

Meeting Called to Order: 6:31pm

Quorum; Met, Four Directors Present;

President - Sally Savidge

Secretary - Susan Johansen

Multi-Family - Nichole Kelly

Commercial Property - Roger Shirley

Bookkeeper - Becky Johnson

Homeowner present: 16

PRESIDENTS REPORT;

STORM DAMAGE

On Nov. 12th we received an email from Wayne telling Susan and me of a fallen tree that is severely lifting the sidewalk at the bio swale.

I sent an email to all directors, ACC committee and landscape members on Nov. 15th 2014 asking for bids from other contractors. I stated I'd contacted Mr. Tree and Keep it Local. Mr. Tree was over extended at this time. NOT one person responded offering other bids. The directors voted to use keep it local in our November 17th meeting. Because of the possible liability from the sidewalk lift and fallen tree time was of the essence.

We decided to involve our insurance company.

EMERGENCY EMAIL MEETING

On Nov.25th 2014 an emergency e-mail meeting held with all 4 directors. This action is allowed under CROA By law 5.14

Director's approval was needed concerning the bio swale insurance claim. An additional \$300.00 was needed to add to this claim number. This was due to another area the adjuster noticed on sidewalk lift (apartment end) and I verified.

All 4 directors approved the addition.

Minutes from Emergency Meeting

CROA By Law 5.9

Our only issue is the additional damage in the bio swale insurance claim.

At the last meeting Nov. 17th 2014 3 directors approved Keep it Locals bid. Susan and I contacted our insurance company State Farm .They sent an adjuster to access the storm damage. It was discovered Sunday there is another very large tree starting to lift the sidewalk.

In Speaking to our agent, he stated this tree would also be added into the claim.

Keep it Local sent me a bid of \$300.00 to grind the roots of this tree and try to re-level the concrete if needed.

Our agent from State Farm stated they will reimburse us all except our \$500.00 deductible and the \$150.00 for the cutting of the tree inside the bio swale.

Work will start Nov. 28th 2014

The main reason this is an emergency meeting is because we needed to keep this all in one claim or we will have to pay a new \$500.00 deductible.

I need to you vote yea or nay or add any concerns you might have.

Thank You All

All 4 Directors voted YEA

INSURANCE CLAIM

The final claim total \$2,100.00 from Keep it Local for 4 areas of storm damage. HOA out of pocket was \$500.00 deductible plus \$150.00 for fallen tree in the middle of the bio swale that wasn't covered = HOA out of pocket \$650.00. Using insurance saved the HOA \$1,450.00. There was no charge for the consultation for arborist from 7 Dees on shaving the roots instead of cutting and lifting unbroken concrete at this time. With added info from Bartlett tree research labs. Web link

<http://www.bartlett.com> sometime soon we will need to have a conversation on removal of this tree.

According to the arborist shaving the roots will buy us the time.

OTHER SIDEWALK DAMAGE

We hired Mr. Tree a month earlier to remove yet another cherry tree damaging the sidewalk along Montmore Way. They ground the stump. The debris left was a 2ft high mess. This was much larger than we were told. Mr. Trees bid to remove it \$500.00.

David from Keep it Local and I saved the owners \$500.00 by removing the debris pile ourselves

LIABILITES!!!

The board of directors is not going to let a liability for our owners (such as the one on the Daybreak walkway sit for almost a year). Not one word was spoken to this current board about the damaged sidewalk. It was found in the HOA email inbox from an owner of lot #90 January 5th 2014. We took care of the severely lifted sidewalk October 2014. Again bids were asked for via email to all Directors, 3 ACC members and the landscape committee. NO one responded or offered suggestions with other bids.

A resolution will be written to insure owners a Director or two will be overseeing any work done to an area with the possibility of a liability to the association. This will be ready to vote on in the next meeting in February. Once voted on the owners will be notified on the CROA web site, Face book and in our next newsletter. In the upcoming newsletter I will ask for volunteers to head a committee to collect future bids. I will oversee that group.

In the newsletter we will be asking for owner input about the eventual removal of the fences on HOA properties that are in bad condition.

We need to give a huge thank you to owner Sally Wright. She writes and produces our newsletter. All bugs have been taken care of. We are lucky to have an owner who will step up to help keep ALL owners in the Association loop.

SECRETARY REPORT;

Susan collected and shared information, re: reserve account. 'It is a primary business duty of a community association to maintain and preserve market values of both the residential and common area property.

To do so properly, directors must develop funding plans for future repair or replacement of major common-area components such as; fencing maintenance and replacement, lighting, insurance premiums and deductible, irrigation systems and monument signs.

Owners are sometimes reluctant to contribute to reserve funds because they feel that these surplus funds are an added cost of living. These same owners often forget that the overall appearance of their community translates directly into its property value, which has been documented as the leading factor in members' satisfaction with their community. Additionally, one must remember that lenders look for signs of financial health when reviewing mortgage applications. Communities with inadequate reserve funds may find themselves at risk for mortgage denials.

