

First three minutes trimmed from transcript

00:03:25:27 - 00:03:41:26

Keep your right. I see Judy is joining. Robert, is there anybody else that you expect to join? Well, who's here? Is here. Mr. Butler's here. Joanne Van Kampen. Sandra. Yes, but what. What are you with?

00:03:42:27 - 00:03:43:12

Pardon?

00

00:03:43:23 - 00:03:46:10

What unit? What unit you be on?

00:03:47:25 - 00:03:49:09

I can't hear you on that one.

00:03:49:16 - 00:03:51:29

Okay. What unit do you own?

00:03:52:22 - 00:03:53:22

What am I on?

00:03:54:26 - 00:03:59:01

Hold on. No. Sandra. Which. Which which house number are you?

00:03:59:07 - 00:04:01:02

Oh 1609 Palermo.

00:04:02:24 - 00:04:06:06

But I'm actually writing right now. I'm sitting in my my living room and reading.

00:04:07:01 - 00:04:09:12

I think they want to the lot number. Sandra.

00:04:09:17 - 00:04:18:06

I have no clue. We survive every day and I make a payment. I do it. I don't know. I have no clue.

00:04:18:12 - 00:04:19:05

That's fair.

00:04:24:23 - 00:04:34:21

Okay, Well, then I think we should get started. Um. Steve, Judy, Shelley.

00:04:37:13 - 00:05:08:28

All right. Okay, well, we'll call this meeting to order at 5:05 p.m. on October 5th. This is the ~~Q~~ **three Q3**, um, Board of Directors meetings for the HOA, and we apologize for being a little late. It took us a bit longer than expected to get the financial statements from everyone, and we wanted to have those out to you. And I know they just came out last night. Um, but we did want to have them in advance of the meeting, so yeah.

00:05:09:00 - 00:05:41:18

So with that call to order, I get a motion to approve the agenda. Looking all over that. No, Second question. Second. All in favor. Done. And then for the prior board meeting minutes. Joshua, I think you guys have reviewed them. So again, move in second. Sounds good. So we accept them. Second. Okay. All right. So on to the review of the association's financial position.

00:05:41:20 - 00:06:09:23

I'm going to hand it over to Robert initially, and then we're going to review the draft financial statements and I'll address that. So, Robert, are you prepared to just provide a brief update on the finances of the association?

QPM Yes. Right now we have, as we speak of today, cash in the operating account, which is controlled by the HOA. It's an HOA owned account.¹ There's 38,007 28 and \$0.16 **\$38,728.16c**

00:06:12:00 - 00:06:27:21

in the security deposit. Did you get that, Josh? Okay. And the escrow account, which is what we do, the security statements for the construction deposits.² There's 35,755 and \$0.68. **\$35,755.68c**

00:06:29:25 - 00:06:45:15

And in the Bella Vista Reserve account, there's 112,007 91 and \$0.11. **\$112,791.11c** Seven 9111. Yes. Okay. Thanks. Yeah. Total assets. 203, eight, nine, seven and \$0.17 **\$203,897.17c.** ³

00:06:48:00 - 00:07:05:28

Pres: All right. Thank you. And is there any upcoming expenses that you foresee reducing the operating funds? Cash on balance beyond the ordinary operating to the end of the year? **QPM:** Give me one second here. Um, to date? Yeah.

00:07:08:15 - 00:07:21:11

You told us up here we have we've received total income of 99,333147 and \$0.50 **\$99,157.50c** through today's date. We still have two months to collect dues. Um,

00:07:23:02 - 00:07:55:27

we had some situations here recently, and in last week we got a water bill maybe a week and a half. We got a water bill. A major pipe had

¹ Who else would "control" and "own" the Operating Account? QPM? See CC&Rs 3.9.1, 3.9.3, Bylaws 3.17

² The CC&Rs do not mention an "escrow account". Who is the HOA holding the money for? Where are all these accounts located?

³\$38,728.16c + \$35,755.68c + \$112,791.11c = \$181,274.95c !. Where's the missing \$22,616.22c? This is what happens when these amounts are verbally quoted in a meeting!

broken that provides water to the entire complex.⁴ We were able to locate that within about 24 hours of being notified by the city. That total water bill is about \$5,300 and the cost repair, that was about \$2,000.

