

**Highlands Board of Directors Monthly Meeting Minutes
November 10th, 2021, at 6:30 PM Zoom Conference Call**

1. **Call to order - Wayne at 6:30pm**

a. Board Members Present (Quorum): Wayne, Claudia, Sue, Elizabeth, Lisa

Units present: 155, 208, 109, 118, 427, 214, 117, 156, 426, 153, 216, 414, 118, 424, 212, 308, 105, 224, 140.

b. Proof of Notice of Meeting or Waiver of Notice

2. **Approval of Minutes: October 13th, 2021**

Lisa: motion to approve minutes with changes.

Elizabeth second:

Vote: Elizabeth, Lisa, Sue, Claudia: approve

3. **2022 Draft Budget**

The draft budget was disseminated to all owners prior to the meeting. The budget listed estimates for potential additional expenditures based on asks from owners. Those potential additional expenditures were not included in the proposed fee increases.

Mark and Wayne presented the proposed budget:

- Decreases in income occurred in the following line item:
 - Laundry room income (perhaps due to coin shortage, owners getting their own laundry machines)
- Increases in expenditures occurred in the following line items:
 - Cable/internet: 3%
 - Insurance: maximally 10% (final rate to be determined in February 2022)
 - Legal fees (some 2021 expenses were incurred in 2020 and billed in 2021)
 - Tree work (used to be embedded in maintenance salary)
 - Maintenance garages (HOA uses 3 garages; they do not generate income).
 - Repair and maintenance (due to costs of construction materials)
 - Costs for the state mandated annual accounting review.
- Savings in expenditures occurred in the following line items:
 - laundry service (termination of Merry Maids service)
 - Neither Mark nor Kirk asked for a COLA increase. Kirk asked for paid vacation. The Board voted to give Kirk 5 days paid vacation.
 - Landscaping costs decreased due to Kirk's efficiency (no additional worker). \$500 were allocated to beautification committee/tree purchases.
 - Mileage decreased, because we are not using trucks for hauling debris.
 - Office expenses decreased based on prior year costs.
 - Security line item was removed after camera test was not successful.

Board members provided the following feedback and requests for clarification:

- Lisa requested clarification on the potential special assessment of \$6000 to address noise abatement between flats. The amount was based on demolition and reinstallation of sheetrock in all (32) lower units. Removal of ceiling heat wiring, re-wiring of new heating systems, permits and texturing would likely add to the costs. Lisa emphasized that the Board has not reached a final decision on the noise abatement issue. Our bylaws allow special assessments only to cover capital improvement costs, not repairs.
Lisa supported raising \$50,000 to cover our deductible, but indicated that it cannot be done through a special assessment.
Lisa and Wayne explained that inflation (currently projected at 6%) increases costs, as do increased prices for construction materials.
- Elizabeth asked who served on the budget committee. During the October 2021 meeting, Wayne indicated that he was hesitant to serve on a budget committee due to prior hostilities. During the September 2021 meeting no one volunteered to review insurance costs, which have been part of past budget committee discussions. During the July 2021 meeting the reserve funds/capital improvement committee (Wayne, Mark, Ken, Sandi, John, Josiah) recommended a \$180,000 contribution to the CI fund during the next budget cycle. Based on this information, Mark and Wayne produced the current draft and are now asking for feedback from the board and all owners.

Owners posed the following questions:

- One owner received clarification that special assessments apply to all owners.
- One owner wondering about the rationale for the special assessment related to noise abatement clarified he only asked the HOA to conduct an investigation to isolate the source of the noise.
- One owner recommended that electrical costs be increased by 3% based on EWEB projections. This would likely push the dues increase to 8%.
- One owner recommended that we poll residents to see if they want a security gate at the projected cost.
- One owner complained about the lack of a budget committee's involvement in the process.
- One owner questioned why we need to allocate \$180,000 for CI in one year.
MarkC explained that we need to bring CI funds back up to what they were prior to the 400% insurance increase in 2020.

Wayne recommended convening a special meeting on December 1 to allow owners to review the budget and provide further input, before a fee increase is voted on. Elizabeth recommended that the draft budget be included in the next billing. Wayne recommended to also send it electronically with the announcement for the December 1 meeting.

Wayne acknowledged the burden a large increase in fees might represent. Our fees remain lower than those at Edgewood, a property comparable to ours. We are grateful to MarkC, who keeps our expenses as low as possible as we navigate through a busy capital improvement period in the next 4 to 5 years.

4. **Officer/Committee/Property Manager Reports:**

a. Finance/Treasurer: (see budget discussion)

b. Manager

Roofing: Costs of roofing increased due to supply shortages. Evergreen Roofing provided a proposal for \$103,860 to complete 4 roofs and breezeways. Evergreen would purchase the materials now and store them until spring to lock in the costs.

Motion (Elizabeth): Motion to accept proposal for \$103,860 from Evergreen Roofing to complete 4 remaining roofs in 2022.

Second (Lisa)

Debate: Ken ascertained that we will not be charged prior to the work being completed.

