

**Highlands Board of Directors Monthly Meeting
October 13th, 2021, at 6:30 PM Zoom Conference Call
Minutes**

1. **Call to order** at 6:30 pm (Wayne)
 - a. Board Members Present (Quorum): Claudia, Wayne, Sue, Lisa
Units present: 141, 155, 208, 407, 424, 140, 308, 427, 109, 426, 414, 153, 127, 134, 205, 218, 409, 216, 133, 403.
 - b. Proof of Notice of Meeting or Waiver of Notice

2. **Discriminatory language (Claudia)**

During the Sept 8 meeting, discriminatory language was used. Discriminatory language and profiling tend to stoke fear and suspicion of people based on their appearance. Discrimination is an issue at the Highlands. People of color have felt discriminated against by our residents through subtle expressions of dislike and suspicion.

Because discrimination tends to thrive in environments where people don't speak up against it, Claudia stated that she will continue to call out discriminatory language, and hopes others will call her out if she uses language that is perceived as offensive or discriminatory.

Board members and several owners expressed their agreement and support of being more aware of how our language affects others.

3. **Election of new Board Member (Wayne)**

We received one application from Elizabeth Chandler. During the meeting, no other owners expressed interest to serve.

Elizabeth stated that she felt the need to step up after making suggestions for changes. She also felt that she can help build community which we need more than ever. Claudia and Sue expressed their appreciation of Elizabeth's strong commitment to community engagement. Ellie, Lisa, and John noted that they served with Elizabeth on the emergency/evacuation committee and appreciated her contributions.

Motion (Sue): Motion to add Elizabeth to the Board.

Second: Claudia

Vote: Claudia: yes, Sue: yes, Lisa: yes.

Motion passes.

Welcome Elizabeth! Elizabeth joins the Board effective immediately.

4. **Governance options (Claudia)**

During the September 8, 2021 meeting, and in recent emails, a small number of owners accused the chair of putting owners and residents' health and safety at risk by being non-responsive to safety concerns, of being fiscally wasteful, and of running the board as a "secret society" withholding information from owners. These verbal attacks made the chair and other Board members, who volunteer countless hours of their time and effort, feel bullied and belittled. Board members and owners have the following options to respond to allegations of incompetence.

- a. Removal of officers by the board of directors

An officer can be removed from his/her/their position by the board if the board or the owners lack confidence in his/her/their performance (Bylaws, Article V, 5.3: Removal of Officers).

b. Removal of directors by owners

Owners can vote out directors every two years. If the concern is such that owners feel immediate action is necessary, any owner who has written requests from at least 30 percent of owners can ask the Board to call a special meeting for the purpose of removing a director (Bylaws, Article III, 3.5: Special Meetings).

c. Dissolution of Board of directors/receivership

If Board positions cannot be filled, an owner or a lender can ask the circuit court of the county to appoint a receiver. Receivers are usually corporations that take over and manage all aspects of the association. The salary of the receiver, court costs, attorney fees and all other expenses of the receivership would be handed on to the owners. The receiver would determine monthly fees. Owners would lose local control (ORS 94.642).

Given that during the Sept 8, 2021 meeting (a) a small number of owners expressed lack of confidence in the chair's leadership, (b) no other owners expressed support for the chair, and (c) board members have the responsibility to represent owners' concerns and interests, the following motion was put forward.

Motion (Claudia): Motion to remove Wayne from the Chair position.

Second: Sue

Vote: Sue: no, Lisa: no, Elizabeth: no, Claudia: abstain.

Motion fails.

Debate focused on the following:

- Wayne asked how many of the current Board members had lost confidence in his leadership. None came forward.
- Howard asked Wayne how he felt about being chair. Wayne explained that he joined the Board because he was unhappy with previous Board decisions. He became chair when the previous chair resigned. After the Sept 8 meeting, he felt bullied, belittled, and personally attacked. After the meeting one owner apologized via email for spreading misinformation, but no one else ever apologized to him or the Board. After the last election, no Board members stepped forward to become chair or treasurer; therefore, Wayne accepted both positions. He does not think that one person should do both jobs
- Howard expressed his support for Wayne and appreciated his service as chair.
- Ellie hoped that one of the members will take on one of Wayne's positions. Ellie offered to train a new treasurer.
- Sandi stated that her words were not meant as an attack on Wayne personally, but on the Board, what it is doing and what it is not doing. She appreciates all the time Wayne invests. She apologized if Wayne took it personally.
- Chet expressed a great deal of encouragement and support for Wayne. He said that Wayne has done a stalwart and excellent job. He offered to help in any way he can. He felt that being chair is a hit job, because everybody complains about everything. He doesn't want to see Wayne run off. Wayne is a gentleman. Wayne made improvements and successfully transitioned maintenance from Greg to Kirk. He takes on all of the responsibility with little resources and money. He implored Wayne not to step out too soon.
- Sienna asked for job descriptions for the officer positions. They are broadly provided in the by-laws.

