

APPROVED MINUTES for The Highlands Condominium Association Annual Meeting, held April 10, 2019 at The Rec Center.

Meeting called to Order: 6:40PM April 10, 2019 & this meeting was in recess between April 10, 2019 to May 2, 2019 when it reconvened. These minutes are a compilation of this extended meeting.

Board Members Present: Chair/Marga Larson, Treasurer/Ellie Andrejko, Secretary/Rick Ohlson, Assistant Secretary/Wayne Vincent, Board Member at Large/Mike Ireland

Units Present:

224,421,412,210,148,128,155,403,117,105,108,426,153,212,111,109,147,216

Notice of Annual Meeting provided by the Property Manager to the Board & accepted by the Board.

Notice was given at this time by Board Member at Large Mike Ireland he will retire from the Board tonight as he has previously advised the Board in separate correspondence. This creates a vacancy to fill by the Board tonight.

Clarification on Proxies not being used for this Annual Meeting election process; the Property Manager advised the Board at this time, there was not initially a quorum obtained by ballot & in person attendance to hold the election tonight. It was so ordered by the Chair, in order to maintain the collected ballots as valid toward a count this meeting would not adjourn but recess, a procedure that maintains the integrity of mailed in ballots as cast allowing additional ballots to be received towards the quorum count.

Reading /Approval of previous meetings Draft Minutes: With a General Meeting in December 2018, a Special Meeting in January 2019 and a Special Meeting in March 2019, all having draft minutes submitted to the Board at one time (due to previous inclement weather) the December & January draft minutes, after presentation by the Secretary, were approved without modification. The March draft minutes received requested changes by the Chair. The Chair noted those changes when made to the draft minutes, allows the Board to approve the March Special Meeting minutes. The Board moved to approve all 3-draft minutes with any necessary changes enacted before publishing them as final.

Reports of Officers:

The Chair presented a report of a brief financial perspective including good news in operating reserves & capital improvement reserves are up about \$47,000 and receivables are down about \$16,000 The Chair noted The Treasurer is diligent in monitoring delinquencies & getting the past due payments. The prepared remarks of the Chair are supplied separately from this document, but were delivered in detail at the Annual Meeting.

Additionally, a Portland attorney was chosen by The Chair to provide counsel as she saw needed for the HOA.

The Secretary brought up for the record The Chair chose a Portland attorney, but said attorney was not Board approved. Both the Secretary & the Assistant Secretary expressed concerns over this specific action.

The Reserve Study Committee engaged a firm to do a first time Reserve Study, which provided input in the form of a report, which can be considered a tool.

The Chair found in 2018 a longstanding error in allocation of dues-the garages were charged significantly more than they should have been charged per the CC& R's. The Board has voted unanimously to remediate this error.

An insurance committee will do an annual review of our insurance policies.

The Chair's chosen Portland attorney has discussed future planning opportunities with her. Some are of legal obligations, some are "best practices".

Treasurer's Report: We are stable but do need increased reserves. Dues are being actively collected for those who forget to pay. We have a collection policy established. Our insurance is going up.

Unfinished Business:

Property Managers Report- Insurance claims for snowstorm damage submitted & the Association has received an initial settlement check. Mark advises there may be an additional minor settlement check. The repairs included in the check include the carports, decks, tree removals, and bridge to the Rec Center. All repairs are completed except for carports and those will be done in May. The Property Manager noted the roofs of the breezeways can be replaced at \$1750 per roof on each building being done at this time. The Chair moved we should do so, as this money is specifically available from a previous Special Assessment designated for HOA roofing. Motion unanimously carried.

Property Manager has disclosed a single garage exists being owned by a non-resident. Such action is again By Laws, and the Owner must divest. Current renter of said garage is going to get in to that matter.

Property Manager brought up resident request for reimbursement on a towing charge, as the vehicle was abandoned, and not in compliance with Rules existing here. Board voted to deny the reimbursement, a final action.

Financial Revue Committee: Wayne & Ellie will begin to look at firms/individuals to perform this review.

Board Meeting Schedule: Motion made by Secretary to start holding monthly meetings. Motion passed, thus next meeting is June 12 at the Rec Center, 6:30pm

Board Interaction/ Committee & "Private" Meetings; clarification of 3 or more Board members cannot meet in person or communicate (phone calls, e-mails, notes) to conduct Board business.

New Business: Board Vacancy created. With Mike Ireland's resignation today, a vacancy was created. The Board appointed on an interim basis a new board member at large, that new member being Claudia Vincent. She will fill this position until the Annual Elections occur.

Elections & Candidate Introductions & Campaign Speeches

The Candidates were Ellie Andrejko, Claudia Vincent, Wayne Vincent & Craig Ward.

Candidates all spoke about being elected (or re-elected) to the Board. The voting results announced are the two incumbents Ellie Andrejko and Wayne Vincent, retain their seats on the Board.

Newly elected to the Board is Craig Ward. Craig assumes the position that Claudia Vincent filled on an interim basis.

The new Board Officers, chosen within the Board are Wayne Vincent/Chair, Ellie Andrejko/Treasurer, Rick Ohlson Secretary, Craig Ward/Assistant Secretary & Marga Larson, and Member at Large

Open Forum: A resident brought up overall road conditions. Wayne advised that expense is in the reserve study, but at this time, funding for the road repairs is yet to be determined.

Additionally The Treasurer asked we consider asking HOA members for the license plate numbers on their vehicles. That way we can identify residents. Property Manager notes that request exists on move in, but is hardly 100% complied with.

With the Board approving a return to monthly meetings, the next Regular Board Open Meeting is June 12, 2019 at 6:30pm at the Rec Center.

**HIGHLANDS HOME OWNERS ASSOCIATION
APRIL 10, 2019 – ANNUAL MEETING
REPORT OF THE CHAIR**

This last year has been both trying and rewarding.

From a financial perspective, it's pretty much all good news. Our operating reserves and capital improvement reserves are up nearly \$47,000, and our receivables are down by more than \$16,000. I'd like to thank Ellie, our Treasurer for her diligence in monitoring delinquencies and pursuing payment thereof.

From a Board operations perspective, it has been more of a mixed bag.

- We have connected with an attorney in Portland who specializes in HOA law, and can fill the gaps in our local attorney's knowledge. We have selected and engaged a strong firm to prepare the Highlands first reserve study and received a useful tool in the form of a report and funding model. The report evaluates HOA Reserves as either Weak, Fair or Strong. The bad news in the report considers our current reserves to be inadequate, falling at the low end of the "Weak" range in their analysis.
- We corrected a longstanding error in the allocation of dues and are in the process of remediating the error.
- We corrected a more recent error in the tabulation of member votes.
- We have formed an Insurance Committee and institutionalized the annual review of our policies. Thank you Ellie and Craig.
- We have discussed with an attorney several planning opportunities that the Board, and future Boards may wish to prioritize and pursue. Some relate to legal obligations of the Board, others are more in the nature of best practices, and opportunities. Following is a short list of these items. Annual Financial Statement Review – legal obligation; Revision / Update of HOA Bylaws, House Rules; Safety Committee, including pursuing secondary access for safety concerns possibly to Brookside Dr. (fire/storm/quake); Consider additional development within the HOA footprint to feed reserves and increase the fee base.
- The dynamic amongst the Board has been difficult and counterproductive. It is possible to create synergies amongst members with differing opinions, backgrounds and understanding of the relevant issues of management. We as a Board have not been able to create such synergies. The dynamic tends to be argumentative, destructive and detrimental to the welfare of the Association.

