

Oak Park Townhomes Association

BOARD MEETING AGENDA-Monthly

2/2024

5:00 pm

Zoom

Agenda prepared by OPA Board of Directors, Sterling Management

1. Call to Order Regular Session

- Call to Order** – Karen called the February 2024 meeting to order at 5:07pm.

- Roll Call – The following are present:**
 - Karen Romero, President, Unit 9
 - Kathy Giesen, Vice President, Unit 53
 - Mike Shuttleworth, Treasurer, Unit 11
 - Diana S., Unit 52
 - Mike and Lisa Berkley, Unit 46
 - Lisa Connole for Judy Connole, Unit 73
 - Paul Avallone, Unit 45
 - Rory Randall
 - Kendall Williams, Sterling Management Group
 - Katie, Sterling Management Group
 - Monica Smith, American Family Insurance

- Approval of Minutes from January 2024**
 - Motion:** Kathy moved to approve the January 2024 minutes, a second was received and the Board approved the minutes.

- Karen shared that there have been some questions about the meeting minutes from the Annual Meeting – because the meeting only happens once a year, the meeting minutes are approved at the following Annual Meeting because they are approved by the homeowners. Mike Berkley shared that the Annual Meeting Minutes are posted on the website at this time, and Kendall said she can remove them until they are approved. Mike suggested adding approval of the Annual Meeting Minutes to next month's meeting agenda while the information is still fresh.

- Approval of Financials from January 2024**
 - Comments:** Mike Berkley mentioned that there is a large jump in the amount owed in delinquencies for two homeowners between December and January and assumes that there may be a mistake in the spreadsheet. Katie from Sterling Management will look into the delinquencies and report back to the Board. *Katie from Sterling was able to look into the delinquency report and found that there was an error. The total amount owed should read \$735.21 not \$841.50.*

Mike Shuttleworth noted that there is also an additional fee for maintenance for yard and grounds, which was the additional service for gutter and roof cleaning that the Board requested.

Motion: Kathy moved to approve the January 2024 financials as presented, a second was received and the Board approved the financials.

2. Insurance Presentation – Monica Smith with American Family Insurance

Insurance renewal is available – Monica shared that she hasn't seen an increase this significant since she started in 2006. This is a very volatile time in the industry and many companies are taking rate/non-rate actions, and some carriers are even pulling out of the condominium association and apartment complex industry. Many companies have decided they aren't going to offer insurance for anything over 30 years, which is a significant change, or are only offering actual cash value on older buildings. Monica was transparent, saying that there is a renewal offer, but that it isn't ideal, and she understands that the HOA will have to shop other carriers.

Kathy shared that the Board works on and sets the budget in November, and now they are unable to change the budget, but these changes will significantly impact the budget. She asked Monica if she knew that these changes would be coming. Monica said she did not, and in fact Billy with Sterling Management reached out in November to see if there would be changes so that the Board could budget appropriately. Monica reached out to Corporate to ask about renewals at the time, and did not receive forthcoming information. Now the company is rolling out renewals to be effective April 1st for the state of Oregon. Factors that impact rate changes are related to the age of the buildings, number of buildings, coverage amount, etc. Monica shared that she does work with another association that re-wrote their plan for January 1 to December 1, so that the rate information could be available in November, which may be something to look at in the future.

Monica has drafted a letter for the unit owners that can be used as a template. She also has a year-over-year comparison for 2023 to what the Board would be looking at for 2024. Karen asked if there is a way to make a payment in installments as opposed to a lump sum, Monica said there is and believes the HOA currently pays monthly (but there is a discount for paying in one lump sum).

Some unfavorable factors that impact the renewal offer are the number of buildings, age of the buildings, and a number of flat roofs.

Association Insurance 2023 - \$25,437.76

Association Insurance Renewal Offer 2024 - \$51,228.96

\$352.58 annual increase per unit or \$29.38/month per unit

Blanket Building Coverage 2023 - \$15,247,708

Blanket Building Coverage 2024- \$16,289,777

Cyber Data Breach Coverage on all Habitational Policies – new coverage, the association could opt-out. The Premium on that is \$133 (not responsible for major increase).

During the meeting, Monica asked Kendall to send out the information she prepared for the Board with the details of the renewal offer. The Condominium Enhancement Endorsement, provides coverage for outdoor fences/walls, signs, trees, shrubs, plants – if removed from the policy, it would decrease the total by about \$4,259. There would be coverage elsewhere for structures that may be impacted if trees fall, the Condominium Enhancement Endorsement simply covers those outdoor items in the situation of outdoor peril. Monica shared that once the association receives other quotes, she can see what things she could remove. She understands that coverage is important, but the renewal offer is so high and cost prohibitive. She also shared that Oregon rates are based off of the Oregon experience, including the number of claims.

American Family's goal moving forward is to keep the total insured value under \$25 million, and only take on condo associations with fewer than 9 buildings. There are some states where they will take on more buildings, but not all. Monica shared that Farmer's Insurance has been competitive with them, but they're in a similar situation in regards to rates as American Family.

Options to decrease the renewal offer would be to remove the Condominium Enhancement Endorsement, which could be added back at a later date if desired. The association could also elect to pay in full and save \$2,540.08. Lastly, the Earthquake deductible could be removed for savings, but that's likely not something that would be able to be added back at a later date.