- Wayne put the Board on notice that he will not serve as chair after the next election. The treasurer position is more suited to his skills.

5. **Breach of confidentiality (Claudia)**

At the Sept 8 meeting, a few owners challenged the Board to share legal opinions with all owners. The Board maintained that legal opinions are protected by attorney-client privilege. The following day, one of the owners insisting that legal opinions be shared issued an apology to Wayne and the Board saying that—upon further research—the Board seems to be right in its interpretation of attorney-client privilege. The apology was appreciated.

A few hours prior to the Sept 8 meeting, the Board became aware of a breach of confidentiality that involved two owners. A former Board member (owner A) had forwarded a legal opinion, to which they had access during their tenure on the Board, to another owner (owner B), and asked owner B to email the legal opinion to all Board members and a neighbor. Owner B explicitly stated in her email that Owner A asked her to forward the attached document. As a result of this breach of confidentiality, the HOA is now more vulnerable to potential litigation brought against it by owners.

Wayne reported that because his personal email was shared, he contacted his personal attorney who indicated that these actions were illegal and a breach of confidentiality. Based on Wayne's request, the HOA attorney will add a statement marking documents as confidential.

Although adhering to confidentiality standards and respecting the privacy of Board members by not sharing their personal email address seem common sense and common courtesy, Claudia, Sue, and Elizabeth agreed that it might be necessary to ask incoming Board members to sign a statement informing them of their duty to maintain confidentiality. Lisa inquired if the documents that were shared were marked confidential.

Wayne recommended formulating an official policy to prevent future breaches.

6. **Approval of Minutes: September 8th Monthly & September 29th Special (Wayne)**

Motion (Sue): Motion to approve minutes.

Second: Lisa

Vote: Lisa: approve, Sue: approve, Claudia: approve. Elizabeth had not had access to the minutes and therefore was not asked to vote.

Motion passes.

7. **Officer/Committee/Property Manager Reports**

a. Finance/Treasurer (Wayne)

- 2022 Budget

Wayne indicated that he is hesitant to serve on a budget committee due to prior hostilities. A previous request to owners to form a committee yielded no volunteers. Wayne and Mark have been working on a draft budget based on last year's expenses and projections, including a 10% increase in insurance costs (approx. \$9000), 3% annual increase in the Comcast contract (currently \$42/unit), and tree work due to ongoing drought conditions (approx. \$7500). Costs might be further driven up by specific asks from owners. There will be savings in maintenance due to Mark's and Kirk's efficiency, and the termination of the Merry Maids contract. Increasing fees by 7% (\$24-\$25) is projected to cover capital improvements only.

Sue praised Wayne for his work on the budget. A draft budget will be shared with owners prior to the Nov meeting with an invitation to provide feedback. Owners are strongly encouraged to participate in finalizing the budget.

- Insurance renewal (due March 15, 2022).
Ward insurance will not have any quotes until February. Since there were no claims, rates will be increased not more than 10%. One owner requested a face to face/Zoom meeting with a Ward representative. Liability insurance was voted in.
- 2-signature policy/voucher system
Vouchers are signed by the chair. Our internal policy requests that checks over \$1000 are signed by two Board members. In keeping with the bylaws, Lisa is reviewing all checks. The 2-signature policy is difficult to implement because the 2nd signature is challenging to obtain.

Motion (Sue): Motion to rescind the 2-signature policy and continue with voucher system where treasurer, assistant treasurer, and chair get copies of all checks that go out electronically.

Second: Claudia

Vote: Elizabeth: yes, Sue: yes, Claudia: yes, Lisa: abstain

Motion passes.

