



Meeting Minutes
October 16, 2003

Opening:

The Special Board meeting of Quail Hollow-East Homeowners Association was called to order at 7:52 P.M. on October 16, 2003 in Tigard, OR. by Dick Pacholl.

Present: Dick Pacholl
Jess Kriegel
Steve Bintliff
Nadia Summers absent due to personal activities submitted her votes by proxy
Tracy Miller absent due to medical reasons submitted her votes by proxy

A. Approval of Agenda

The agenda was unanimously approved as distributed.

B. Approval of Minutes

The reading of the minutes were waived.

C. Approval of Treasurer's Report

The treasurer's report was approved.

D. Open Issues

There were no open issues.

E. New Issues

1. Upgrade Quick books Software

The Quick books Software 2003 allows additional capabilities such as ability to email statements, use credit card processing, better statement design as well as better budgeting capabilities. The current version donated by Diann Pacholl has limitations that cause extra work for the Treasurer. Specific information can be placed on the statement with the use of the newer version that will enhance information to the members. Because of the donation the Association qualifies for the upgrade price of \$179.95. Motion was made by Dick Pacholl and seconded to purchase Quick books Pro 2003 upgrade. The vote was taken and passed unanimously.

2. Credit Card Processing

With the use of the software upgrade it is possible to process credit card payments either as an automatic monthly charge or through the emailed statement. Two banks offer the service through Quick books - Chase Manhattan and Wells Fargo. The application fee is \$39.95 with a monthly charge of \$17.95 plus a transaction charge that is approximately \$0.85 for a \$25 transaction. These charges can be offset by the reduction of postage and mailing statements. This also gives the Association membership to a credit reporting system which would allow reporting of severely delinquent accounts. Motion was made by Dick Pacholl and seconded to survey the membership regarding credit card usage which includes the use

of a debit card. The vote was taken and passed unanimously.

3. Liability Insurance Coverage for Directors

State Farm insurance coverage for the directors costs \$384 per year for \$1,000,000 policy with an additional \$136 per year cost for \$25,000 bonding coverage for directors and/or employees of the Association. This is an endorsement on the current liability insurance policy carried by the Association. Motion was made by Steve Bintliff and seconded to provide insurance and bonding coverage for directors. The vote was taken and passed unanimously.

4. Landscape and Maintenance Projects

There are four (4) projects that are needed as follows:

- a. Replace the dead trees in Tract C
- b. Plants in the upper part of Tract C
- c. Plants along 124th between Quail Creek and Hollow Lane including removal of the black plastic located in Tract A
- d. Plants to climb the trellis in the park

Motion was made by Jess Kriegel and seconded to contract the projects above with a maximum cost of \$3500. The vote was taken and passed unanimously.

5. Budget for 2004 - Reserves

Reserves are maintained for anticipated total replacement of a Capitol Fixed Asset only and can not be used for repair or maintenance of existing Fixed Asset.

a. Expected Life of Fixed Assets need to be adjusted

- i. The Entry Monument more than likely will never be replaced although there are potential repairs that could be required in the future - the expected life currently set is significantly below what the IRS requires for a masonry structure and should be revised to at least what IRS requires
- ii. The Fence needs to be divided based on the type of the fence and appropriate life expectancy given to each type. The division would be as follows: Fence (121st), Fence (Split Rail), and Fence (Vinyl). The division of the money would be Fence (121st) 80%, Fence (Split Rail) 15%, and Fence (Vinyl) 5% based on the relative cost of each type of replacement.
- iii. The Play Structure replacement due to several factors is certainly less than the currently set 10 years and the life expectancy must be revised to accurately reflect that even with the repairs that have been done this year.
- iv. The Trellis and Irrigation System Controllers should be removed from the reserves as these require repairs but are unlikely to be replaced. The irrigation system controllers have had replacement of parts each year since install but the entire system has not and probably will not be replaced. The Trellis may require maintenance but a full replacement of identical items is not likely to occur. The money currently in the reserves for these items can not be removed from the reserves but can be transferred to other items. It is recommended the money be transferred to the fence (vinyl) and fence (split rail) as follows: the entire sum of the irrigation system controllers and half the trellis money transferred to the fence (vinyl) and half the trellis money transferred to the fence (split rail).

