

MINUTES

Minutes of the Board of Directors Meeting for the Sunshine Creek Condominium Owners Association held at 5:00pm on October 22, 2020 via Zoom at remote locations

Call to Order: Director Sheri Bacon called the meeting to order at 5:13pm.

Quorum Present: Yes

Board Members in attendance: Tammy McCausland, Secretary
Sue Lowry, Treasurer
Sheri Bacon, Director
Mike Grebenc, Director
Dominic DeMarco, Director

Board Members absent: None

Others in attendance by invitation: Mark & Cindy Vandervest, Community Managers
FRESH START Real Estate, Inc.

Guests in attendance: Linda Grow, Unit 16

Proof of Notice: Meeting Notices posted in display cases above mailboxes.
Proof of additional Notice waived due to nature of remote meeting due to Covid-19 gathering rules in place by the State of Oregon.

Welcome & Introductions: Manager Mark Vandervest opened the meeting by welcoming the board members to the Zoom meeting held by the Association. Sheri Bacon requested that Mark continue to run the meeting.

Approval of Agenda: Mark requested a motion to approve the Agenda as written. A motion was made by Tammy to approve the Agenda as written. The motion was seconded by Sheri. There was no additional discussion, and the motion was unanimously approved.

Owners Forum:

- New Owner Linda Grow asked if her application for two pets (dogs), one at 8lbs and the other at 5.5lbs. Application was received and the Owner was reminded that pets are not allowed to bark in an uncontrolled manner.

Approval of Minutes: The minutes from the meeting on August 27, 2020 were reviewed. Sheri noted that Augie and Dana should be added to the minutes as additional Owners in attendance for that Zoom meeting. Tammy made a motion to approve the minutes as modified. Dominic seconded the motion. There was no further discussion and the motion passed unanimously.

Financial Report: Management reported the following information to the financial report:

Balance Sheet as of 9/30/2020:

- Total operating funds as of 9/30/2020 was \$48,595.35 including pending EFTs.
- Total reserve funds as of 9/30/2020 was \$138,411.46

- Total cash assets as of 9/30/2020 was \$187,006.81

Income: As of 9/30/2020 year-to-date income was \$158,939.96. Year-to-date expenses were \$106,561.54, including \$17,298.21 of reserve expenses paid.

Budget vs. Actuals: As of 9/30/2020, 102.54% of the anticipated income for 2020 has been collected. As of 9/30/2020, only 50.27% of the budgeted expenses have been paid out, including 29.54% of the budgeted reserve expenses. This is below the projected amount for anticipated expenses in 2020, which results in savings for the HOA to be applied towards future projects as needed or required.

Delinquencies: There was a total of \$1,426.22 in delinquent assessments as of 9/30/2020. Management has been in contact with the two parties that represent the delinquency amounts and are working to resolve the delinquencies.

Manager's Report:

REPAIRS, MAINTENANCE & UPDATES

The following maintenance updates are for informational purposes only and do not require Board action at this time:

1. Pressure washing was performed in many areas of the community. Sheri asked how much had been spent so far on pressure washing. Mark reported that the amount of \$2,759.63 had been spent so far. Suggested that the HOA wait until Spring to continue pressure washing. The board agreed.
2. Mark reported that a new ceiling fan was finally replaced in Unit #42. Dominic reported that the sound was much better and that they were not experiencing any further noise nuisances.
3. Mark informed the board that he had reached out to Aqua Care about the needed winter shock treatment for the pool and spa.
4. Mark reported that it is still extremely wet in front building
5. Garbage onsite management is ongoing. There continues to be a lot of garbage placed outside of the overfilled dumpsters.
6. Computer upgrade has been purchased and Management is waiting for Advance Locking Solutions to schedule the upgrade.
7. Lighting maintenance is ongoing

ADMINISTRATION

1. Violations:

For informational purpose:

- a. One smoking violation was issued to Unit #24
- b. One smoking violation was issued to Unit #42

2. Homeowner Correspondence and Administration

For informational purpose:

- a. None

Old Business:

1. **Electronic Key Software Update:** Mark stated that he is still waiting to hear from Advanced Lock Solutions for an appointment to upgrade the system. A few people have accessed the clubhouse even though it is closed due to Covid restrictions. Without the software upgrade the shutdown of access is not working.

