

Knolls Estates Monthly Board Meeting
September 18, 2019
Approved Minutes of Meeting

The meeting was called to order by Joe Beador at 6:01pm

- 1.) In attendance: Joe Beador, Richard Jorge, Al Olson, and Jennifer Young from Centerpointe Property Management.
Owners in attendance: Greg Gardner @ 707 Slazenger Ct., Tonie Hamrick @ 713 Slazenger, Tom and Peggy Schaub @ 2074 Culver Loop, Donna Pagel @ 2277 Eagle Loop, Steve Perry and Sharon Kelley @ 1748 Scardi, and Peggy and Chuck Brummel @ 547 St. Andrews Ct.
- 2.) Joe Beador did not read the rules of order. He did remind attendees of being courteous.
- 3.) **Approval of Minutes from September 18, 2019 Meeting:** Al Olson made a motion to approve the meeting minutes as presented from the September 18, 2019 meeting with no corrections. Richard Jorge seconded the motion. A vote was taken. Motion was carried to approve the September 18, 2019 meeting minutes as presented with no corrections by unanimous vote.
- 4.) **Reports from Officers, Administrators and Committees:**
 - A.) **President – Joe Beador**

Joe received a call from an owner earlier in the week to report construction workers at lot #108 were working all night hanging drywall. Joe call Mid-Oregon Builders and advised them this is intolerable. He said he would drive by randomly at night and if anyone is working after hours, he will start the fine process. Workers are only to work 7:00am – 7:00pm Monday through Friday and 9:00am – 5:00pm Saturday and Sunday. Al Olson added, working those late hours is breaking a City ordinance as well.
 - B.) **Treasurer Report – Russ Mock (not in attendance) Read by Joe Beador**

September 2019 Operating Income YTD Budget:	\$97,954.47
September 2019 Operating Income YTD Actuals:	\$98,244.33
September 2019 Total Expenses YTD Budget:	\$90,604.44
September 2019 Total Expenses YTD Actuals:	\$80,809.26
September 2019 Net Income YTD Actuals:	\$ 17,435.07

KEOA Checking Account	\$ 31,879.18
KEOA Money Market Account	\$111,353.82
KEOA CD	\$232,868.74
KEOA Total Net Worth	\$376,101.74
 - C.) **Welcome Committee: Judy Beador -Not in attendance – Nothing to report**
 - D.) **Design Committee: Chuck Caylor – Not in attendance - Nothing to report**

E.) Common Areas Committee: Marty Larner – Not in attendance

Joe Beador reported, the 5 trees that died and were waiting on replacements still have not come. Joe canceled with that company and bought trees from Youngs. They will get planted before winter.

F.) Social Committee: Pam Ramm/Irene Bratton – Not in attendance -- No Report

G.) Centerpointe Property Management: Jennifer Young

i.) Observations from the September 27, 2019 drive through.

--3 yard issues

--3 utility trailers

--1 camp trailer

--Semi trailer dolly parked in cul de sac on Scardi

ii.) As of September 30, 2019 there were 12 accounts delinquent totaling \$1493.86. 8 of those accounts belong to one person. Two water shut off notice was sent. Water shut off's scheduled for 10/20. As of today, those accounts are not current.

5.) Unfinished Business:

Board of Directors Nominations

Peggy Schaub, Al Olson, Richard Jorge, and Tonie Hamrick have stepped up to run for a seat on the board. Greg Gardner is considering it. He will have a decision in about a week. Joe explained how he started to panic as he thought there were no nominations. He tried to research online to see what happens when this is no board for the HOA. He could not find anything on his own, so he called Derek Simmons, the Associations lawyer. Joe read the email exchange between him and Derek:

Email from Joe: *"Hi Derek, I will be unable to serve on the Board of Directors at Knolls Estates for the next term because my deteriorating hearing makes it almost impossible to conduct the association's business. I'm not sure if any of the existing Board members will continue either as we opened the self nomination process for membership on the Board on October 1st and to date, we have no nominees. Nomination will close October 31st and this situation begs the question, what is the process according to Oregon law if we fail to elect a Knolls Estates Board of Directors for the 2020-2021 term? Since we are the current Board members, we have an obligation to the association to understand what the options are, if any. We would appreciate any insight including the specific law that covers this situation and look forward to hearing from you."*

Response from Derek: *"Joe—Here is the rundown. 1. You all (the current board members) have an obligation only to finish your terms by conducting the final meeting of your terms. (You could all resign early, but I do not see you doing that.) After that, you have no continuing liabilities. 2. At that meeting, it would be helpful to remind the members what happens if there is no HOA: Maintenance of common areas stops, nobody enforces the CC&Rs, and property values fall. When reminded of those consequences, someone typically steps up. 3. If that fails, we offer to start paying the Board. (That takes a majority vote of the members, so we start with that as a vote issue. Once approved by the members, we start auctioning off the Board seats. "Who will serve for \$50 per meeting?") In my experience, once that discussion starts, folks have always volunteered without pay. 4. In the event that no one does, then an owner or a mortgage holder has the power to petition the circuit court to appoint a receiver to*

manage the HOA. As part of that process, notice of intent to appoint a receiver must be given, and at that point, the owners would be given another opportunity to step up and serve. The receiver would be paid out of HOA assessments, so the owners really do have a vested interest in avoiding that result. When you have reviewed, please contact me to discuss."