Debate focused on the following:

- Ellie argued that the 2nd signature protects the treasurer, especially when he is also serving as chair.
- Mark mentioned that it is risky to have only one person who has their signature registered with our bank.
- Elizabeth offered to register her signature with the bank.
- Wayne will work with Ellie and Lisa to make the process more transparent and open to audit.

b. Manager (Mark)

- Broken window quote
The current owner of 313 Woodcutter requested that the HOA pay for damage to a window sustained during a snowstorm that occurred prior to the owner purchasing the unit in Dec 2020. The quote is approximately \$400.
- Lisa was concerned about the time that has elapsed since the storm. Claudia was concerned about the unit having changed owners since the damage occurred. Sue was concerned about the home inspection not capturing the damage during the owner's purchase of the unit. Elizabeth was concerned about the previous owner not bringing this to the Board's attention. According to our bylaws, windows are the owner's responsibility.

Motion (Sue): Motion not to pay the invoice

Second: Elizabeth

Vote: Lisa: agree, Elizabeth: agree, Claudia: agree, Sue: agree.

Motion passes.

- Carport insurance claim
A U-Haul truck took out the carport at 141-148 on Aug 13. Mark is working with the U-Haul insurance. The carport will be reinstalled on Tuesday.

- Laundry rooms
The Merry Maid contract has been terminated. Kirk has taken on this responsibility.
- Tree work
Clearing of branches away from roofs and chimneys has started. Dead trees have been removed. We lose about 15 trees per year, mostly due to drought.
- Security gate costs
Access Control Unlimited proposed an in-gate and an out-gate. Costs would be \$15,000 per gate = \$30,000, plus \$20 per remote.
- Owner request to install heat pump
The exterior unit of the pump cannot be bracketed to a shared wall. The only wing wall that qualifies in this unit is aligned with the opening of the sliding glass door. That is the only approved location. Wayne will look at the unit and revisit the request at the next meeting.

c. Rules & Regulations (Claudia & Lisa)

- One owner asked that (a) motorcycles be excluded from parking violations (b) trucks be excluded based on weight restrictions, and (c) noisy pets be included in the violations.

Motion (Claudia): Motion to amend the rules and fines document as follows:
Add a sentence under parking violation: “Parking violations will not be enforced for motorcycles and for trucks in class 1 and 2 (up to 10,000 pounds). Parking of class 3 trucks (up to 14,000 pounds) is allowed if the truck is a heavy-duty pick up. Class 4 and higher trucks may only be parked temporarily for loading or unloading purposes.”

Second: Lisa:

Vote: Sue: approve, Elizabeth: approve, Lisa: approve, Claudia: approve

Motion passes.

The quiet hours policy applies to noisy pets. Because it can be difficult to identify whose pet is noisy, no changes to existing policy were recommended. Noisy pets can also be reported to the City of Eugene

- In response to a second owner’s global concerns about the rules and fines documents being sloppily put together, Lisa stated that (a) we took a lot of time to put the documents together, (b) they are based on the bylaws which we cannot change, and (c) we solicited feedback and incorporated it. Critiques are welcome, solutions are welcome as well, and owners can join the committee to work on the policy. The living documents are simply a starting place.
- Loose cats
For some time, we had several complaints of loose cats spraying on front doors. In May 2021, Mark sent around a photo of an orange cat prowling around Treehill. Several other loose cats have been located. As a result, Kirk has spent

time closing off basements so that cats can't get under the buildings. He found a dead cat under a building.

Wayne indicated that one owner acknowledged that her cat runs loose. Elizabeth proposed to send a warning.

d. Safety

- Fireplace inspections (Wayne):
All units with usable fireplaces need to provide an inspection annually. Mark will send out a list of available inspectors.
- Owner request for installation of personal cameras in common areas
 - Mark reported that he informed Susan on Treehill that a policy for camera use needs to be formulated prior to owners installing cameras.
 - Lisa cautioned about infringing on other people's privacy.
- Car security camera report
 - Mark reported that Sandi did not contact him for help with testing a car camera.
- Motion lights, signage, security gate
 - Mark reported that installing motion lights would involve \$50/ light, running a conduit and wiring by an electrician, for approximately \$300/light. We need to know all the locations for lights. Mark will provide a map to the safety committee.
 - Evacuation committee: Ellie reported that the committee will take pictures of the teepee shelter above Treehill and send it to the City. Mark reported that Kirk has assessed all hose bibbs.
 - Wayne reported that community police officers are trying their best to respond to crime, but in most situations, they don't have the staff to follow up. Sienna suggested to put lights into areas that are hit most frequently.

e. Beautification & Grounds (Claudia)

- A big Thank You to Nancy Schmitt, who donated many of her potted plants to be transplanted to shared areas where everyone can enjoy them.
- A big Thank You to Sue for painting more stones for owners to find and enjoy.
- Due to the way he has been treated by some owners, Wayne will no longer volunteer the use of his truck to haul debris. Wayne requests reimbursement for mileage and dump fees accrued during 33 dump runs between June 2020 and August 2021, vinegar to spray blackberries and topsoil. Total request is \$690.24.

