

New Columbia Owner's Association
Board Minutes
November 22, 2011

Attendees:

<u>Board</u>	<u>Guest</u>	<u>Membership</u>
Tom Brenneke	Darcy Vincent	Doug Deane
Caren Cox	LaTonya Smith	Chris Lewis
Molly Rodgers		Marcia Knutson
		Steve Pickering

Tom B. called the meeting to order at 6:17PM. Darcy V. let the group know that Molly R. would be about 30 minutes late, but that the meeting could proceed because the two members of the Board represented a quorum. Tom B. introduced the Community Manager, LaTonya Smith to the group. He announced that Darcy V. would be leaving at the end of the month and that LaTonya would be responding to any owner concerns in the interim. He said that Guardian Management, LLC was recruiting for the position and hoped to have it filled in January.

Tom B. asked if there were any questions on the September 19, 2011 minutes. Caren C. said there were a number of items in the minutes which she would like to have management update on. Darcy V. responded to the following action items listed in the minutes:

There was a New Columbia clean-up day held on October 16, 2011 to coincide with the larger Portsmouth neighborhood clean-up day.

After hours contact information was posted in the October newsletter and will be posted in subsequent months.

Darcy V. apologized for not having sent letter to the residents on the "no spray" list. This letter will go out after the first of the year with information regarding chemical composition and possible reactions, with a request to resume spraying for all yards in 2012.

Schwindt and Company was engaged and performed an update the Reserve Study.

Darcy V. updated the Board that there were four households that did not recertify their income that were sent notices that their dues were increasing to regular assessments. It was clarified that affordable owners must recertify their income each year by July 1st, or the dues would be increased for the following 12 months. Interim re-certifications would not be accepted if the deadline was not met.

Caren C. made a motion that the minutes be approved. Tom B. seconded.

Action: September 29, 2011 minutes were unanimously approved.

Darcy V. gave a project update. She let the membership know that tree trimming was ongoing and about one week behind schedule. The project should be completed by December 5, 2011. She said that secondary tree trimming or removal (cherry trees off Cecelia) would be addressed next. She also let them know that gutter cleaning and repair was happening and would be completed by December 19, 2011 and that the streets would be swept just before Christmas.

Darcy V. offered the limited information that she had on the development of the vacant lots. The South side lot was going to be a children's bicycle track and a repair kiosk and safety information would be on site. On the North side, Home Forward was working to get a grant to improve the mini-soccer field. It was reiterated that these lots were not a part of New Columbia's Owner Association(NCOA) and that the NCOA had no responsibility to maintain, provide liability insurance or pay for improvements to these parcels owned by Home Forward previously known as Housing Authority of Portland. Caren C. reminded the membership that Home Forward had promised to keep the Board and members informed and involved in the discussion around the use of these parcels. She was hopeful that going forward, that would be the case.

Darcy V. provided an overview of the third quarter financial performance. She informed the Board and members that she was forecasting a positive cash position of \$15,000 at years end.

Molly R. joined the meeting at 6:40PM.

She also gave an update on collection efforts. There were \$1,860 of dues owed to the Association by residents that were pre-foreclosure, or post bankruptcy. Darcy V. asked for the Board's permission to write off these balances to "bad debt" as uncollectable. Caren C. made a motion to allow management to write off these uncollectable dues. Molly R. seconded.

Action: The Board approved \$1,860 be written off the "bad debt" at year end.

Darcy V. provided copies of the Reserve Study update and the 2012 Operating budget for NCOA. Capital Improvements for 2012 included concrete repair and maintenance which will cost an estimated \$35,000. This includes all sidewalks and front walkways but not city curbs.

Molly R. identified inconsistencies between the starting balance reflected on the balance sheet and the starting balance projected by Schwindt and Company. Darcy V. was to follow up with the accountant.

Darcy V. reviewed the expense assumptions for the 2012 budget. She shared the details of the landscaping line items which makes up nearly 40% of the NCOA expenses. There were \$7,000 budgeted for replacement plantings in 2012. Caren C. commented that there was still room for conservation improvement in irrigation.

The Board had a discussion about a dues increase for 2012. Darcy V. had presented a budget which did not reflect an increase in dues, but relied on excess cash to fund a portion of the Replacement Reserve Account. Tom B. reminded the group that we received advice from our counsel last year that dues

should be increased each year at a reasonable rate so that the NCOA did not find itself in the position of having large increases to “catch up” for years which were not increased and avoid special assessments for unanticipated expenses.

At this point Tom B. asked that Darcy V. get clarification on the Reserve Study and check back in with our Attorney at Vial Fotheringham to get advice on the dues increase question. He asked if it was permissible for the Board to finish the discussion and approval of the Budget via phone conference. Darcy V. said that a special meeting could be called for that purpose. Tom B. asked for member comment. Marcia K. pointed out that many peoples wages have been frozen and that every dollar counts. She was not in favor of a dues increase. Steve P. pointed out that 3% was just \$2 a month and that he would rather see the dues increase regularly so that the community was well maintained.

Tom B. said that the Board would reconvene by phone before the end of the month so that if there was a dues increase that notice could be sent on December 1, 2011.

Meeting was adjourned at 7:47PM

An emergency meeting via phone conference was scheduled for November 29, 2011 at 12:30PM. Darcy V. had sent an updated Reserve Study and 2012 Operating Budget to the Board member in advance of the meeting. After, receiving confirmation from Vial Fotheringham that he recommended a dues increase and an updated Reserve Study that indicated that the reserve portion of the dues be increased by 3% from \$7.20 per unit to \$7.51 per unit, the budget was revised to reflect the following:

Effective January 1, 2012 regularly assessed due would increase from \$67 to \$69.51 each month. This is comprised of \$62 in operating assessments and \$7.51 in Replacement Reserve assessments. Formula errors were corrected which increased operating expenses by \$500 and a cash flow projection was added to the bottom of the budget demonstrating the Reserve contributions and distributions.

Attendees: Tom Brenneke, Caren Cox, Molly Rogers and Darcy Vincent

Tom B. called the meeting to order at 12:30PM.

Caren C. asked if it was going to create accounting or collection problems to have dues ending in “cents”. Darcy V. said that it would not. Tom B. stressed the importance of being consistent across the board so that the Reserve Study recommendation tied to the budget.

Tom B. suggested improved detail in the notes section regarding the methodology of dues calculation and reasoning behind not including benches and picnic tables in the NCOA budget expenses.

Caren C. made a motion that the 2012 Operating Budget for NCOA be accepted with the notes revisions. Molly R. seconded.

Action: Budget with 3% dues increase is approved by the Board.

Meeting was adjourned at 12:52PM