00:07:57:08 - 00:08:09:06

And so that was an unexpected expense coming from the city of Medford. We are prepared to try to ask we're going to ask the city for a break on that. So that's a \$7,000 expense that was unexpected.

00:08:11:00 - 00:08:18:05

And have we received that \$2,000 bill and paid it already? And no, none of that is ~~representative~~ represented?. Okay.

00:08:21:21 - 00:08:38:01

Okay. And then we had a to do the ~~Seal code~~ Sealcoat and repair some areas on the in the park. We're looking at about 13,005 91 \$13,591. Which part of that would be reserved spending, if not all of it? ⁵

00:08:39:20 - 00:08:40:05

Pres: Okay.

00:08:43:22 - 00:08:48:10

Okay. Then moving on just to the financials.

00:08:49:27 - 00:09:33:16

Josh says you have the 2022 and the 2021 Financial Review. Wes Just for everybody's notice, we are reviewing them internally with our VP of Finance and Comptroller just to verify before we sign off on them. And that's the only reason that they're not signed off yet. But I have reviewed both and felt comfortable sending them to you. And Robert has put in

⁴ Whose pipe was this? Did it belong to the HOA? Was it an item of the HOA's common property? What caused the break? Why is the HOA paying this demand from the Medford Water Commission if the pipe is not the HOA's?

⁵ As of 10/05/2023 this repair has not been done?

the adjusting journal entries for now.⁶ So I'll make a commitment to you that by the end of October, Wes and I will be able to sign off on both years and we can distribute signed copies to you with any amendments that are required, but otherwise.

00:09:34:09 - 00:09:45:08

Josh Wesson Wes You guys didn't see anything in those financial statements that we need to address at this meeting, correct? That's correct. Correct. Okay. Okay.

00:09:46:26 - 00:10:26:04

Pres: Sorry, I just jumping back over to the budget to the thing. So moving on, the adoption of the reserve study and maintenance plan, there was an updated plan this year. This was, as you recall, we signed a three year contract with Regenesys last year. So this was a non visit update to the reserve study. Overall, we did see that the inflation adjusted ideal balance was projected to be 235,000 for this year and in the last year's report up to 268. **\$268.000?**

00:10:26:06 - 00:10:54:06

So and we've seen contributions to ~~Justin~~ **adjust an** increase I think it was about \$300. So the the contribution suggestion for this year is going to be \$23,750 for 2024. Otherwise, the report looked good. So I'm unless there's any discussion, I look for a mover and a seconder to adopt the 2024 reserve study and maintenance plan.

00:11:00:27 - 00:11:13:22

I was waiting for you to jump in, Wes. In the absence of any discussion, I'll move that be adopted. No, I'll second that. Just waiting for comments, but. Sounds like they're gone.

00:11:15:16 - 00:11:34:03

Yeah, I mean, before. Before we adopt it. I mean, I guess if anybody's on the phone who has reviewed this as a resident, rather than push all

⁶ Why were "adjusting journal entries" needed?

discussion to the end, I'm happy. We're happy to have any comments. Morgan I would guess that you are the one who has gone through this most so and I know it was late notice, so I do apologize, but yeah.

00:11:34:23 - 00:11:41:27

Lot 34: Okay. This reserve study is unfit for purpose because it does not comply with the Oregon statutes.

00:11:44:09 - 00:11:59:09

Pres: I believe that it does comply with the Oregon statutes in terms of that, we have hired a third party consultant who does this throughout Oregon, and we've asked them to match everything. So I'm unfamiliar with where you would think it doesn't comply. **Lot 34:** Well, if you.

00:11:59:11 - 00:12:34:08

Go through the Oregon statutes, you will see that this so-called consultant is included, a lot of extraneous information and some of the line items and expenditures are entirely wrong. For example, a trivial one compared to other line items. Is the concrete sidewalks. Concrete sidewalks in Medford are controlled by the city of Medford. The concrete sidewalks are the property of the homeowner for which the concrete sidewalk is adjacent, even if it's in private streets.

00:12:35:00 - 00:12:40:04

I could give you if you wish, I could give you a reference to that.

00:12:42:00 - 00:12:42:27

It's somewhere.

00:12:43:04 - 00:12:44:21

Pres: I believe.

00:12:44:26 - 00:12:53:15

That's not that's just a trivial. That's just a trivial. Excuse me. You gave me the floor. I've got it. We are operating under Robert's Rules of Order, are we not?

