

## **2015 CCW Annual Meeting**

*Eugene Country Club, Greenview Room*

*Wednesday, October 21, 2015 at 5:30pm*

Members Present: 34 of 50 individual members; 20 of 27 households

Board President Duane Iverson calls meeting to order.

Members introduced themselves, including new members Fred and Peggy Wittkop, 720 Sand.

Judy Blain, Treasurer – Because she is starting to email quarterly dues reminders, Judy reminded members to make sure email address(s) in directory are correct. Also, suggested it might be a good idea to print a copy of the reminder email notice so you won't forget.

Duane – Introduction of Board Members (Duane Iverson, Frank Blain, Dee Carlson, Paul Plath, Doug Knecht, Dave Burtner)

Duane – Recognized Judy for her excellent job as Treasurer

Duane – Reviewed 2015 financials year-to-date, noting the changed format that separates recurring costs from contingency fund/special projects. The Board believes this adds clarity to the financial status of the HOA and helps focus discussion on key elements in the financials.

Board assumed member dues should cover recurring, fixed costs and special assessments should cover contingency / special projects.

### **2015 Recurring Income and Expenses Review**

In 2015, dues income did not cover monthly costs, leaving the HOA with a \$2800 deficit. A similar deficit occurred in 2014. In the past, we have used the contingency fund balance to make the dues deficit whole, which will happen again this year.

### **2015 Contingency / Special Projects Income / Expenses Review**

*Income:* On the contingency side of the ledger, the total income reflects some carry-over from a previous assessment and the \$500 per property assessment in January of 2015.

*Expenses Highlights:*

- Pear tree pruning, to happen in November, largest expense
- Cherry trees behind Loomis, Elsener and Hammerstads are sick and need spray and pruning

- EWEB water bill is high and growing. Alan of A&K said a new irrigation controller would help.
- Three wells drilled on property at the beginning – all dry. A&K found 6” well casing recently – one of these original three wells. Board decided to test to see if well was now productive. Worth testing because it could significantly reduce EWEB bill. Well was tested at 8gpm (unfortunately we need 30gpm for irrigation), but worth the test.

Elaine – Regarding cherry tree issue: cherry trees don’t have a long life. Are we better off not spraying and pruning (at \$1500) and just cutting down and/or replacing? Also, we should ask neighbors if they care about trees in back common areas before we act on them.

It was also noted that the adjoining HOA on the west has brought up the issue of roots growing into their yards from CCW common area trees.

Doug – noted that Eugene Country Club trees have in the past grown onto CCW property. When asked about it, the country club said “you go ahead and take care of it”. Perhaps we should have similar response to neighboring HOA?

## **2016 Budget Review**

Duane explains key elements:

A few items that appeared on the contingency side of the ledger in 2015 have been moved to the recurring cost side since these items are now part of annual maintenance (pond / park area tree/shrub/blackberry project, now routine maintenance; north end area clean-up, now routine maintenance)

A&K landscape proposal came in at 3.5% increase, total increase for two years 2016/2017.

Mitch – Did we get another landscape contract proposal? If not, it’s time we get one.

Duane – We did not solicit additional proposals this year. The Board felt the total increase in the landscape budget over the last few years was reasonable:

2012 - \$2927/month  
 2013 - \$2927/month  
 2014 - \$3014/month (3% increase)  
 2015 – \$3014/month  
 2016 – \$3119/month (3.5% increase)  
 2017 - \$3119/month

Also, a lot of effort was put into working more closely with Alan this past year to get him to address irrigation issues (high EWEB water bill) and be more accountable for small maintenance issues that crop up during the year.

Dee – Adjusting sprinklers should be part of contract? Alignment should be what Alan does at the beginning of each year, not a special project. (Alan addresses this issue when he makes presentation, see notes toward end of these minutes.)

Dave – Reviewed the proposed 2016 security patrol contract.

Rod – What does North Pacific Security do?

Dave – Reviewed meetings he and Duane had with NPS with the purpose of getting explicit language in the contract to address frequency (6 times each day) and timing of patrols (starting at dusk, ending at dawn); number of times the patrol will pass each house (2) on each of the six daily patrols; procedure to follow when garage door is found open or other situation that needs attention (first, call owner; second, ring doorbell; third, call back-up phone numbers – don't leave street until someone is contacted); on final patrol leave log of that day's patrols in designated location so Board has it.

Jack – Garage doors have been open and no contact. Noted his neighbors often call him to tell him he has an open garage door.

Bob Loomis – neighbors should watch out for each other, that was the purpose of the triad house siting configuration.

Member – When did CCW last get a bid from another security company?

Paul – Early on, NPS was the only option. A little history on contract proposals . . . several years ago we went out to bid for the landscape contract. A new contractor was chosen. Some members felt the process should have had more member input and review. In the future, when we look at changing contractors or getting proposals we need to start early with a more rigorous approach.

General discussion – key point reinforced by several member: CCW members should take personal responsibility for the security of their home and neighbors should be vigilant and communicate when they see an issue.

*Motion: Drop security patrols on interim basis to see if it makes any difference.*

*Discussion:*

- Are there insurance benefits to having security patrols? Answer: no.
- Cordy – maybe neighborhood watch organization can give us some advice about the relative benefits of security patrols

- Individual homeowners, who want it, can hire their own security patrol.