Reasons for creating and adequately maintaining a reserve fund are;

1. Fulfillment of legal requirements.
2. Requirements of the secondary mortgage market as dictated by Fannie Mae, FHA, VA and Freddie Mac.
3. Deterioration/ Depreciation of common assets from which current owners benefit.
4. Minimizes the need for unforeseen special assessments, especially for owners on a fixed income.
5. A replacement fund or reserve fund 'enhances resale values'.
6. Accounting standards require proper attention be paid to the replacement fund, given the depreciable nature of certain assets over time. Aka - nothing last forever.

CC&R Article 4.06 Reserve Account:

The Declarant shall establish a reserve account for replacement of all items of common property which will normally require replacement, in whole or in part.

More than 3 years and less than 30 years.

As well as - Oregon Statute 94.595 - revised in 1997, sub section 2-a more than 1 year and less than 30 years.

CROA Capital Assets:

Fencing along Cherry Park Rd. = \$48,000.00

Lighting at Monument = \$3,000.00

Insurance = \$2,100.00 (with a \$500.00 deductible)

Irrigation = \$6,000.00 (recent minimal repair cost - true replacement cost - unknown)

Monument = between \$8,000.00 - \$10,000.00

Total = \$69,000.00

Reserve Account should contain the very conservative amount of \$69,000.00 - a more realistic amount would be \$138,000.00 -- (\$69,000.00 x 2)

The current Reserve Account increase from homeowners, Multi-family and Commercial properties of 10% -- will bring \$4,653.75 to that account this year.

This is thoroughly inadequate. To reach a Reserve Account minimum @ \$4,653.75 will take 15 years. But, it's a start.

Reserve Account funds are not to be used for HOA operating costs.

That money comes from the General Fund- our operating costs or bills consist of; landscaping. Utilities- such as water, electricity, office supplies/postage, Bookkeeping, and Tax & Licenses.

Funds from the Reserve Account may only be used for replacement and maintenance of common property assets and these funds must be replaced out of the general fund.

With so little money in the Reserve Fund, it would be unwise to take from our general funds - only to have to pull it back out for maintenance costs.

As Directors, we feel it would be wise to leave a 'financial cushion' in the general fund at a minimum of 2 years' In case there's a future need or currently unforeseen expenses. The minimum is \$100,000. Currently we are at \$86,000.00. There were no extra funds to start the reserve. The reserve needed to be included in this year's dues to prevent a special assessment.

Money's that remain at the end of 2015 calendar year, can be considered for transferee to the reserve fund - but not before we reach the end of 2015 and are sure of our current HOA operating costs.

Our Cherry Ridge HOA was started in 1994 - which makes our neighborhood 21 years old. Our previous Directors chose to put-off creating a Reserve Account for future Boards to deal with.... We have definitely arrived at that future time!

We currently anticipate the removal of rotten fencing - possible - reestablishment of property boundaries with hedge plantings.

Trees (@ monument) that need to have dead limbs removed and root grinding w/ sidewalk replacement.

BOOKKEEPER- BECKY JOHNSON

The General Fund is currently adequate for the operating expenses, but under the goal for a reasonable cushion. The important thing about having a Reserve Account is it will prevent the HOA from having to collect funds by means of a Special Assessment from homeowners due to unforeseen Capital Assets repair or replacement.

Financials - see copies of Financials in CROA web site.

A Motion was made from the President Sally Savidge for the directors to accept default payment plan in collections of \$200.00. Motion was seconded and accepted. All 4 directors voted yea.

ACC COMMITTEE JANICE & TANA REPORT - Nothing going on right now.

MULTI-FAMILY DIRECTOR- NICHOLE KELLY REPORT had nothing to report at this time.

COMMERCIAL PROPERTY DIRECTOR ROGER SHIRLEY REPORT

There was a loss of 2 trees due to storm damage. Hope you like what you see at the Commercial property. Safeway and Albertson's are merging. Our Safeway is very healthy - will not be going out of business or become Albertsons. Good News ~

Landscape Committee, Wayne - Pro Blade is doing a good job. Wayne had questions about root grinding and the cost. A professional arborist's recommendation was explained and the correct root grinding was completed by; Keep It Local. The decision was made by the board to follow the arborist recommendation.

Adjourned; 7:34pm

ADDITIONAL INFORMATION;

Keep it Local (David) has a full time job and because of his professionalism and integrity he does not need to maintain a web site. As we all know web sites don't always mean good service. He does landscaping maintenance. All directors knew these requirements prior to hiring and bid approval. David has gone above and beyond for CROA as has DJ from Pro Blade.

Here's a link as to why Keep it Local is within the law and does not need a license nor bond.

[Http://www.oregon.gov/LCB/Pages/licensing.aspx](http://www.oregon.gov/LCB/Pages/licensing.aspx)

***TWO licenses are required to do landscaping work in Oregon: the individual Landscape construction professional license and the Landscape contracting business license.

*** FAQ***

Do I need a license to do yard/landscape maintenance?

No, landscape maintenance is not regulated by the State of Oregon. However, you should check with your city or county for local requirements. [Landscape maintenance](#) is work performed on an existing landscape and the general upkeep of an already installed project. Examples of this are: mowing, pruning, edging, applying bark dust, and trimming. Irrigation repair is NOT landscape maintenance and DOES require a license. *****