00:12:54:14 - 00:12:55:04

Pres: Yes.

00:12:55:06 - 00:13:32:15

Lot 34: Okay. So you asked me, so please let me finish. Also, there was no evidence of a proper inventory of the components which should be included. They are buried in amongst the verbiage of the reserve study. Also, the reserve study makes questionable assessments of the yield on the investments, which is 0%, and it gives automatically fully funded for expenditures that they are planning for 30 years ahead.

00:13:32:17 - 00:14:07:09

This is unrealistic and 30 years time I shall be dead ~~and social~~. **and so shall** A lot of the homeowners. **(Laughter from unknown source)**⁷ I don't know why we should be putting money into a zero interest account for expenditures that are going to occur in 30 years time. Also, the Reserve study specialist report includes lots of unnecessary verbiage. The Oregon statutes do not need a percentage funded account amount. The Oregon statutes define what the reserve study should do and it should be done no more and no less.

00:14:07:11 - 00:14:17:16

We have spent a lot of money on reserve studies since 2015 and every single one of them has been entirely unfit for purpose. I yield my time.

00:14:19:16 - 00:15:01:24

Pres: Thank you, Morgan. We will address the interest piece a little bit later, because that is something that we have looked at and said that 0.27% that you see in the reserve study is reflective of what the bank account currently is getting for that account. And you're absolutely right. In the interest rate environment that we're in, we are looking at other options. I believe we have investigated the possibility of investing in

⁷ These clowns think that stealing money from us using a bogus scheme is funny. Sociopaths!

inflation adjusted bonds with the US Treasury and or a higher interest long term guaranteed certificate with with a broker.

00:15:01:26 - 00:15:40:22

So we're going to be looking at that over the next couple of months to see if we can put something into by the end of the year to to capture higher interest with regards to the the horizon. We are under the understanding that, you know, a 30 year horizon is typical.⁸ I think it does give all owners as they come in, a good opportunity to see what is coming up. The percentage, I mean, obviously, you know, may not be required by statute, but it does provide some level of just, you know, gauge of, you know, function of where we're sitting on on the reserve study overall with regards to the sidewalks.

00:15:41:14 - 00:16:15:05

You know, I'm you know, I hear your comments. We're understanding that the sidewalks are part of the common property tracks. And therefore, in this subdivision particular, they are going to be the the requirement of the the HOA as a whole and not of the specific property owner that that street, that sidewalk front.⁹ So, you know, if if routes damage one portion of the sidewalk, it wouldn't be solely on the owner that is fronting that piece of the sidewalk. It would be the HOA itself that would replace that sidewalk.

00:16:15:07 - 00:16:19:21

So and again, we're looking at minor repairs this year, except for with.

00:16:20:02 - 00:16:21:27

Lot 34: Information on at the point.

00:16:21:29 - 00:16:53:08

⁸ Oregon statutes do not require a “30 year horizon”. ORS 94.595 defines reserve study and reserve account requirements.

⁹ See City of Medford code 3.010. All the streets in BVH are local streets. See: https://www.medfordoregon.gov/files/assets/public/v/2/planning/documents/maps/18-roadway-functional-classification-map_revised_oct_2021.pdf

Of information. Under Robert's rules, I can request the point of information. I can make a point of information to you. Medford Municipal Code 3.010. Establish that property owners are responsible for maintaining public sidewalks abutting their property. Any injuries sustained by the public are the liability of the property owner. I can give you the ~~court~~ **quote** on this, but including the sidewalks in the reserve study is pointless. It is an unnecessary entry.

00:16:54:17 - 00:17:14:14

Pres: We have and again, I will speak, Josh, for for the record from the minutes in the city of Vancouver, British Columbia. We also are responsible for maintaining the sidewalks. But that doesn't mean that that owner is responsible for hiring a contractor to patch cracks and or chips.¹⁰ That is.

00:17:14:16 - 00:17:16:25

The information the city **Lot 34** the.

00:17:16:27 - 00:17:34:07

Lot 34: City examines the sidewalks. They will send the owner a notice of sidewalk necessary repairs. This is a formal procedure in the city of Medford. Please remove that item from the reserve studies. It is tiresome to see ~~that being padded~~ **them being padded** out by nonsense like this.

