

New Columbia Owners Association Meeting
Owners Association Minutes
August 28, 2012

Attendees:

Owners Association

Tom Brenneke
Molly Rogers
Chad O'Lynn

Guests

Erik Fabian, GRES
Matthew Fullen, GRES
Rachel Langford, HF
Daniel Misner, TruGreen
Officer Stroebel
Officer Schmerber
Dave Schwindt, Schwindt
& Co

Membership

Caren Cox
Steve Pickering
Randy Smith
Anita Davis
Janis Khorsi
Doug Deane
Carlos Chavez

Trisha Craig
Megan Derrick
Marcia Knutson
Juan Luna
Kristine Kukich

The meeting was called to order at 6:30 pm by Tom Brenneke

I. Review of May 2012 Minutes

Erik reviewed the minutes from the May 29, 2012 meeting.

Motion: Tom initiated approval of the minutes, Molly seconded, and Chad provided the final approval on the minutes

Action: The May 29, 2012 minutes were approved

II. New Columbia Community Engagement

Rachel introduced herself and gave an overview of the services provided in the community. One main purpose she outlined was to provide a full understanding of the community. The purpose of her service group is to provide community building across the entire New Columbia community. Rachel identified a work-in-progress which is the construction of a community council that would be made up of New Columbia renters and owners. The purpose would be to have owners and renters engage and communicate in an effort to provide a more integrated body that would help resolve challenges across the community.

The groundwork has been laid for the construction of the community council. Rachel has assigned one staff member, Domenica Gonzales, to this goal. Her group, and Domenica in particular, has a lot of energy to see change and it

appears that renters and owners support this. There's a lot of passion and energy to move this forward and Rachel and Domenica will be leading that charge. Chad mentioned that he would like to see Resident Services assist in developing renter social skills. There was a lot of feedback from owners regarding challenges around resident behavior. This was identified as a major goal for the community council to work on. There was widespread acceptance of the need to provide more proactive outreach to residents to insure that they are following the lease and behaving in a positive community manner.

III. Replacement Reserve Study Overview and Proposal

Dave Schwindt, owner of Schwindt & Company, attended the meeting and discussed his company. Schwindt & Company has been around for 25 years. They provide consulting services for over 500 HOA's in the region. He outlined the purpose of a Replacement Reserve Study which is to insure the integrity of reserve funds and the integrity of assets in the community. David reviewed the different levels of services. There is a level I service in which no physical inspection is actually performed and a level II service which involves a physical inspection of the property. There has not been a level II physical inspection performed at New Columbia. The Board approved moving forward with a level II physical inspection of the property. Erik will follow-up with Schwindt & Company to have this performed. The goal is to have it performed in the month of October so that the physical study can support the 2013 Owners Association budget.

IV. Community Policing Update

In attendance were Officers Stroebel and Schmerber, both members of the Portland Police Bureau's New Columbia detail. They outlined community policing, challenges and successes that they have had with a focus on customer service, providing the quickest level of response. There was a lively debate between owners, the police, and Guardian revolving around recent activity over the summer and how best to approach that. The owners in particular were concerned about how best to contact police. Both Officers Stroebel and Schmerber offered their direct cell phone numbers as an option for owners. However, if there is an active crime in progress, the officers recommended calling 911. Erik advised the ownership group that Guardian Management also needs to be included in communication so that they can follow up at the property management level. Owners requested greater Portland Police representation at the monthly public safety meeting and recommended that officer contact info be added to the newsletter along with Guardian staff contact information. Erik committed to doing so.

V. Trugreen Landscaping Update – Daniel Misner

In attendance was Daniel Misner, Contract Manager for Trugreen's New Columbia contract. Daniel outlined his roles and responsibilities in the community and stated that he meets with Guardian on a weekly basis to discuss landscaping needs of the property and any challenges that exist. Daniel

identified that missing plants across the community are a challenge and that he has established an inventory and created a replanting plan. He also said that vandalism to sprinkler heads in the irrigation system for plants and trees has been a challenge and he is working on ways to address that. There are challenges around a conflict between infrastructure and vegetation which basically means that trees and plants have been planted very close to owner homes and rental units. As they grow in size, it becomes an increasing challenge to minimize their contact with physical structures. Daniel identified some estimates on plant replacement and those will be incorporated into the 2013 budget. Daniel also talked about the bioswales. The City of Portland has contracted with Trugreen to maintain them at no cost to the Association or New Columbia.

VI. Financial Overview/2013 Budget Preparation

Erik started off with the July Budget Comparison Report. In review, revenue and expenses are largely performing to budget. The Labor expense has nearly a \$6000.00 negative variance YTD. There has been a misallocation of labor expenses weighted onto the Owners Association that does need to be reconciled. Erik committed to reviewing that and making appropriate changes. The report identified the garbage expense which exceeds budget and outlined the new Junk Away contract which, while valuable to the community, is an additional expense and that it will be considered for budgeting purposes for 2013. Also identified were storm water tasks that need to be performed that are currently unbudgeted. Erik committed to incorporating these into the 2013 budget.