- 2). Individual Reserve Deposits need adjustment to achieve correct account balance at time of necessary replacement as a result of the past account deposits being either significantly too low or too high. Below is the calculation for the reserve deposits based on the adjusted life expectancy, division of the fence and removal of the trellis and irrigation system controllers.

3). Fixed Assets

	Current Expected Life in years	Current Monthly Reserve Deposit	Current Account Balance	Adjusted Expected Life in Years	Adjusted Current Account Balance	Replacement Cost (adjusted 2- 5% per annum) Balance	Adjusted Monthly Reserve Deposit
Reserves:							
Entry Monument	25	\$ 24.61	\$ 1,466.54	45	\$ 1,466.54	\$ 10,970.34	\$ 19.32
Park Benches (3)	15	\$ 11.22	\$ 664.86	15	\$ 664.86	\$ 2,018.80	\$ 10.26
Trellis (3)	15	\$ 5.23	\$ 310.14				
Irrigation System Control	10	\$ 2.81	\$ 129.26				
Fence (121 st)	15	\$ 53.83	\$ 4,068.33	7	\$ 3,254.66	\$ 8,020.47	\$ 132.38
Fence (Split Rail)				10	\$ 765.32	\$ 1,954.67	\$ 16.52
Fence (Vinyl)				15	\$ 487.75	\$ 923.68	\$ 3.30
Play Structure	10	\$ 66.11	\$ 2,115.52	7	\$ 2,115.52	\$ 9,157.41	\$ 146.71
Sony Notebook Computer	3	\$ 35.37	\$ 212.22	5	\$ 212.22	\$ 1,324.90	\$ 23.18
Total Deposit		\$ 199.18	\$ 8,966.87		\$ 8,966.87	\$ 34,370.27	\$ 351.67

Motion was made by Steve Bintliff and seconded to accept reserve plan stated above. The vote was taken and passed with one dissenting vote.

6. Budget for 2004 - Expenditures

a. Based on historical data - below is a proposed annual budget.

b. The income is computed for the 81 lots as follows:

- 1). 22 times \$22.50 (The advanced payment discount of 10% granted to 22 who have paid ahead
- 2). 59 times \$25.00 for the balance of the 81 Lots
- 3). (Item 1) + (Item 2) times 95% as there are some who are not paying currently
- 4). (Item 3) times 12 for the annual income from Monthly Assessments

Description	Annually Budgeted Amount
Income	
Monthly Assessments	\$ 22,458.00
Bank Operating Interest	\$ 25.00
Bank Reserves Interest	\$ 27.00
Total Income	\$ 22,510.00
Expense	
Bank Charges	\$ 417.00
Insurance*	\$ 760.00
Miscellaneous Supplies	\$ 267.00
Office Supplies	\$ 428.00
Postage	\$ 502.00
Taxes & Licenses	\$ 26.00
Website	\$ 173.00
Asset Repairs	\$ 1,674.00
Collection & Legal Fees	\$ 500.00
Common Area Maintenance	\$ 7,632.00
Water	\$ 1,500.00

Landscaping Special Projects	\$	2,457.00
Bike Parade	\$	100.00
Block Party	\$	1,000.00
Garage Sale	\$	200.00
Neighborhood Watch	\$	150.00
Total Expense	\$	17,786.00
Reserves	\$	4,224.00
Emergency Reserve Fund	\$	500.00
Total Expenses & Reserves	\$	22,510.00

- 5). * If the liability insurance for directors and bonding coverage is added the insurance cost increases to \$1,020.00 per year - \$260 more than is allocated in the above budget however reduction of cost of garage sale to \$100 (since the signs are re-usable) and reduction of mailing costs by use of the attributes of new software may reduce the postage and office supplies costs the additional \$160.

Motion was made by Jess Kriegel to consider budget as presented above to be presented at November meeting for review, comment and forwarding to next board. The vote was taken and passed unanimously.

Adjournment:

Meeting was adjourned at 9:00 PM by Dick Pacholl. The next Regular meeting of the Board is scheduled for 7:00 P.M. Tuesday, November 18, 2003. The issues to be considered are:

1. Election Candidates - Report from the Nominations Committee
2. Discounts for members at Swim and Fitness Centers or other local merchants
3. Budget for 2004 - any additional events or member suggested expenses
4. Property Appearance (i.e. permanent placement of trash cans in front of house)

Minutes submitted by: Jess Kriegel, Secretary