00:17:36:14 - 00:17:49:15

Pres: Morgan These streets that we're hiring, that we're putting on the sidewalk are not city streets. So they will not review those. Those are those are private HOA streets that we are discussing with the sidewalk inclusion.

00:17:49:17 - 00:18:17:22

Lot 34: If if the public can walk on the sidewalks **(Unknown laughter)** the city is making. The. Individual owners responsible for their part of the sidewalk. If I can go onto a private street with a sidewalk for public

¹⁰ Medford is not Vancouver! What nonsense they speak.

access, then I get I get damaged, I injured, get injured, then the owner of that sidewalk is personally reliable, personally liable. You can check this out in Medford Municipal codes.

00:18:18:09 - 00:18:53:03

Board member? Can I believe that? Yeah. That just suggests that. Yeah. Can we just table this conversation about the sidewalk? So instead of adopting the reserve study as presented, let's table this, let's go back through it and we'll deal with sidewalks specifically would be my recommendation. Morgan If you'd like to send other items that you have because I know you pointed off at the sidewalks were just a minor point of it. Feel free and we will address all with, you know, you know, our council in the city and we'll come back with a recommendation.

00:18:53:24 - 00:18:56:20

For very well if you're if you're.

00:18:56:22 - 00:19:02:01

Board member: Relying on any statutes other than 94, can you please advise us of that as.

00:19:02:03 - 00:19:02:23

Well? Okay, I'll give it.

00:19:02:25 - 00:19:07:18

To you now. Medford Municipal Code 3.010.

00:19:09:28 - 00:19:12:26

And property owner. A property owner.

00:19:13:03 - 00:19:15:22

Even a sidewalk. Just one. Just.

00:19:15:24 - 00:19:17:00

Just one second. Morgan.

00:19:19:04 - 00:19:20:00
Medford.

00:19:21:26 - 00:19:25:24
I've ~~been out~~ **made a note of it**, Aaron. Oh, you did? Okay. Okay. Thank you. Sorry about that.

00:19:25:26 - 00:19:27:06
I didn't want you caught up there.

00:19:27:08 - 00:19:38:10
Lot 34: Not only that, but the practice in the reserve study where they say that they're going to pay for certain line items out of the.

00:19:40:29 - 00:19:43:29
Operating fund. Yeah.

00:19:46:20 - 00:19:50:24
I can't find it. You know that.

00:19:51:10 - 00:19:52:03
I know what you're referring to.

00:19:52:05 - 00:20:08:06
Including in their line items. So much stuff, which is now, you know, there's no expenditures on it. Not only that, but they say they justify the inclusion of things by saying that that if,

00:20:10:16 - 00:20:23:10
for example, the the the chainlink fences or the irrigation systems, an irrigation system replacement generally is not wanted as the system as a whole does not fail

00:20:25:14 - 00:20:32:01
in that case. And the future replacement cost for that is zero. But

00:20:33:21 - 00:21:08:21

that applies to so many things, so many inventory items. And you know, by the way, I counted 100 inventory items in Bella Vista Heights and they tend to lump things together. And this is one of my complaints that they don't set aside a clear inventory report, an inventory list, but they include things like mailbox cluster, and they put it in the budget for the existing concrete. Well, these mailboxes don't all fail at the same time.

00:21:09:22 - 00:21:16:25

You know, we have about ten individual mailboxes and each one, there should be a separate line item for each.

00:21:19:16 - 00:21:32:01

Pres: I think that would I mean, does it. I mean, I. I understand what you're requesting, but if we're putting aside the money for all ten, it doesn't necessarily mean we need to spend the money for all ten.

00:21:32:18 - 00:21:34:18

Lot 34: But we're budgeting it now.

00:21:35:10 - 00:21:36:07

We are including.

00:21:36:10 - 00:21:38:28

Because we're in the budget they were in, because remember.

00:21:39:00 - 00:22:08:02

The amount of money you pile into an annual budget is used to assess the amount of the 5% emergency assessments that you can inflict on the homeowners. So there's a there is an attempt to pad out these budgets sorry ~~about~~ **pad out** these reserve accounts to make them as big as possible. Then they've done this several times in the past. For example, they also included the city's streets on three occasions in the years past.

00:22:08:18 - 00:22:15:14

Pres: I that was a previous consultant that we have replaced with and made sure that the city streets were not included.¹¹

00:22:15:16 - 00:22:16:19

Lot 34: Yeah, I know that.

