

New Columbia Owners' Association
Board Meeting Minutes
November 16, 2010

Attendees:

Board

Ben Wickham
Caren Cox
Tom Brenneke

Guests

Darcy Vincent, GRES

Membership

Larry Whitacre Marcia Knutson
Janis Khorsi Julie Newhouse
Sam Peterson Shalaunda Brown
Jeff Hascall April Hascall
Kristine Kukich Jennifer Langer
Dan Adams Gineen McIntosh
Seth Englehard Sharon Huffman
Bruce Scherer

The Meeting was called to order at 6:30PM by Tom B.

Tom B. thanked the membership for their attendance. Minutes were reviewed from the Special Meeting of the Board of Directors on October 26, 2010. Ben W. motioned for the minutes to be approved. Caren C. seconded.

Action: Approved Unanimously

Tom B. gave a summation of the Settlement Agreement reached between the Housing Authority of Portland (HAP) and the New Columbia Owners' Association (NCOA). HAP has agreed to provide the NCOA with \$100,000 to be used to fund the Replacement Reserve account, pay for legal counsel during negotiations and accounting costs associated with updating the Reserve Study. The Settlement Agreement also stated that the funds would be paid to the NCOA by December 15, 2010. Caren C. made a motion to accept the Settlement offer. Ben W. seconded.

Action: Approved Unanimously

Tom B. executed the document and asked Darcy V. to take responsibility for getting the copies fully executed and the bank account set up.

Darcy V. asked for clarification on the distribution of the \$100,000. Tom B. estimated that legal and accounting fees would be roughly \$6,000. The Reserve Study had the starting balance at the previously approved budgeted amounts of \$80,919. This left roughly \$13,000 of "good will" money to be allocated. Caren C. suggested that the money should be put in the Replacement Reserve Account as well. Darcy V. pointed out that the budget for 2011 was to be managed to "break even" and that she would like the flexibility to use the money for operations. Ben W. also liked the idea of have fewer restrictions on the use of these funds. Tom B. suggested that an interest bearing Operating Reserve Account be established with the estimated \$13,000. That way the uses would not be restricted, but that it would take an action of the Board of Directors for management to use the money. The Board agreed to this allocation of funds.

Ben W. gave copies of the Financial Review for NCOA 2009 that was performed by TKW to the Board Members. Darcy V. said that she will request copies to post on the website. Tom B. asked Darcy to make sure that the Board and not HAP was responsible for the engagement of the financial review for 2010. Tom also questioned why TKW had not discovered the Reserve Account problem during their annual review of the financial statements. In his opinion, this was a fundamental “miss” and questioned the firm’s reliability and qualifications. He requested Darcy to obtain a written response from TKW addressing this concern. It was also mentioned that future accounting reports from the third party CPA firm be completed no later than May 1st.

Ben W. asked that the 2011 Budget be moved forward in the Agenda so that he could leave by 7:00P for another scheduled meeting.

Darcy V. presented the Operating Budget for 2011. Darcy V. began with a review of dues which included an increase to be effective on January 1, 2011.

Homeowners: Increase of \$5 in operational assessments and \$7 in Replacement Reserve funding for a monthly dues amount of \$67.

Owners of Affordable Homes: Increase of \$3 in operational assessments and \$7 in Replacement Reserve funding for a monthly dues amount of \$43.

Multi-family owners: Increase of \$2.50 in operational assessments and \$7 in Replacement Reserve funding for a monthly dues amount per unit of \$37.

Amounts were rounded down to the nearest dollar. Caren C. had also provided a breakdown of dues allocations to explain to the membership what their operational dues were being used for. There was some member discussion over the fact that the increase was significant on a % basis. It was pointed out that if regular increases had been annually that it would average 3% per annum. Darcy V. provided an overview of the expense assumptions, the major components of which included: security patrol, water for irrigation, an assumption for bad debt, and landscaping services. Caren C. said that there was still improvement to be made in water management and pointed out that there were many areas that remained too wet to walk during the hottest months. Darcy V. agreed to work with TruGreen on water management, but said that the budget had been reduced by half in the past two years and did not want to get much more aggressive on the forecast of water expense. The detail of the landscaping expenses was reviewed. The landscaping forecast included the cost of two large trees. One tree is located on the walkway between Fiske and Haven and one in a backyard on Newark. It was pointed out that a tree removal expense in a private homeowner’s backyard should not be an Association expense.

Action: Darcy V. will reduce landscaping expenses by \$3,000.

Ben W. needed to leave to get to the HAP Board Meeting but offered his endorsement of the proposed budget with the reduction in landscaping expense and vote in favor. Tom B. later asked for a motion. Caren C. made a motion with a qualification that the future increases in dues would not be greater than 3%. Tom B. seconded.

Action: The operating budget for 2011 was approved unanimously.

Caren C. asked that the increase in dues be communicated effectively by all means available. Darcy V. agreed to post on the website, include the invoices in the December statements and hand deliver prior to January 1st.

Darcy V. provided a property update. Dumpsters for the multi-family units will remain unlocked to try to improve the cleanliness of the enclosures and servicing speed for Allied Waste. Darcy V. also let owners know that the apartment gutters would be cleaned in December and the streets swept the week before Christmas.

Tom B. asked Darcy V. to make sure that the Association was not billed by the city of leaf pick up citing an article that had just appeared in the Oregonian Newspaper.

Action: Darcy V. will contact the City of Portland regarding leaves and street cleaning.

Darcy V. also reviewed third quarter financial performance for the NCOA. The Association is exceeding budgeted income expectations year to date but is over budget on expenses in the areas of Bad Debt, Security Patrol, and Legal Expenses. Collection Status was also reviewed. Collections on the current period dues averaged 90% for the quarter.

Tom B. adjourned the meeting at 7:50PM.

Tom Brenneke, President

Adrian Boly, Secretary and Treasurer