Erik then moved on to Outstanding Accounts Receivable and pointed out that uncollected dues have not been written off since 2010 and they are contributing to the nearly \$25,000 outstanding AR balance. The Board discussed consulting with the Association attorneys to get a recommendation on how to write those off. The proposal is that write-offs occur on uncollected balances after 120 days. Erik committed to following up with the attorneys to get their recommendation. Also, Erik proposed the option of foreclosing on homes whose owners refuse to pay their dues. The Board again recommended contacting the attorneys for their best recommendation but remained open to additional tools to improve collections and enforce dues payments across the community.

VIII. Owners Association Management Agreement Renewal with Guardian

Erik outlined the proposed new agreement. The only changes are that the management fee be reduced from \$10.00 a home per month to \$8.00 a home per month, a reduction in expense to the Owners Association. Chad outlined his frustration with his involvement in the management agreement renewal process. He openly questioned why he wasn't involved sooner. He inquired whether there was an assessment of owners for their input on the management agreement. Did owners provide feedback? Chad specifically stated that he felt dismissed in this process by not being invited to participate sooner. He suggested that

members be formally surveyed as to how they think Guardian performs their management contractual obligations. Chad suggested that Tom Brenneke, as a member of the Board and President of Guardian, has a conflict of interest in voting on approval of the management agreement renewal contract. He suggested that Tom not be allowed to vote.

Motion: Chad O'Lynn gave provisional approval for the agreement. Molly seconded it. Tom abstained from the vote.

Action: The management agreement renewal contract, as it was presented, was approved. Chad requested that as provisional approval was granted, the Board develop an evaluation tool and discuss it further at the next board meeting. Caren stated that meetings used to be more frequent and that several years ago they were moved to a quarterly schedule. There seems to be a desire by Chad, and perhaps other members, to meet more frequently. This discussion will be brought up at the next meeting as well.

VIII. McCoy Park Ancestor Tree Update

Erik briefly updated the Owners Association with news that the tree will be removed in the near future. A group will be formed to discuss options to fill the space with alternative public art. The tree had severe rot and presented a safety issue. It does need to be removed. Erik will follow-up with the Owners Association group on the future establishment of a committee.

IX. Member Comment.

Chad stated that he had intended to read a written statement that he had prepared. But, based on the conversation that had already taken place during the meeting, he would not do so. He reiterated that there is a perceived lack of action from Guardian regarding community safety and keeping renters behavior in line with the lease. There's a perceived feeling of dismissal by the owners based on Guardian's and Home Forward's activities and their engagement with the Owners Association. He stated that all are aware of the issues. He feels that these issues can be resolved but that there is significant pessimism among the owners. They feel defeated and are withdrawing their engagement from the community, Guardian, and Home Forward. He stated that the community needs to feel optimistic and that he fully expects changes to be made in such a way that Guardian and Home Forward engage with the Owners Association and in their oversight of the New Columbia Community as a whole.

Chad also had some new business that he wanted to discuss. His first item revolved around the Architectural Review committee. He said it is essentially the Board and that the Board needs to grant approval on all architectural requests from the ownership group. The Board should receive copies of every request and the website should be updated so that owners know how to navigate the architectural review process. He requested that a document providing basic

guidelines for making requests be established. Chad stated that he would take the lead on that.

Chad also requested an update on the Adriatic home that has been foreclosed on and is boarded up. Erik provided the update. He has been in touch with both the mortgage servicer, Umpqua Bank, and the effective owner, OHCS. There was an insurance challenge with the past owner involving the fire that occurred just prior to the foreclosure. That claim has been corrected and the rehab on the home is expected to occur in October. It includes removing the boards and setting the home up for sale.

Additional member comments centered upon the owner units that are being rented out. Erik confirmed that there are 11 documented owner homes being rented. He identified only 4 documented approvals for this. The membership discussed pros and cons of renting in the community and there was a request for Erik to follow-up with the attorneys for a suggestion on how best to approach future requests from owners to rent their homes.

Tom also provided some comment in response to the frustration of the Owners Association and Chad. He stated that he had been on the board for three years. He could only imagine the frustration of owners in the face of security and safety challenges. He stated, and reiterated, that all tenants are thoroughly screened prior to the approval of their leases. He stated that Guardian proactively performs lease enforcement and does hold renters accountable to their lease and community safety. Guardian initiates evictions on residents who fail to comply and that overall, the vast majority of renters are good residents and proactively and positively engaged in the community. He said that Guardian is committed to trying its best to manage the property and balance the needs of the affordable rental community with the Owners Association. He does not have the answer on how to resolve all of the frustrations that the ownership group feels. He is looking to the owners, in part, to make recommendations on changes that need to be made for the improvement of the overall community. He feels that it needs to continue to be a community discussion. The ownership group agrees with that. Molly brought up the Work-Able household component of the eligibility for New Columbia's waitlist and that an increase in work-able households can improve community relations and community stabilization. She confirmed that Home Forward is fully supportive of improved community safety and community relations and has a good working relationship with Guardian and feels that Guardian is managing the community in a responsive and proactive manner. They are also looking forward to further discussions with the community, Guardian, and Resident Services for the overall improvement and stabilization of the New Columbia community.

The meeting was adjourned at approximately 9:20 pm.