00:22:16:21 - 00:22:41:02

But you know, we have to watch this like fence chain link, a fence chain. The chain link fencing, which includes the agricultural buffer, includes the chain link fencing, and around the park and round the swale and tract D, that does not all fail at once. The chain link fence. If someone backs a truck into it, then we replace 30ft of chain link fence.

00:22:42:00 - 00:22:42:15

Pres: Yes.

00:22:43:02 - 00:23:06:07

You know, to include that a fully funded budget, sorry, I fully funded estimate reserve estimate for the next 30 years increases the amount of money you need to set aside. And that is extremely unfair on the homeowners who are alive now. But they should pay for right for items that will only incur expenditure in 30 years time.

00:23:08:05 - 00:23:53:28

Pres: Okay. Well, again, we're going to move to table this. I think for this this conversation. I understand what you're saying. Morgan Great. Great to meet you on Zoom. I mean, part of our role as declarant is we want to set the HOA up for success as as you know, as we sell our final lots and we leave. And so our our desire is that it is fully funded so people aren't hit with a bill in the future.¹² So I think, you know, we'll go back and we'll look at the items on whether or not, you know, we've we've incorrectly included sidewalks, but we're going to rely on third party

¹¹ Since 2015, these "consultants" tried this ruse three times.

¹² If the reserve money is still there in 30 years time!

professionals who specialize in this type work to make make these recommendations.

00:23:54:00 - 00:24:25:28

And as we leave, I would expect that the owners are more than willing or more than able if they if they desire to change the reserve consultant just for everybody's knowledge. That update this year cost us \$549. And again next year it'll be \$549. So the overall total I think was about 2800 last year. So we're talking, you know, around \$4,000 for three years on on the reserve study that, that we have. Um, so yeah.¹³

00:24:26:20 - 00:24:35:06

Josh West I guess if we can have a move to table at, we'll address this at a future directors meeting. **Board member:** Yeah. How quickly. Morgan Can you get us your comments?

00:24:36:22 - 00:24:37:24

You have a timeline?

00:24:38:21 - 00:24:39:06

Lot 34: I don't know.

00:24:41:07 - 00:24:50:02

Following a pattern of avoiding delay and kicking the can down the road, I'll get something to you in a week to ten days.

00:24:51:12 - 00:24:52:25

Pres: Okay. That sounds that sounds good.

00:24:52:28 - 00:24:53:13

Well, by the.

00:24:53:15 - 00:25:10:25

¹³ The reserve "consultants" and "specialists" ignored the requirements of the Oregon Statutes. These self-appointed specialists act according to their mandates from the CAI.

Way, previous consultants, alleged consultants are the people who included the privates, the public streets. In fact, the biggest item of expenditure is our private streets, which should have been asphalted two years ago. But the ~~can~~ **can** is being kicked down the road again.

00:25:12:22 - 00:25:24:08

Pres: I. Sorry. Sorry, I was. It wasn't so. Yes, the previous the previous consultant did incorrectly include. I'm not the public street.

00:25:24:11 - 00:25:35:13

The previous consultant came up with a schedule for **assaulting asphaltting** our private streets. And that was supposed to be done in 2022. But I don't know why it was not done. **(background whisper)**

00:25:38:01 - 00:26:10:14

Pres: I will. You know, I think that's a that's an undertaking that we can look at right now. It's there's some curb repairs suggested for next year. But, you know, overall, I you know, I know Corina Lane has has some cracks in it that need to be addressed. And if there's some other of the private streets, then we can take a look at that. Okay. Um, going back to just tabling it, um, motion from Josh second from, from West, I assume, and we'll table this to a future date. ¹⁴

00:26:11:05 - 00:26:13:16

Lot 34: And I'll get out something to you as quick as I can.

00:26:14:19 - 00:26:15:24

All right. Thank you.

00:26:15:27 - 00:26:16:12

All right.

00:26:16:24 - 00:26:18:06

Lot 83: This is Judy Henderson.

¹⁴ After Turnover?

00:26:19:02 - 00:26:20:00

Hey, Judy. Yep.

00:26:20:18 - 00:26:31:22

Um, why is the study for 30 years? Is there a law that says it has to? HOA has to project 30 years. Why not? **(background laughter)**¹⁵

00:26:33:23 - 00:26:34:08

Lot 83. I Ten.