2. **Prohibited Vehicles:** It was mentioned that there are a couple of vehicles that don't appear to move at all and have expired license plates on them. During Covid it is not permitted to issue violations for expired license plates. However, vehicles must still be moved on a regular basis. Management will do an assessment of the vehicles in questions, and if necessary send out an email broadcast reminding Owners of the vehicle rules.

New Business:

1. **Ratification of Advanced Lock Proposal:** Advanced Lock Solutions provided a proposal to install the needed software update and an additional component that would allow the system to properly communicate with the gate locks. The board had previously voted electronically to approved the proposal. For the purpose of the minutes, Tammy motioned to ratify the approval of the Advanced Lock Solutions proposal. Sue seconded the motion. There was no additional discussion and the prior approval was ratified.
2. **2020 Reserve Study:** Manager Mark Vandervest went over the modified Reserve Study for 2020 and identified many additional projects that were added to the study for the next 30 years. Under the proposed Study, the Reserves contribution will increase 3% per year through 2022, 5% per year from 2023 through 2025, and 8% per year from 2026 through 2035. Beginning in 2036, the reserves may be reduced by 8% each year through 2045, and then remain level beginning in 2046 through 2052. Providing that there are no unplanned significant or catastrophic events that would require a significant amount of funds to be used, the Association will be able to proceed with the scheduled repairs without the need for any special assessment.
3. **2021 Proposed Annual Budget:** The proposed 2021 Annual Budget was presented. There was discussion about the costs proposed for pool chemical reads. Sheri proposed a reduction in the costs for reading pool and spa chemicals from \$1,800 to \$600 with the idea that owner volunteering for the chemical reads could be easily achieved. After that adjustment, the Budget components were as follows:

Grounds & Maintenance Expenses:	+0%	Increase
Building Repairs & Maintenance Expenses:	+4.52%	Increase
Utility Expenses:	-0.68%	Decrease
Operating Expenses:	+3.96%	Increase
Reserves Contribution:	+3.0%	Increase
Overall Budget Increase:	+2.10%	Increase
2021 Operating Budget:	\$146,200	
2021 Reserves Budget:	\$ 58,350	
Total 2021 Budget:	\$204,550	

The question was posed as to why there was the need for an increase, since there seemed to be a decrease in expenses for the year with the Covid shutdown. Mark explained that Sunshine Creek has a relatively low balance for reserve funding. The annual increases are necessary to do everything possible to avoid the need for a special assessment. Under the current proposed budget and reserve study, the Association should have enough funds to pay for the upcoming scheduled expenses and annual operating expenses. Another question was asked as to if the pool and spa were closed during the year, wouldn't that have offset the need for an increase. Mark reminded everyone that the replacement of the mailboxes was unplanned and those funds made up most of the difference in savings from the pool and spa closure.

There was discussion about the idea of modifying the bylaws to include a capital contribution paid by each Buyer upon the transfer of title to any unit. Mark explained that other Associations have a capital contribution in place and that helps to supplement the annual income which ultimately has a positive effect on the operating budget. Other Associations charge up to two months of the current HOA dues as the capital contribution. The Board requested that management find out what would be involved in such a bylaws change and how much it would cost to have an attorney draft the change. The unit allocation schedule was reviewed and showed that unit owners would expect an increase in their monthly dues of between \$5.00 and \$8.00 per month. Dominic motioned to approve the 2021 budget as modified. Tammy seconded the motion to approve the 2021 budget as modified. There was no additional discussion and the motion passed by majority with one abstain vote.

Schedule Next Meeting:

With the holidays approaching, the board discussed meeting on 12/17/2020 only if needed. Otherwise the next planned meeting will be on 1/21/2021 at 5:00pm either via Zoom, or if State mandates have been lifted, in the Sunshine Creek Clubhouse.

Adjournment:

Sheri motioned to adjourn the meeting at 6:10pm. Tammy seconded the motion.

Submitted by:
FRESH START Real Estate, Inc. ~ Community Manager