Roof Cleaning Services (\$4,390); Eagle Gutters and Roof Maintenance (\$13,545); Moss Buster (\$7850). The scope of work varied between bids. Tom Messecar, speaking as the board member that gathered the bids, recommended going with Jon's Gutter Services, which is the company that did work last year. Sue Seaver moved to accept the bid from Jon's Gutter & Roof Cleaning Services in the amount of \$4390). The motion was seconded and unanimously carried.
- d. **Review Schwindt audit of financial statements.** *Review and discussion only.* Laura Holgate pointed out that the MANAGEMENT LETTER provided by Schwindt & Co, the CPA firm for the HOA, included the same concern as they have expressed in every annual review for the past several years. The letter states the following:

**"Not Following Reserve Study Recommendations.**

"According to the Association's 2019 budget, the Association is not following the recommendations of the reserve study prepared in November, 2018, for the year of 2019. There is a significant difference in the amount of reserve assessments between the amount recommended and the amount on the budget.

"We recommend that the reserve assessments on the Association's budget be adjusted to the amount recommended by the formal reserve study to ensure that future repairs and replacements are adequately funded."

The Directors discussed the CPA's statement. Discussion highlighted the following:

- The Millridge CCRs don't allow the Board of Directors to raise the assessments more than a very minimal amount each year.
  - The initial recommendation in the first draft reserve study for 2018 was an idealized schedule of maintenance that would have required several hundred thousand dollars to be contributed in 2018. After working with the consultant with respect to the actual needs of Millridge, the final recommended amount for the 2018 year was brought down significantly and the changes were carried over to the 2019 reserve study. In 2019, the reserve study recommendation was about \$100,000 more than what we were able to contribute after meeting the budgeted operating expenses.
  - The shortfall continues to grow when necessary operating expenses increase at a higher rate than the rate the board has authority to increase the HOA fees.
  - The HOA has been making-do with lesser cost options than what is called for in the reserve study because the difference is so drastic between the amount contributed from fees and amount needed for maintenance items that come up on the reserve study to be done. Example given was doing touch up painting only to four buildings that were scheduled to be fully repainted. Another example was putting a silicone coating on the garage roofs instead of re-roofing, and needing a special assessment even to do that option because there weren't sufficient funds in reserve to re-roof OR do roof coating. The garage roof example was clarified by statement that it was a very good option and that some of the other lower-cost options are fine, but others are inferior to the maintenance standards that many or most homeowners want and having to skimp when making maintenance choices may impact property values.
  - HOA volunteers (non-board members and board members, alike) have helped make the recommended amount more realistic and to decide the most necessary maintenance priorities by physically surveying the property and determining actual needs instead of relying only on national life-expectancy averages for various building components.
  - Our fees are much lower than similar communities in the area.
  - Homeowners will need to decide whether it is more important to increase fees each year by only the minimum amount of the cost of living index or to maintain the property and protect property values by more closely following the recommendations in the reserve study that's done every year.
  - Earlier in the year, the board agreed to have a fee increase or special assessment proposal ready for homeowners to vote on by the end of this year.
  - Discussion was started about options we could take this year as we go into the budget approval process.
  - The reserve study for 2020 is in process and will include a recommendation for the reserve account contribution for 2020.
- e. **Vehicles parked in alley at fire-lane entrance from 143<sup>rd</sup> Avenue (behind building 1).** A couple of owners in building 1 habitually park in the alley in a way that would block fire trucks. Sue Seaver suggested we give warning notices to the specific owners that park there and put a reminder in the newsletter that parking is only allowed in alley when parked immediately behind the garage, in a way that doesn't block other vehicles, while actively unloading. There was unanimous agreement. It was also agreed that we would revisit the subject of painting "fire-lane" on the pavement next spring.

- f. **Alley blowing by Pacific Landscape.** (Discussion only.) Sue Seaver suggested that the board reconsider what is included in the contract with Pacific Landscape; blowing alleys being one item that used to be done more often. A letter from Dave Edwards was read; the letter stated the problems caused by the way that Pacific Landscape recently blew leaves and debris in alleys but didn't remove any of the debris, and that the debris and leaves between Millridge fence and Terra Linda fence are creating a fire hazard.
- g. **Review and revise or approve proposed budget for 2020.** [Picked up after being tabled earlier in meeting.] Draft of proposed budget for 2020 was shown on TV screen and paper copies given to Directors. Tim Jackson, budget committee, explained assumptions used in formulating amounts used for certain expense categories. Each line was reviewed, discussed, and the amounts of each either accepted or revised by agreement of the board. At the end of the process of reviewing and revising the draft/proposed budget, Sue Seaver moved that the proposed budget be approved with the modifications made. The motion was seconded and unanimously carried. The 2020 budget as modified was adopted and is attached to these minutes.
- h. It was agreed that the next regular board meeting will be Thursday, December 5th, at 6:30 pm.

**X. The meeting was adjourned by Tom Messecar at 9:07.**

**Executive Session followed the open meeting with the same members of the board in attendance as in the regular meeting.** The information received from the HOA's collection attorney about the account reviewed for possible foreclosure action was discussed. It was agreed that, due to the specific facts involved, foreclosure is not a viable option for that account at this time. Additional options were considered and discussed. The board agreed it wants to aggressively pursue all options within the law that are deemed viable when based on potential outcomes and cost factors. Laura Holgate agreed to share this information with the attorney, request that the additional options discussed be pursued, and ask for answers to the questions raised by board members during executive session.