00:26:35:22 - 00:26:57:15

Board Member: Let me interject there, because I'm looking at this portion of 94. Right. Or as 94.595, subsection two, a a homeowner's association, blah, blah, blah.¹⁶ Well, normally we require major maintenance, repair or replacement in whole or in part in more than one year and less than 30 years. So that's the guidance from the legislation.¹⁷

00:26:58:04 - 00:27:06:06

Lot 83: Okay. So. Is there a way that we don't have to project 30 years? Can we do 10 or 20?

00:27:08:28 - 00:27:39:08

Pres: Well, I mean, we could ask that for the consultant,¹⁸ but that doesn't change the amount because we're amortizing these expenses over

¹⁵

¹⁶ "Blah blah blah" misses out a key clause in the statute! Look: ***"94.595.(2)(a) A homeowners association shall establish a reserve account to fund major maintenance, repair or replacement of all items of common property which will normally require major maintenance, repair or replacement, in whole or in part, in more than one and less than 30 years."***

¹⁷ **No it is not!** ORS 95.595(2)(a) refers to 30 years as a restriction based on the estimated maximum useful lives of items of common property that shall be included in the study. **ORS 94.595 does NOT refer to a projected timeline of 30 years.** See 94.595(3)(c) for the requirements of a reserve study.

¹⁸ The consultant wants to sell its own Reserve Studies, not what the Oregon Statutes want.

30 years. So if there's, you know, we're building up those repairs. So what would happen then is in say, say you did ten years and there is something that's going to need to be replaced in 15 years. So five years from now, you would start having to save for that thing within a ten year horizon.

00:27:39:10 - 00:28:03:22

And right now we're saving it for that within a 30 year horizon. So we're reducing the overall cost by spreading the longer term large ticket items out over 30 years rather than compressing everything into a window where the fee is adjusted on a ten year horizon. So this is allowing the large ticket items to be smoothed out over a longer process, a longer time period.

00:28:04:16 - 00:28:07:00

And what are those large ticket items?

00:28:07:29 - 00:28:39:25

Uh. Well, the the main one is, as Morgan pointed out, is going to be the streets. That chain link fence repair likes things that are going to last a long time. But, you know, paving, for example, like when that street needs to be paved is going to be quite expensive. So saving for that and adjusting for inflation on that cost as it goes up over 30 years is going to prepare the homeowners to be better equipped to to fund that than if we said, oh, within ten years or we're only going to look at five years.

00:28:39:27 - 00:29:14:06

And so if the consultant only looks on a five year horizon and says, well, the streets aren't going to fail for the next five years, they're not going to fail for the next five years, oh, all of a sudden they're going to fail in five years. Now, the homeowners would have to contribute that cost within 60, within five years or 60 months to cover that large item. But now we're able to look at that and say, well, we know the streets are going to need to be replaced in 29 years, so we're going to save $1/30$ per year for that cost and then adjust that for inflation as as costs go up and we do those things.

00:29:14:08 - 00:29:42:21

So so the the purposes of of of the 30 year horizon is that we're not projecting into infinity like the legislation restricts us to 30 years, but it also provides the homeowners a good leeway of what things are coming up, which in a way helps with the value of your homes as well. Because when you're selling it and someone goes to look and see, they know they're not going to be surprised by something next year that wasn't previously covered for in the reserve study. So

00:29:44:08 - 00:29:51:06

generally we feel that the homeowners are going to be better served by a 30 year horizon than a shorter horizon.¹⁹

00:29:51:21 - 00:29:54:09

Lot 83: Those just include the street that's sinking.

00:29:56:07 - 00:30:04:21

Pres: Uh, does this include Marino? Carino Lane is one of the HOA streets. Correct? If you're referring to ~~erinoline~~ **Carino Lane**.

00:30:05:02 - 00:30:19:06

Lot 83. And since that was done by the ~~Declaration~~ **Declarant**, the all the work that needed to be done and it's now still sinking. Are we stuck with that or is that still the responsibility of the ~~declaration~~ **Declarant**?²⁰

00:30:20:15 - 00:30:44:01

Pres: Well, Judy, a couple of those statements are not necessarily true or to be determined. So, as you know, we're investigating that. I've asked Robert to scope the pipes. There are some cracks. The street itself has not been indicated to be sinking, but you know that that's that's going to be looked at.