*Vote: Motion to drop security patrols, at least for 2016, passed by voice vote.*

Duane – Returns to 2016 proposed budget review and points out the total recurring costs will exceed dues income unless we increase the quarterly dues amount. Similarly the 2016 contingency fund which includes a balance forward from 2015 will not cover all the expected project costs for next year.

Board recommends increase in dues by \$50 / quarter would cover 2016 recurring costs.

Board also recommends January 2016 assessment of \$500 per property to cover special projects costs and leave balance for emergency expenditures.

Rod – with the vote to stop security patrols, the recurring cost total is now reduced by \$3500. Why do we need to add \$50 to quarterly dues?

Frank – Worth remembering, in 25+ years, quarterly dues have only been raised twice. The proposed \$50 increase is rather minimal.

Jack Clark – I believe this small increase (\$50/quarter) will allow the HOA to function as it should by covering CCW recurring costs entirely from dues next year and hopefully for the next few years.

Frank – noted that the 2016 EWEB budget amount has been decreased by \$2000 with the assumption that with the new irrigation controller and better overall water management, we will be able to reduce irrigation costs. This may or may not happen. Weather is a big unknown. If water costs end up being close to the same as for 2015 (\$7000+), we will still need to increase dues to cover our recurring costs, in spite of no security patrol costs.

Member – On the flower planting recurring costs, why not plant shrubs instead?

Dee – Some people in the HOA have expressed interest in doing the Spring and Fall planting on a volunteer basis (with HOA paying for the plants). This will reduce costs. There was general agreement from members at the meeting that the Spring/Fall flower planting could be handled by the members (the HOA will buy the plants). Dee will organize.

*Motion: Mike Layne moved to approve 2016 budget as presented with increase in quarterly dues of \$50/quarter and January 2016 assessment of \$500 per property.*

*Jack Clark – Second*

*More discussion:*

- Catherine – instead of raising HOA dues (which may affect our ability to sell our homes in the future), why not increase the assessment for the contingency fund by another \$100 to cover deficits on the recurring cost side?
- Duane pointed out that in the past the contingency fund as covered recurring monthly cost deficits. The Board believes it's time to acknowledge the actual recurring costs and establish a dues level that covers it.
- Member – why not get another landscape proposal?
- Duane – Paul spoke earlier about the need to have a rigorous process if we want to get proposals and change contractors. Our last experience several years ago was contentious because some members felt there was not enough member input. So for 2016, there is not enough time at this point to start that process.
- Jack Clark – Pointed out that there have been only two increases in the A&K landscape proposal since they became our contractor. The current 3.5% increase is the total for 2016 / 2017. Jack went on to say he believes the HOA should have the financial discipline to cover recurring costs, the basic HOA maintenance, with adequate dues.
- Frank – trees are going to be an on-going issue. We need to have contingency funds available to take care of them.

*Vote: Motion to approve 2016 budget with both quarterly dues increase (\$50) and January assessment (\$500/property). 12 properties voted yes, 9 properties voted no. Motion passed (simple majority). 2016 budget approved.*

### **A&K Presentation**

Alan was asked to give a brief overview about a few landscape projects worked on in 2015 and planned for 2016:

- Azalea lace bug problem. Some spraying done in 2015, more planned for 2016. HOA is having Glass Spray Service do the work.
- Well testing showed 9GPM, need 30GPM. Dirty water.
- Irrigation Controller with solar sync will auto change irrigation sensor, includes rain sensor to auto shut off irrigation to save water.
- Sprinkler drains downhill when OFF. A 20ft section of ¾" pipe will drain ½ gallon of water when irrigation system turns OFF. Add all these up and a lot of water is wasted. Adding heads with check valves as older style sprinkler heads need to be replaced to stop this from happening.

- Average life of sprinkler is 7 years. Many HOA sprinkler heads are well past the 7 year life expectancy. Seals and springs wear out. New heads also allow individual shut off so if too much water is in confined area (overlapping sprinklers), an individual head can be shut off. Underground irrigation pipe should still be good where not damaged by roots.
- 2015 was hottest year on record for Oregon. May – Sept rainfall: 2013 10.5”, 2014 4.75”, 2015 1.9”. HOA water consumption up 20%, while precipitation rate is down 58%.
- Mitch – would it make sense to go deeper on discovered well to try to get more water?
- Alan noted we are at 500 feet already. Well driller does not think it is worth the money to go deeper. Normal well drilling cost \$5000 to \$7000 for 200 ft. to 300 ft
- Frank asked Alan if sprinkler adjustment is covered by in the landscape proposal or extra expense?
- Alan explained the initial start-up, including sprinkler head alignment, happens in the spring and is included in the landscape budget. All sprinkler replacement costs are billed separately (and included in the contingency budget).

### **Board Member Election**

Doug Knecht leaves board at the end of 2015.

Board recommends Jack Clark to take vacant position.

*Motion: To approve to Jack Clark to join the Board in 2016.*

*Vote: Approved by voice vote.*

### **Emergency Preparedness**

Terresa – spoke about her work on emergency preparedness: how to stay motivated beyond the handouts she has distributed to the members. Teresa and Lori will meet one time a quarter, mostly for motivation. Others are invited to attend.

Elaine – Palm Desert community has extensive plan for emergency preparedness. Simple ideas: flashlight, gloves, shoes, water (all under bed). People in Eugene can come out to discuss

Catherine – Red Cross came to Gig Harbor community to discuss preparedness.

*Motion to adjourn. Passed by voice vote.*