

Knolls Estates Monthly Board Meeting November 15, 2023 Approved Minutes of Meeting

The meeting was called to order by Greg Gardner @ 5:59pm

1. Roll Call

In attendance: Greg Gardner, Mary Nordeen, Terry Wells, Michael George, Tom Schuab and Jennifer Young from Centerpointe Property Management.

Owners in attendance: Larry & Dian Cox @ 2066 Culver Loop, Gary & Lorrie Lee @ 1829 Culver Loop, Jim & Mary Dennis @ 1780 Scardi Blvd, Carole Wells @ 1827 Culver Loop, Chuck & Peggy Brummel @ 547 St. Andrews, John Lahley @ 2070 Culver Loop, Ray & Tammy Axton @ 2266 Eagle Loop, Peg Schaub @ 2074 Culver Loop, Sharon Kelley & Steven Peery @ 1748 Scardi Loop, Michael Sletten @ 601 Arnie Ct., David Postestio @ 1830 Culver Loop, Greg Henderson @ 703 Divot Loop.

2. The Rules of Order

The Rules of Order were read by Tom Schaub. Greg Gardner advised the audience the meeting is being recorded.

3. Approval of Minutes from October 20, 2023 Meeting:

The meeting minutes from October 20, 2023 were approved via email by Board members in October and posted on the website.

4. Reports from Officers and Committee Chairs:

A.) Terry Wells – Update on Formal Complaints

- I.) The Fair Housing complaint (HUD) from the owner(s) of 714 Slazenger Ct., Lot# 147 (“Complaint”): The HOA’s Farmers Insurance and their attorneys doing their investigation. We have not heard from HUD since October 19, 2023. No resolution received as of yet. Hoping for resolution by the end of the year.
- II.) The Fair Housing complaint (HUD) of owner(s) of 713 Slazenger Ct., Lot #142: The HOA’s Farmers Insurance their attorneys are involved. This complaint is worded exactly like the 714 Slazenger Ct., Lot# 147 HUD complaint. HUD representatives and attorneys have started their investigation as of October 3, 2023. We have not heard from HUD since October 19, 2023. No resolution received as of yet. Hoping for resolution by the end of the year.
- III.) The DEQ, Department of Environmental Quality, complaint was filed August 18, 2023 by owner(s) of 714 Slazenger Ct., Lot # 147. Knolls Estates HOA received the complaint on September 1, 2023. Responses to DEQ have been made by Knolls Estates insurance company. DEQ representatives were on site week of October 23rd, from multiple complaints from a homeowner claiming poison oak was being burned. No issues during the burning of common 10 by DEQ representative. He said everything was being followed, including city of Sutherlin Fire Department permits. With very little smoke present, no smoke going to any homes on Slazenger Ct. And not poison oak in burn piles found by DEQ, as noted multiple times, as homeowner falsely claimed. DEQ said the blackberries are an invasive species and under no circumstances could these be moved out of the area, huge fines if relocated, they must be burned in place. There are 3 small blackberry burn piles not burned on Friday Oct. 27th due to conditions being too wet and did not want to create additional smoke. DEQ reports have been sent to HUD. Chuck Caylor added, himself and Terry undid the piles for the DEQ representative. Also, during the burn, pictures were taken to show there was no evidence of smoke heading over Slazenger. Yet the derogatory remarks from the complainants continue. If the area is not cleared, it is a fire hazard

as well. Terry concluded, the last time the complainants came to a meeting was August 2022. Additionally, Chuck has promised not to burn during foggy days or any other days with the wrong conditions. DEQ was impressed by how the burn piles were handled.

B.) Tom Schuab – Planning Commission

I.) Tom did not attend this month's planning commission meeting. He will attend the one on the 21st.

C.) Michael George

I.) Michael reminded homeowners to check their drain screens and clear them out, especially if they are near a common area.

D.) Mary Nordeen

I.) Mary wishes everyone a Happy Thanksgiving. At the end of this year her term on the Board will end.

E.) Board Nominations & Monthly Dues – Greg Gardner

I.) New Board nominations and elections have begun for 2024-2025. Jennifer sent out an email to all homeowners for the nomination process, which ended October 31, 2023. Four current Board members chose to add their names on the off chance that none of the other 160 homeowners did not nominate themselves, so Knolls Estates HOA would be dissolved and turned over to the City of Sutherlin. Talk on a social media site by a few homeowners bashed, questioned integrity, and made false accusations of the current Board members. The Board has not once commented on the negative comments or accusations on the social media site, yet those homeowners did not volunteer themselves. Voting will be in November and ballots are due by December 1, 2023. Ballots can be mailed or dropped off to Centerpointe office, emailed to jennifer@cpm4rent.com, or turned in today at the November 15, 2023 meeting. Additional ballots are available for pick up at this meeting. Also, homeowners can give their ballots to a Board member and the member will get the ballot to Centerpointe. The current Board members who decided to nominate themselves were reluctant to do so because of what they have gone through, but it would be worse if the Board was dissolved.