¹⁹ A two minute monologue of verbiage by the President. WHY cannot they just do what the Oregon States require, no more, no less.

²⁰ Asking the Board questions will only reward you with meandering answers.

00:30:45:15 - 00:30:47:05

Lot 83. And will we hear the results?

00:30:47:24 - 00:30:48:16

Pres: Absolutely.

00:30:49:20 - 00:30:51:03

Lot 83. And what's the time frame?

00:30:52:09 - 00:30:54:01

Pres: Uh, this year.

00:30:56:02 - 00:30:57:29

Lot 83. So within the next couple of months?

00:30:58:13 - 00:30:59:00

Pres. Correct.

00:30:59:13 - 00:31:06:14

Lot 83. And that will be before the ~~debt limit is no longer in the~~. Is sold all this **Declarant has sold all his**²¹ lots.

00:31:07:13 - 00:31:10:29

Pres. We would get back to you before we sold all of our lots. Correct.

00:31:11:17 - 00:31:15:06

Lot 83. I just want to make sure the responsibility lies with who's responsible.

00:31:16:11 - 00:31:41:13

Board Member. Well, please remember that that road was constructed by the original developer and not the current declarant. So it was an HOA road and it is an HOA road. So to the extent that it is failing

²¹ The Declarant is a corporation, not a live person

outside of any area that slid previously was there, that that's not a responsibility of the current declarant. It is an HOA road.²²

00:31:41:15 - 00:31:55:25

Lot 83. So it's the one that had to repair it in the first place. So if it wasn't repaired correctly, it would seem to me it's still the responsibility of the declarant. But I'm not going to get into this from you separately. No.

00:31:56:08 - 00:31:57:06

Board Member. Yep, that's fine.

00:31:59:04 - 00:32:29:28

Pres. Um. Okay. I think. Did we sufficiently table this, Josh? Yeah. Okay. So moving on to the 2024 budget and the 2024 regular assessments. Um, we are going to approve a 20% increase, which is the maximum amount that is possible to be done in a given year. Robert, you've disabled screen sharing. Would you be able to enable that, please?

00:32:38:05 - 00:32:38:25

Thank you. Got it.

00:32:40:21 - 00:32:41:21

Okay. There we go.

00:32:45:28 - 00:32:48:08

Okay. Does everybody see my screen now?

00:32:50:21 - 00:32:53:16

Yes. Sorry. I'll zoom in there.

00:32:56:07 - 00:33:31:15

²² Carino Lane belongs to the HOA. Lots 70, 72, 73, 74 - the Landslide Lots - are the responsibility of the Declarant. See CC&Rs 8.8.3, 8.8.4, 8.8.5

Pres. So what we're looking at here is an update of the 2023 budget and 2023 to 2025 forecasts that we provided last year. I've added 2026. We've kept a 5% cost inflation for 2024, 2025, 2026. Um, the, uh, the column here is the date where we're looking. But as we're still trending on this year, the net operating income will be -\$7,000.

00:33:31:27 - 00:34:12:22

Um, you know, if we hold the budget, there are a few things that are outstanding. Um, and there's a couple, there's some items where we've received a bit of money that was not planned, but architectural review dollars are down this year. Uh, and so we are, we are suggesting a \$22,900 contribution to the reserve study based on last year's that will put us in a \$6,800 deficit. So a 20% increase to the fees will put the basic fee to 95, 81 per month and then 1867 for the reserve fee.

00:34:12:24 - 00:34:21:18

And um, that doesn't seem to actually. Make sense. I need to check the map on that.

00:34:23:22 - 00:34:25:10

My apologies.

00:34:27:03 - 00:34:28:28

554 What's.

00:34:31:25 - 00:35:14:19

Oh, okay. Yeah. We've increased the operating fee by the 20% and then we've taken the amount of the contribution suggested by the reserve study and divided that over till it's 1867. So the total fee increase, the total new fee is 114 48 per month. That will see revenues increased to \$145,000 in HOA dues. It should with a \$23,750 reserve contribution, leave about \$9,600 positive net income for the HOA at the end of next year.

00:35:15:06 - 00:35:52:15

That does not account for, you know, if there's some special costs that come up and maybe require an additional contribution to the reserve fund for some paving maintenance, where, as Robert mentioned, we are looking at a \$14,000 bill for paving or resurfacing the walkways in the community park. That will be addressed. So that would come out of the reserve fund, but that will affect these balances. So right now you'll see that last year the ideal inflation adjusted a balance in the 2022 report.

