

January 27, 2017

To: Homeowners of Hayden Bay Condominiums

Fr: Kate Dormer, CMCA

Community Manager

Noah & Associates Community Management

RE: Important Legislation regarding Vote on Annual Financial Review
Please Read!

The Oregon Condominium Statute 100.480 states in Section 26, Subsection 4, "The Association of unit owners of a condominium that has annual assessments exceeding \$75,000 shall cause the financial statement required under subsection (3) of this section to be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed in the State of Oregon in accordance with the Statements on Standards in Accounting and Review Services issued by the American Institute of Certified Public Accountants."

Subsequently, the statute goes on to state that, "An Association of unit owners subject to the requirements of subsection (4) of this section may elect, on an annual basis, not to comply with the requirements of subsection (4) of this section by an affirmative vote of at least 60 percent of the owners, not including the votes of the declarant with respect to units owned by the declarant."

The cost to have a Review (this is NOT an Audit) for your Association is approximately \$2,500.

If the owners feel they do not want to have a Review, a vote of at least 60% of the owners (11 homeowners) against the Review will need to be sought.

On Your Annual Meeting Proxy, you will see that there is a place to vote. Even if you are planning on attending, please fill out the proxy and return in the envelope provided.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me at 503 654 0118.

Thank you!



Hayden Bay Condominiums

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**Minutes
Annual Meeting
Thurs, February 25 2016, 6:00 PM
Recreation Room**

Amy Welch, recording secretary.

Call to Order: Victor Viets called the meeting to order at 6:03 pm

I. Roll Call

17 of 18 homeowners were present in person or by proxy. Steve & Debra Alexander, Sally Anderson, Fred & Philomena Bender (Welch), Karen Brumbaugh (Welch), Kari Dapp (March), Jim Folkerts (Welch), Ed & Rozann Juth, Hazel Larpenteur, Bob & Lori March, Kara & Brady Mills (Parkes), Alisa Owens, Ed Parkes, Sean Penrith, Dan Redmond, Don & Tess Spina (Welch), Victor Viets & Donna Hempstead, Amy Welch. Tom Repp, not counted as proxy received, but no one identified to vote.

II. Proof of Notice – Kate Dorner

Kate shared copy of packet that was mailed and emailed to each homeowner. Also posted on website.

III. Approval of 2015 Annual Meeting Minutes – Feb 26, 2015

Dan Redmond moved and Sean Penrith seconded to approve the 2015 minutes. Unanimous approval.

IV. Reports from the Board and Committee

A. President – Victor Viets

Reported that the 2015 Special Assessment was incorrectly invoiced for the 4-plex units. Upstairs units are slightly larger than downstairs units, therefore Noah & Associates will make adjustments to 4-plex building owners (\$58 to be billed to upstairs units; \$58 credit to downstairs units). Affected homeowners can expect a letter from Noah outlining these changes ahead of the next due date of reserve contributions of June 1, 2016.

B. Treasurer's Report – Sean Penrith

Sean explained that once Noah inputs the approved 2016 budget, the dashed figures in the Budget Comparison section will be replaced with those figures. Homeowners can expect to see this in place for the February report.

TREASURER'S REPORT FOR THE MONTH OF JANUARY, 2016

February 25, 2016

Balance Sheet a.o. 1/31/16

Cash account closed out at \$15,441.55 compared to \$16,424 for December last year.

1. Total Assets decreased somewhat to \$96,626 from \$97,607 as of the end of December.
2. Owner prepayments closed at \$2,187 lower than the \$3,241 figure as of end December.
3. General Reserve funds remained in line at \$81,184 compared to \$81,182 at the end of December.
4. Total Capital stood slightly higher at \$13,253 compared to \$13,183 at the end of December.

Cash Flow Statement for the Month

1. Total Operating Income for the month came in at \$10,378, lower than the \$23,172 the month before (December's amount was augmented by the receipt of \$12,794 in Reserve Contributions (allocated to the Reserve account). Note that since Noah uses cash accounting instead of the accrual method, there can be variances due to timing of dues payment.
2. The Association's Total Operating Expense for the month was down at \$10,308 compared to \$20,117 the previous month (note that the transfer of the \$12,794 December amount in Reserve contributions is treated as an expense and factors into the \$20,117 figure).
3. Net Operating Income for the month came in at \$70.42 compared to \$3.054 the prior month.

Budget Comparison YTD (note actuals are compared against the proposed 2016 budget figures approved at Feb AGM 2016)

1. Actual Total Income for Jan period was \$10,378 exceeding the budgeted figure of \$----- (TBC once budget formally approved).
2. 4000 – Landscaping expense came in at \$5,258 compared to forecast figure of \$-----.
3. 4200 – Maintenance expense came in at \$514 compared to budget of \$-----,
4. 5000 – Utilities came in at \$4,051 compared to budget estimate of \$-----.
5. 6000 – Administration fees came in at \$481 compared to budget of \$-----.
6. Net Operating Income (NOI) as per the financial statement for the period came in at \$70.42 compared to budgeted amount of \$-----.

2016 Budget Notes

- I. In comparing actual 2015 expenses against the 2016 budget expense, we can see that actual expenditures in 2015 were \$10,835 less than the forecasted expense figure for 2016.
- II. The 2016 income is forecast at \$125,032 and actual income for 2015 was \$125,319 (after removing the Reserve contribution figures).