II.) At \$35 per month per lot (not including the 7 DW&S, LLC lots on Divot) generates a yearly income of \$64,260. This does not equal the amount to pay the yearly bills. 30 years of \$35 per month is not sustainable going forward. We continue to have to use money from the money market account to pay the difference. Total current expenses through October 2023 are \$115,340 (note: is not including November and December bills). The cost of everything has increased, not limited to professional services and basic maintenance. The Board believes a gradual increase would be less intrusive to the homeowners. Centerpointe will be sending out an email explaining this information and mailing it to the two homeowners that do not have email. The HOA has been following the reserve study for the last four years. The following gradual increase for the next three years is proposed for the Board of Directors to vote on.

--Beginning January 1, 2024: Increase dues to \$50 per month, new yearly income \$91,800

--Beginning January 1, 2025: Increase dues to \$58 per month, new yearly income \$106,488

--Beginning January 1, 2026: Increase dues to \$65 per month, new yearly income \$119,340

**These figures do not include the 7 DW&S, LLC lots on Divot

For 2023 the \$65 monthly would be a break-even figure. It might not be a break-even in 2026.

Greg explained the income on the balance sheet is skewed because the water income collected in phases 2 & 3 directly pays the City of Sutherlin water bill. Other HOA's in the area have dues from \$60- \$250 monthly. The biggest concern is the road conditions. Especially Culver Loop will need to be repaved at a cost of anywhere from \$350,000- \$400,000.

a.) Article 7.02 of the current CC&R's & Bylaws Imposition of Regular Maintenance Assessments: The Administrator shall have the right to impose an

assessment against each lot owner in a amount not to exceed \$35.00 per month for each lot owned by each lot owner unless such an amount shall be increased as provided in Section 7.02a1 & 2 herein. On or before January first of each year the Administrator shall notify each owner of the amount of the assessment to be imposed for such year. The assessment shall not include charges for utility services provided by the Administrator. 1.) The maximum amount of any Maintenance Assessment Fund increases over the amount provided for above shall be established each year by vote of sixty percent (60) of the Board of Directors of the Owner's Association.

- b.) Tammy Axton expressed concerns with the reserve study. She wanted to make note it has not been updated since 2020 and does not reflect inflation or cost of product and services. She further explained her experience with reserve studies to quantify her questioning. On the reports provided she is not seeing how items were paid for that were not in the budget and not seeing the reserves being replenished. She is requesting the HOA have a committee to review the financials and advise the Board on the budget and reserve study. Tammy requested, as an owner, to be able to see more details of the financials. Greg explained that a 6% increase has been added yearly to the budget to account for inflation on the reserve study. He also, explained the major expenses were spent from the Money Market vs. CD which is not an easy task. He continued to explain the HOA has consulted with an attorney and the money was handled properly. John Lahley asked Jennifer of CPM if CPM gets audited. Jennifer answered they do yearly, if not monthly, with the reports that have to be sent to the Real Estate Agency. Tammy expressed that she does not feel that a Real Estate Auditor is qualified to advise on HOA financials. Greg told Tammy he is open to showing her more detailed financials. The only reason they are not on the HOA website or printed for the meetings, is because the private business of the HOA was becoming available to the town, not just the HOA members. Greg also said the Board was avoiding imposing a special assessment on the homeowners. Tammy was not arguing against the raise, but actually wondering if the raise is not enough. Tammy continued to compliment them on the job the Board has done and is just requesting further discussion. She and Greg agreed to meet outside of this meeting to discuss this further. Chuck suggested holding a special meeting to discuss.
- c.) Tom Schuab made a motion to approve the proposed HOA dues increase. Terry seconded the motion. Mary abstained. Terry and Michael approved. Mary asked how does this get enforced. Greg & Tom explained with the majority vote of the Board and so long as the owners are notified by January 1, 2024, it is enforceable. Before the motion was passed, many members of the audience engaged in discussion with an overall agreement, they do not feel the increase is enough. Greg agreed and expressed some Board members did not agree. Both Tom and Terry rescinded their motions. Tom made a new motion to approve the following HOA dues increase schedule per the request of the homeowners: January 1st 2024 to \$50 per month, January 1st 2025 to \$60 per month, January 1st 2026 to \$70 per month. Terry seconded the motion. A vote was taken. Greg, Tom, Terry, and Micheal voted yes. Mary voted no. Motion carries with majority vote. Jennifer with CPM will send an email and mail to the two homeowners without email a letter of explanation the current dues are not sustainable for the future costs of the HOA.