The renewal would be effective April 10th. Changes or cancellation can be done at any time. Mike asked if there is a way to establish a 2-year commitment to this rate if the association decides to proceed with the renewal offer, Monica shared that there's no way to know what happens in the coming year so at this time that's not an option.

The Board asked if there is an option to re-set the annual payment to later in the year to lessen the impact on the budget. The Budget is drafted and completed in the month of November, and approved no later than December. Ideally, they need a January – December (fiscal year) insurance policy to better correlate to budget planning. Monica will see if that's an option, but likely involves a policy cancellation and re-write and wants to be sure they don't lose some of the coverage items they're grandfathered in on.

Mike has been thinking about how to proceed; a rate increase is likely the appropriate way to handle this.

Karen thanked Monica for her time spent with the Board and homeowners. Monica shared that she's happy to be completely transparent if the Board receives other quotes and has questions.

3. Homeowners' Forum (3 minutes Per Property Owner)

Property Owners are welcome and encouraged to attend.

Paul Avallone thanked Kendall for arranging a second roofer to come out and assess the water flow from his roof to sidewalk/dirt areas. This has been an issue because the previous roofer didn't install downspouts.

Kathy Giesen thanked Rory for cleaning the Clubhouse and noting a leak in the women's sauna. He also repaired the door on the dumpster near Karen's unit, repaired the door on the women's sauna, and cleaned all the HVAC vents in the Clubhouse.

4. Tree Assessments

Mike shared that in the past the Board discussed collecting a couple assessments for trees. One was for \$19,000 and the other was for \$78,000. The high bid looks like it removes virtually every tree on the property, which isn't the goal. The \$19,000 bid (from Gillespie) includes two fir trees that have died and need to be removed as soon as possible. There are also several large pines with dead limbs that will need to be removed as well. This is a challenging time to be discussing another impact to the budget, but Mike suggested looking into it in an attempt to take action before the dead trees come down on their own. Other than the two dead trees, there aren't others in such poor condition, they just need to be maintained so any limbs that could potentially fall stay away from the buildings. Mike shared that about \$36,000 was budgeted for roof repair, and suggested looking at postponing major roof projects and making a long-term plan for specific units that will need work in the coming years. The bid for tree removal from Gillespie included \$1,300 for the tree behind unit 52 and \$1,500 for the tree near the North entrance onto Bond Street. In comparison, Kendall shared that the bid from Sperry Tree Care did not include stump removal and grinding and was \$3,800, but the bid from Gillespie did.

Motion: Karen made a motion to have Gillespie remove the two dead fir trees included in the bid. Kathy seconded the motion and the Board approved.

5. Sterling Management Report

Insects – After reviewing the report provided by Terminix, Mike noticed that ants were not included. Kendall reached out to Terminix to have them revise the contract to include treatment for ants. They have revised the contract and got it to Kendall for signature.

Website Management – New website management will be needed by June. Kendall is hoping to receive a bid this week from a local ad agency, Adlib. Sterling put an ad out on a website called freelancer.com that Billy recommended. There were 95 responses ranging from about \$40-\$150/month depending on the amount of work the Board would like done. Kendall shared that her understanding is that the most important items in terms of website management are making sure documents are updated in a timely manner and outdated information is removed. Sterling is waiting on one additional bid from a company Billy is familiar with. Kendall will get all of the information to the Board and will narrow down the responses so the Board doesn't have to review all 95.

Roof Inspection Updates – Kendall shared that Orezona, the company who did the original roof repair on Unit #45, did not properly repair the roof which is why Paul is experiencing the issues he is. Additionally, Sterling cannot find an invoice from the company for the work. She has reached out to the company to see if they have a warranty on their work or show history of the charge. The woman Kendall spoke with had some notes on the job and has reached out to the contractor who completed the work; Kendall is waiting to hear back from her. In the meantime, she asked Father and Son Roofing to come out and create a bid for the job to see how the Board would like to proceed. The Board discussed the issue and feels that the best course of action would be to move forward with Father and Son because they're familiar with the property. The estimate from Father and Son was \$2,129.91.

Motion: Mike made a motion to schedule the repair on Unit 45 with Father and Son, a second was received and the Board approved.

Kendall shared that the repair work on Unit 10 is a smaller job, so it will be on a different crew's schedule. Kendall is waiting to hear when they plan to complete the work and will let the homeowner know as soon as she hears from them.

Lastly, Kendall asked for clarification on the Clubhouse roof. Rory shared that it's fine and does not need repairs at this time.

Mike asked if there is typically annual treatment for moss control. Karen shared that this has been done in the past but wasn't sure if it was communicated to the crew. Kendall will collect some bids for moss treatment, including one from Juan with JC Landscaping.

Homeowner Information – The Board recently approved owner profile information sheets that are currently on the website. Kendall would like to email these out to homeowners to collect as many as possible before mailing copies to homeowners. The Board agreed that this is a good first step and will discuss the potential investment in mailing out copies at a later date if necessary.

Mike also suggested that as the insurance information is compiled, an email goes out to homeowners to prepare them for the likely increase. Monica did draft a letter that Kendall can edit to send out to homeowners, she will work with Board members to draft a notice to homeowners of the upcoming changes.

Paul thanked the Board for addressing the issue with his roof and for including him in the meeting, he learned a lot.

Adjournment: The meeting was adjourned at 6:42pm.

Executive Session

Transcribed by Sam Miles