C. Landscape – Sally Anderson & Donna Hempstead

Dogwoods will be sprayed 3 times beginning week of Feb 23 to control anthracnose, and to prevent gray mold/fungus.

Ground cover areas were cleaned and raked this month to remove dead leaves and pine needles to the extent possible.

Do not put anything down storm drains.

Any landscape work other than around your immediate front door/walkway area, or within your courtyards is to be coordinated through the Landscape Committee. Feel free to contact Sally Anderson (503 246 0165) or Donna Hempstead (503 286 1404) at any time for coordination.

200 tulip bulbs were planted at the end of 2015 around the "island" driveways, and the address posts along the road.

Winter landscape is holding – growing season will start soon.

The Landscape Committee met with two arborists to look at a leaning Sycamore (roadside near #419). Both said the tree did not look in danger of falling.

The arborists also looked at the Red Cedar planted last fall, and believe it is going to be OK. This tree has brown/red foliage, but should turn green.

D. Insurance – information vetted by J. Puppo

State Farm presentation – Jay Puppo

Jay recommended that all homeowners review their own condo insurance and ensure that their policy calls out "building coverage" of at least \$10,000 and make sure they dovetail with the master coverage HBC has with State Farm. If a homeowner suffered a burst pipe, owner pays the \$10,000 deductible before the HBC State Farm coverage kicks in. While State Farm homeowner policies automatically dovetail with the HBC State Farm policy, for homeowners using other insurance providers, they should check that their policy does indeed dovetail properly with the HBC State Farm policy.

In the event of a claim, the association will seek to recover that deductible from the unit owner(s) involved in the claim. The unit owner's responsibility for the deductible may be insured by their individual policy (HO-6), subject to their own policy deductible, normally \$500 or \$1,000.

Earthquake

HBC currently has earthquake coverage in place. State Farm wants to stop selling coverage going forward (they believe a quake is probable). HBC would be grandfathered-in (cannot guarantee but in the other states that the company has stopped offering the Earthquake coverage have been grandfathered in the coverage) and our coverage would remain intact. Earthquake deductible is 10% under our HBC earthquake coverage. State Farm has assigned an insured or replacement cost value to our buildings, and so 10% of the insured/replacement cost value would be the deductible. For example, if that deductible turned out to be \$10k, then we each need to ensure we have \$10k worth of coverage WITH Earthquake Endorsement on our homeowner policy. If we have a large quake and the house is condemned by the city, it has zero value, and our current HBC policy will pay to rebuild the houses minus the deductible.

After the meeting, Jay double-checked with their claims partners to clarify, if the Earthquake loss causes flooding to occur, the coverage would be under the Flood Insurance, not Earthquake on the master policy. Another important reason to have the Flood insurance.

Our HBC coverage has a 'pace' provision so that the insured value increases each year and this value is used to determine the replacement value in the event of fire. We currently have blanket coverage of \$6m which means that if one unit burns down, we can use the blanket coverage to repair just that one damaged unit.

Flood

All of the association's FEMA flood insurance is serviced by State Farm, however the claim decisions are made by FEMA reps. HBC currently has coverage, and is locked in. He advised us strongly not to change anything, or else FEMA may rewrite the map zone and the premiums could skyrocket. And there is a standard 30-day waiting period for new policies.

E. Secretary – Website – HINooN – Amy Welch

Presently, HB Condos is not represented at HINooN.

Ed & Rozann Juth attended the last HINooN meeting, regarding chemical emissions (contamination and air pollution) and homeless camps (around the city, including on the island on the west end).

F. Hayden Bay Marina Homes – Karen Brumbaugh;

Red Zone – Tennis Court, Pool, Rec Room - Sean Penrith & Martin Owens

Marty and Sean attended the last meeting. The condos have 2 of 5 seats on the Red Zone board. Marty and Sean reiterated to the Homes Board that they must be present for any voting and decision-making.

Sean spoke to the Mult County inspector regarding the report – who confirmed that the pool had not been closed by virtue of their inspections. The inspector did advise that only two items needed attention sooner rather than later: pool needs a new handrail, and soil needs to be removed under portions of the fence facing Tomahawk Island Drive.

V. Election of Board Members – two open positions (Larpenteur, Viets)

Steve Alexander and Hazel Larpenteur were unanimously elected to the board.

Victor Viets was thanked for his service. He will remain working on the Reserve Study.

VI. Old Business – 10-Year Reserve

Main items to be completed this year includes new membrane on bay side decks, seal coat of bay side walk. Costs to be covered by Reserve budget.

VII. New Business

A. 2016 Budget, approved in December – no dues increase

B. Annual Financial Review – Kate Dormer

All 18 of the homeowners indicated in writing, to NOT have a financial review.

VIII. Motion to Adjourn

Sean Penrith moved and Dan Redmond seconded to adjourn at 7:55 PM. Unanimous.

**February Board Meeting
Officer Elections**

President	Sean Penrith
Secretary & Vice President	Amy Welch
Treasurer	Sean Penrith
Insurance	Dan Redmond
Landscape	Hazel Larpenteur
Maintenance	Dan Redmond
Director	Steve Alexander

Next Annual Meeting: Tentative Feb 23, 2017

Next Board Meeting: March 24, 2016

Board Meetings – 2016:

4th Thursday, 6 PM, Rec Room

Nov and Dec meetings 3rd Thurs (Thanksgiving, Christmas)