2020 Millridge Budget									
Fiscal Ending Date: 12-31-20									
CODE	INCOME	2019	2019	2020	2020	% Change	Monthly \$	2020 Per	2019 Average
		MONTHLY BUDGET	12 MONTH AVERAGE Actual	MONTHLY BUDGET	ANNUAL BUDGET				
5000	Homeowners' Fees	26,140.91	26,140.91	26,585.31	319,023.67	1.7%	444.40	274.08	2020 Average Fees, Per Owner, Per Month \$ 269.49
5230	Clubhouse Income	29.17	\$16.67	25.01	300.06	50.00%	-4.17		\$ 4.59 increase per owner
5830	Interest Income	25.26	\$25.26	25.69	308.27	1.70%	0.43		
5845	Late Charges	71.41	\$71.41	72.62	871.49	1.70%	1.21		
	<b>TOTAL INCOME</b>	<b>26,266.75</b>	<b>26,254.25</b>	<b>26,708.62</b>	<b>320,503.49</b>	1.73%	<b>441.87</b>		
6060	Electric	464.27	463.48	475.07	5,700.80	2.50%	10.80	\$ 4.90	phone call on 10/16/19
6090	Garbage	1,534.00	1,485.00	1,544.40	18,532.80	4.00%	10.40	\$ 15.92	Garbage fees are increased in July, and approved by Washington County
6105	Gas	146.73	149.59	156.17	1,874.06	4.40%	9.44	\$ 1.61	<a href="http://www.nwnatural.com/AboutNW/Natural/RatesAndRegulations/GasPriceInformation">www.nwnatural.com/AboutNW/Natural/RatesAndRegulations/GasPriceInformation</a>
6150	Sewer	4,540.27	4,504.67	4,660.98	55,931.78	3.47%	120.71	\$ 48.05	<a href="http://cleanwaterservices.org/media/2452/2019-20-cws-proposed-budget">p://cleanwaterservices.org/media/2452/2019-20-cws-proposed-budget</a> page 33
6195	Water	3,489.12	3,384.07	3,505.90	42,070.76	3.60%	16.78	\$ 36.14	<a href="https://www.twrd.org/search/site/2020%20rate%20increase">https://www.twrd.org/search/site/2020%20rate%20increase</a>
6225	Plumbing Maintenance	66.67	131.80	75.13	901.51	-43.00%	(56.67)	\$ 0.77	
6540	Gutters & Downspouts	308.37	33.83	372.13	4,465.56	1000.00%	63.76	\$ 3.84	
6585	General Maintenance Supplies	67.12	35.81	62.67	752.01	75.00%	(4.45)	\$ 0.65	
6675	Pest Control	154.58	105.83	63.50	761.98	-40.00%	(91.08)	\$ 0.65	
6690	Property Maintenance	156.82	422.44	168.98	2,027.71	-60.00%	12.16	\$ 1.74	
6735	Roof Maintenance	201.56	-	150.00	1,800.00	-	150.00	\$ 1.55	
7105	Office Expense - CMI	364.39	186.96	190.14	2,281.66	1.70%	(174.25)	\$ 1.96	
7330	Office Expense - HOA	37.50	14.17	14.41	172.93	1.70%	(23.09)	\$ 0.15	
7120	Consulting Fees	62.50	-	50.00	600.00	-	50.00	\$ 0.52	
7225	Insurance Am Fam	2,292.62	2,288.55	2,342.33	28,107.97	2.35%	49.71	\$ 24.15	
7255	Legal	125.02	238.08	357.12	4,285.44	50.00%	232.10	\$ 3.68	
7285	CMI Management Expense	67.50	95.56	97.18	1,166.21	1.70%	29.68	\$ 1.00	
7300	CMI Management Fee	2,070.25	2,048.90	2,104.22	25,250.64	2.70%	33.97	\$ 21.69	
7375	Website Expense	50.00	50.00	50.00	600.00	0.00%	-	\$ 0.52	
7465	Taxes, Licenses, Fees & Audits	265.92	209.42	212.98	2,555.76	1.70%	(52.94)	\$ 2.20	
7480	Bad Debts - Uncollectable	59.58	71.48	142.96	715.00	100.00%	83.38	\$ 0.74	
7630	Sprinkler System Repair	250.01	301.16	271.04	3,252.53	-10.00%	21.03	\$ 2.79	
7675	Landscape Maintenance Contract	3,079.83	3,069.92	3,223.42	38,680.99	5.00%	143.59	\$ 33.23	
7690	Landscape Improvements	250.00	309.25	253.59	3,043.02	-18.00%	(250.00)	\$ 2.61	
7780	Tree Maintenance	-	65.00	780.00	-	-	-	\$ 2.61	
8455	Club House Expense	25.91	31.25	31.25	375.00	0.00%	5.34	\$ 0.32	
8530	Swimming Pool Maint & Chemicals	708.69	755.30	768.14	9,217.68	1.70%	59.45	\$ 7.92	
	<b>TOTAL FROM OPERATIONS</b>	<b>20,839.23</b>	<b>20,386.52</b>	<b>21,408.70</b>	<b>256,904.34</b>	<b>5.01%</b>	<b>569.47</b>	<b>\$ 220.71</b>	
1790	General Operating Contingency	-	-	-	-	-	-	-	
1908	Replacement Reserves	5,427.52	5,867.73	5,299.93	63,599.14	-9.68%	(127.59)	\$ 54.64	19.9% Going to Reserves (average)
	<b>TOTAL OPERATIONS &amp; RESERVES</b>	<b>25,587.00</b>	<b>26,254.25</b>	<b>26,708.62</b>	<b>320,503.49</b>	<b>1.73%</b>	<b>\$ 104.64</b>	<b>\$ 38.2%</b>	<b>With Serial Assessment</b>