Motion (Sue): Motion to pay Wayne.

Second: Elizabeth

There was no debate.

Vote: Sue: agree, Lisa: agree, Elizabeth: agree, Claudia: abstain

Motion passes.

- Claudia will likely continue her volunteer efforts due to many owners expressing their appreciation of her efforts. She will need to coordinate removal of debris with Kirk and Mark. Planned projects include removing the plastic cover unnecessarily stressing our trees and vegetation, and planting more trees at her cost. Claudia offered to pay for water needed to help newly planted trees get

established, if owners are concerned about impact on our water costs.

Motion (Sue): Motion to continue tree planting.

Second: Lisa

There was no debate.

Vote: Lisa: approve, Elizabeth: approve, Sue: approve, Claudia: approve

Motion passes.

- Elizabeth thanked Wayne and Claudia for their work.

8. Unfinished Business:

Owner Request: Noise between two flats (Wayne, MarkC, MarkE)

Wayne reported that he found a precedent for noise issues between flats. In 2009, the owners of 417/418 collaborated on addressing noise. At the request of the downstairs owner, the upstairs owner removed carpet and padding and put in “1000” nails to fasten floorboards. This did not change the noise. The downstairs owner removed sheetrock and ceiling heat and found that the problem was the sheetrock hangers, or RC channels, originally installed for sound-proofing. The RC channels nailed to the joists and holding up the ceiling had cracked due to structural movement over 50 years. Cracked RC channels and the ceiling heat were removed and the noise stopped. The Board at the time approved the investigation, but the downstairs owner paid for the work. MarkC confirmed that RC channels were standard practice at the time. MarkE challenged the legality of this precedent.

MarkE requested documentation about when the RC channels were installed and if they were installed in every unit. MarkC recently provided blueprints to MarkE. Because hanging drywall is not structural, the blueprints might not indicate the RC channels, and the county is unlikely to have records of their installation.

Noise issues are common throughout the property as indicated by John, Howard, Claudia, and Lisa. They vary in intensity and based on the upstairs owners’ behavior.

MarkE renewed his request to the Board to hire someone to further investigate. Wayne asked how the inspection should occur, given that MarkE does not agree to opening up his ceiling due to its fire rating. Wayne explained that fire rating simply refers to the thickness of sheetrock. Professionals take out and replace sheetrock. Increased fire danger exists only at the time the area is uncovered. MarkC maintained that it is necessary to repair the RC channels from below.

Wayne maintained that the Board would be willing to inspect through a cavity MarkE has created in his ceiling. MarkC has identified an engineer who offered to do so for \$400-500. MarkE requested that the Board hire a structural engineer to identify where to open up the ceiling. MarkE recalled that during a recent plumbing repair there was a 15 square inch opening in his ceiling. He will see if he can locate RC channels on photographs taken of the cavity.

MarkE requested that the Board show him the bylaw stating where owner responsibility ends. Lisa indicated that any sheetrock in her unit has been taken care of by the owners. MarkC confirmed that owners are responsible for electrical wiring inside the walls. For example, ceiling heat in the cavity is the unit owner’s responsibility.

Motion (Elizabeth): Motion to have the structural engineer MarkC recommended look at the ceiling to advise how much ceiling to take out and have it inspected.

Second: Sue (Sue asked to renege her second during debate)

No vote was taken.

Debate:

- Wayne recommended that we reconvene in executive session to address this issue.
- Sue agreed that we need to look into who is responsible for what areas.

9. New Business (**5 minutes each**):

10. Community Open Forum for Items Not on the Agenda (**10 minutes**):

Lisa and Sue thanked everyone for participating. We had 20 owners join the call!

11. Next Board Meeting: November 10th, 6:30 pm

12. Adjournment 9:27p

13. Executive Session (Board only): employee compensation/legal issues—will be rescheduled.