Prepared statement from Joe: *"What actually happens when we no longer have a Board of Directors: Per 2017 ORS 94.642 of Oregon law: A receiver will be appointed by the Circuit Court to administer the HOA and the salary of the receiver, court costs, attorney fees and all other expenses of the receivership shall be common expenses to the association. How long do you think our \$5635 monthly or \$65,620 annually in dues would last before the receiver is dipping into our \$376,000 in the bank to pay his/her fees? What else will happen with no Board of Directors: Nobody enforces the CC&R's, which means: a. No rules regarding renters B. No Rules for Rv's, trailers and boats regarding use & storage c. No enforcement regarding the upkeep of owner's lots d. No construction Agreements for new construction e. No review process or standards for fences, sheds and lot modifications of any kind f. No rules for our pets and animals, firearms, weapons, fireworks and feeding wild animals g. No rules regarding nuisance and noise from vehicles, musical instruments, animals and other means h. No maintenance of the common areas. And finally, what other consequences would face us: a. Nobody would be looking out for the financial well-being of our \$376,000 in the bank b. Nobody would be looking out for our property values"*

Joe assured the new board will have a smooth transition and he will hand over all the records. He promises to help in any way he can. Tom Schaub asked how the ballots work. Joe explained: nominations close on October 31st. CPM will send out the ballots with the monthly billing. Ballots need to be turned in to CPM by 12/31/19. CPM will count the ballots. Chuck Brummel asked when the current board member terms are up. Joe answered the terms end at the end of the year. However, the current board will serve until the January 2020 meeting when the new board gets installed. At the annual meeting the nominees can introduce themselves. It was suggested a bio for each nominee be available. Donna Pagel asked if the bios could be on Hot Topics. Joe said no; however he will put them on nextdoor.com and they will be sent out with the billing.

6.) **New Business:**

A. Krud Cutter – Scott West

Scott West with Krud Cutter is done with blackberries on Scardi. Next week he is on schedule to take care of the areas by Dovetail. Steve Perry asked if they could spray across the street from their house. Joe said he doesn't see why not. It is the City's responsibility. That is why the Association doesn't pay for it.

B. Street Sweeping is Scheduled for 10/29/19.

C. Limb Walker – Jim Gidcumb

Joe is meeting with Jim from Limb Walker to get a bid to clear out the blackberries on Eagle Loop.

D. Judicial Council & Social Committee Vacancies

Tony and Pam Ramm are moving to Roseburg. Pam is the co-chair of the Social Committee and Tony is the chair of the Judicial Committee. Joe recommends leaving those positions open for now. Irene Bratton is the co-chair of the social committee and there are no events coming up soon. The chair position will be empty for the Judicial Committee chair. Right now, there are no disputes the Judicial Committee needs to work on. Committees will be set up with the new board and the positions can be filled then. Joe took some time to explain the purpose of the Judicial Committee. Essentially it is a group independent of the board that investigates complaints from owners if they feel like the board has wronged them.

7.) Owner Comments

- A.** Donna Pagel inquired as to the status of the backflow testing. She said she doesn't think "Robin's" is done yet. Joe said they all should be done. Matthew Holland just hasn't sent the bill in yet. Donna is concerned he hasn't turned the paperwork in to the City yet. Donna said the last time she talked to Shawn at the City; it had not been done. Sean also said it will not be good if he turns them all in at once. Greg Gardner asked if the City is going to fine them. Joe say no, and if they do, they need to fine Matthew. Joe recommends next year they should change how it is getting done. Need to give Matthew a firm deadline. Joe assumed with Matthew knowing June was the City's deadline, he would meet that. Al Olson thinks Matthew may have a full-time job now. Al said if they do use him again, they will need to have a sit down with him. Greg Gardner thinks they should use him again. Joe agrees. He thinks the delays were caused by lack of information. Matthew knows the where all the backflows are located. Sharon Kelly asked if Joe had a diagram for all the backflow locations. Joe does not and gave her Matthews phone number to call him direct.
- B.** Chuck Brummel shared he is going to be a candidate for the City of Sutherlin Council for the November 2020 election.
- C.** Tom Schaub attended the town council meeting Monday night. He is concerned about the 200+ homes being built above Knolls Estates. He is concerned about infrastructure with adding 600 more cars on the road. Brian Elliot was the only member that responded and said they are looking into it. Donna Pagel said when she was on the board, her and many others approached the City Council and they told her the same thing. Greg Gardner spoke with the Fire Marshall and there is a capacity limit for the entrance and exit. Al believes with as many cars that is already there it is dangerous. If a fire came through it would be impossible for everybody to get out. He also feels the traffic engineer for the City needs to be looked in to as there are other areas that are dangerous. Richard Jorge said the new division can build only 23 homes. If they go over that, they must put in a road that goes to Stearns.

8.) Meeting was adjourned at 6:44pm