F.) Treasurer's Report – Tom Schuab

I.)	Financial Report	2023 YTD	2023 Budget
	Total Income	\$119,935.98	\$133,815.00
	Total Net Income	\$4578.37	\$12,119.50
	Total Expense	\$115,340.61	\$121,695.50
	Total Reserve Expense	\$28,435.00	\$28,560.00
	Total Assets	\$340,106.58	

Note: CD creates \$110 in interest and has a current balance of \$240,618.34

F.) Centerpointe Property Management – Jennifer Young

- I.) Drive through issues:
Some notable issues were apparent, curb appeal issues. Example: clutter in front and alongside of some homes. Multiple weeds in front of homes and in rocks. Front lawns dying, these need to be addressed. Garbage & recycle cans must not be stored in front of homes, only alongside. Garbage pick up is Friday. Cans must be removed from the street no later than the next day Saturday. Sporting equipment, such as kayaks, cannot be stored on the side of homes or visible from the street. They must be stored in the garage or in the backyard. No permanent street parking.
- II.) YTD KE Unpaid charges total: \$45,357.23.
- III.) DW&S LLC delinquent lots total: \$45,213.00
- IV.) There was 1 water shut off notice sent.
- V.) Homeowner late fees, HOA dues, and non-compliance charges total \$144.23. Homeowners are reminded to pay their dues on time.

G.) Safety Committee: Disaster Preparedness – Tom Schaub for Peggy Schaub

- I.) The 2023 focus has been on the theme “A LASTING LEGACY” with the following tag line; “The life you’ve built is worth protecting. Prepare for disasters to create a lasting legacy for you and your family.”
- II.) October & November 2023 Maintenance Tips: 1. Tidy up under the sinks in your home. 2. Inspect your roof & gutters for damage. 3. Inspect windows & re-caulk where needed. 4. Change your air filter. 5. Replace weather stripping as needed. 6. Touch up paint around your home. 7. Repair walkways. With large amounts of rain, make sure drainage flows away from homes. John Lahley added to check your generators and when you turn them off, also turn off the gas. Chuck Caylor added to check your smoke detectors (the Fire Department will change your batteries for you) and emergency supplies. Change flashlight batteries.

H.) Welcome Committee – Tom Schaub

- I.) 2023 New Homeowners, September 10th to November 10th:
 - 1. Lot #2, 620 Dovetail; James Leiva
 - 2. Lot #117, 1799 Culver Loop; Janet Chapp
 - 3. Lot #11, 2262 Eage Loop; Michael & Deborah Morin
 - 4. Lot #68, 514 St. Andrews, Donald & Vicki Roberts
- II.) 2022 Empty Lots and Construction:
 - 1. Lot #21, 2210 Eagle Loop, Joann Sandstede; Empty Lot
 - 2. Lot #85, 1957 Kapela Ct., John & Suzzane Heselius; Empty Lot
 - 3. Lot #90, 1955 Kaoela Ct.; Stan Smith; Empty Lot
 - 4. Lot #151, 1660 Scardi Blvd, Tom & Susan Lebengood; New Construction
 - 5. Lot #167, 1772 Scardi Blvd, Joshua & Heather Waechter; Empty Lot
 - 6. Lot #130, 615 Arnie Ct., Rick Griffith; Empty Lot for sale
 - 7. Lot #132, 602 Arnie Ct., Jeffrey & Sharon Johnson; Empty Lot New Construction
 - 8. Lot #149, 1667 Scardi Blvd, Tina Jefferson; Empty Lot New Construction
 - 9. Lot #174, 1716 Scardi Blvd, DW&S, LLC; Empty Lot for sale
 - 10. Lot #175, 1708 Scardi Blvd, Susan Wyhoon; Empty Lot

I.) Design Committee -- Chuck Caylor & Greg Good

October 10th to November 10th there were no projects submitted

J.) Common Area's – Greg Gardner

I.) Will continue to address the common areas as needed. More brush removal of some common areas will be needed to mitigate fire danger. Some additional burn piles in the commons will be needed, but not as many as in years past. Most burn piles have been addressed and mentioned in previous board meetings and all locations approved by the Sutherlin Fire Department. The Board has never said at any time no more burning in any commons. The Board has a fiduciary responsibility to maintain the common areas. Homeowners, prior to buying in the HOA, knew there were rules and regulations. Burning in the fall as weather permits. Once again, there has never been and never will be any poison oak burned as suggested by some homeowners, even proved by DEQ no poison oak in any burn piles. Common area 10, most burn piles were addressed the week of October 23rd. Letter from HUD sent to the HOA's Farmers insurance rep states that a supervisor stated the HUD cannot tell Knolls Estates if they should or should not burn the piles. That is a decision that is up to Knolls Estates to make using their best judgement. After consulting the Farmers Insurance rep., the HOA took action to mitigate the fire danger in that area. Giving homeowners notice on October 20th that burning would begin on October 23rd which is a four day notice. We could have burned all piles in 2 days, however we took 4 days burning smaller piles to control the smoke because it was so wet. There are still homeowners that still want the scotchbroom, brush, and down trees to remain.

K.) Social Committee

I. The next social event will be the 2023 all community Christmas decoration contest in December.

5.) Owner Comments

A.) Greg Henderson shared about the realtor who is handling the Divot lot sales, her daughter was in a terrible accident and the activity with the sales may have slowed because of that. But thankfully she is recovering. He also noted that one of the lots has the sprinklers on 2-3 times per day still. He has contacted Tammy, but CPM needs to contact DW&S, LLC. Greg added, he has been working on removing the piece of machinery on one of those Divot lots, but it does take a crane to do it.

6.) Meeting was adjourned at 7:16pm