Vote: Sue, Lisa, Claudia, Elizabeth: approve

Motion passes.

Carport repair: In August a U-Haul van took out one carport at 140-143. U-Haul insurance is expected to cover the repair of \$6800. MarkC is waiting for the insurance check. Recently, a tree fell on the carport at 133-136 and damaged the canopy. If the posts are reusable, repair costs should be \$4000-5000; if not, repair costs will be \$6800. This is a capital improvement expense. Sue wondered if the repair can wait until we know the exact amount.

Motion (Lisa): Motion to approve repair of carport at 133-136. not to exceed \$6800.

Second (Sue)

Vote: Lisa Elizabeth, Sue, Claudia: approve

Motion passes.

Crawl space vents: It's best to leave vents open at all times due to humidity. Pipes are at risk of breaking only if temperatures are below freezing day and night. The breezeway spigots left uncovered are more likely to cause problems.

c. Rules & Regulations

No updates.

d. Safety

Fireplace inspections: Any unit using its fireplace needs to provide an annual inspection.

Crime statistics:

We do not compile crime data for the Highlands. Criminal activity is commonly reported to Mark. For official data, please check the Eugene Police Department website. Last Saturday night, golf clubs were stolen out of a car on Treehill, a car on Woodcutter was broken into and personal items were stolen, and another car was broken into and the glove box was rifled through.

Unless everyone locks their cars and takes everything out, including the car registration which is a target for identity theft, thieves will continue to return. Eugene Police does not have the resources to intervene.

Speed limit on Willamette:

The speed limit northbound is 40 mph. Since Willamette is not part of our property, the Board will not engage with this issue. Owners can contact the City of Eugene.

e. Beautification & Grounds

One owner inquired about opportunities to contribute. We could schedule a work party in spring.

5. **Unfinished Business:**

Owner Request: Noise between two flats

MarkC forwarded a relevant section of the Bylaws to MarkE who was already familiar with it. Claudia, Lisa, Sue, and Elizabeth agreed that the source of the noise has not been definitively determined. MarkC is 99% certain that it is the RC channel used to hang the dry wall. However, until the ceiling is opened up we can't be certain. In the past, issues affecting the drywall (e.g. electrical wiring in the walls) have been identified by owners who can then ask for reimbursement. Ken wondered if it might be possible to insert a scope through a hole in the ceiling. Drilling holes into the ceiling might break ceiling heat wiring.

Wayne indicated that the Board has located an inspector (K & A Engineering) who can look at joists and joist hangers to determine if there is a structural issue the HOA needs to fix. This requires pulling the entire ceiling and thereby destroying the ceiling heat. Costs would be \$400-500. RC Channels are not structural. We requested an inspection from below, but there was concern about the fire rating of sheetrock. MarkC had an initial phone consultation with K & A Engineering, where the inspector did not agree with the concerns about inspecting from below. MarkC did not obtain a written opinion from K & A. A written opinion would cost \$350.

MarkE questioned the request for an inspection. His structural engineer reiterated his concern about the fire rating. His engineer does not do camera inspections through a small opening. The opinions offered by the Board might not hold up in a court of law.

Ken felt that the HOA is not responsible for identifying the problem because we can't respond to every unit owner who is unhappy with their unit. If MarkE feels the unit is unsafe, the HOA should offer to buy it back from him for the original price.

When asked if he would agree to an inspection through the ceiling if supported by an engineer's opinion, MarkE requested more time to consider. Next step: MarkE will work with MarkC to decide whether or not to get a 2nd opinion, Breach of confidentiality

A former board member asked an owner to forward an email containing a legal opinion addressed to Wayne to the board members and an owner. Because Wayne's personal email was compromised, he felt at risk and incurred \$400 in personal attorney fees to learn what his rights are. This action was not only unethical but against fiduciary duty of ex-board members, and it was illegal. No apologies have been received. We need to prevent future breaches of confidentiality.

Elizabeth volunteered to help create a handbook for new board members explaining their responsibilities. Sue welcomed this idea. Lisa indicated that any consequence needs to be based on a legal opinion, which represents additional costs to the HOA. Lisa will review the documents that were shared to see if they were marked confidential.

Heat pump request in 407

For lower flats, the designated location for heat pumps is on the rear deck, on the wingwall that does not adjoin the neighboring unit. For most units, this coincides with the opening of the sliding door. Wayne and Claudia inspected the unit's outside locations. Sue will also look at it. The issue is tabled for now.

6. **New Business:**

Sue offered to do another holiday light contest. Everyone should participate. There will be small monetary prizes. Sue will put out a flyer. The contest will go from Dec 1 through Dec 24. MarkC reminded that the lights need to be plugged into each unit's individual electrical circuit.

7. **Community Open Forum for Items Not on the Agenda**

None

8. **Next Board Meeting** (December 8th, 6:30 pm)

Special Meeting on Dec 1, 6:30 on budget.

9. **Adjournment:** 8:30p