00:35:52:17 - 00:36:27:18

And I'll just I'll just zoom in for this is showing that it was going to be 235. Their consultants are now suggesting that it should be 268601 pending a review with with Morgan's information and some research on our end. But at the beginning of the year, looks like they're projecting for repairs. We'll have about \$25,000 this year. So you'll be sitting in about \$134,000 at the end. So there may be a case made to increase the contribution next year beyond the the suggested amount by the Reserve.

00:36:28:05 - 00:37:02:18

But we are going to look as as I said, into some interest bearing accounts to change that interest income from, you know, 0.27% into something that's hopefully a bit more substantial and and will generate a greater compounding return for the HOA. Beyond that, on the forecast overall, I just forecasted out 5% growth and then a 15% and a 10% increase. And you can see that the balance is and this is what we talked about last year, that by 2025, 2026, the balance has become a bit healthier.

00:37:02:20 - 00:37:26:15

Pres. So you may not even need those increases to maintain a healthy balance. But we just wanted to forecast that that out entirely. So on that, I guess happy to have some questions on it before we adopt. But this is the current plan, so I can't see anybody and everybody in school. Okay. Go ahead. Morgan.

00:37:28:03 - 00:37:30:03

Is not distributed.

00:37:30:28 - 00:37:32:18

Lot 34 Am I on if I got the floor?

00:37:33:22 - 00:37:34:21

Right. Go ahead. Yes.

00:37:34:23 - 00:37:35:13

Lot 34. Why was this.

00:37:35:15 - 00:37:37:24

Not emailed to us last night?

00:37:39:05 - 00:37:43:25

Pres. Uh, because I did not have it finished last night. I had to get the updated information from Robert, and I didn't do that.

00:37:43:27 - 00:37:44:12

Okay.

00:37:44:14 - 00:38:00:27

Lot 34. Okay, okay. So all of a sudden, now we've got a 2024 budget, even though on the agenda, it said that you were going to adopt last year's budget pursuant to ~~Carrier Section five dot 11~~ **CC&Rs section 5.11**. You know, it'd be nice.

00:38:00:29 - 00:38:01:21

If this could you.

00:38:01:23 - 00:38:02:09

Could you.

00:38:02:11 - 00:38:03:28

Email this to me? It's.

00:38:05:00 - 00:38:06:29

Pres. It says we're going to adopt the 2024 budget.

00:38:07:10 - 00:38:31:05

Lot 34. Yes, but after that it says ~~CC and R, section five dot 11 CC&Rs 5.11~~ , Section five dot 11 of the can only deal with the case when the board has failed to produce a budget, in which case the board can use last year's budget. That is why I emailed and said that if the budget remains the same then there should be no increase from the 9540 **\$95.40c** . Now we have a.

00:38:31:07 - 00:38:32:16

Situation that.

00:38:33:00 - 00:38:50:26

Board member. Excuse me, that's a mistake on my part. It's an errant reference. The piece in parentheses should not have been included. Oh, okay. That was my apology. I didn't edit that out. It wasn't intended to imply that that we weren't going to be approving a budget, a 2024 budget and time.

00:38:51:26 - 00:38:53:15

Lot 34. And what was it meant to imply?

00:38:54:19 - 00:38:55:23

It was a mistake.

00:38:56:02 - 00:38:56:17

I see.

00:38:56:19 - 00:38:58:02

That wasn't meant to imply anything.

00:38:58:27 - 00:38:59:21

Lot 34. I'm reminded of.

00:38:59:23 - 00:39:00:25

Talleyrand.²³ It wasn't.

00:39:00:27 - 00:39:02:03

It wasn't I? Sorry.

00:39:02:24 - 00:39:03:27

I.

00:39:05:01 - 00:39:06:06

On me. **Owner** This is Laura.

00:39:06:10 - 00:39:35:00

Pres. You say that I made those. I made those edits and I left those references in. So my apologies on that. And Laura, just before you ask a question, this just falls back to our conversation in the spring and not having a budget in place and our commitment to give, you know, plenty of notice for a fee increase and for for next year. So we wanted to get this out, you know, in October. So we're talking about something that takes effect in January.²⁴ So, Laura, please go ahead.

00:39:35:18 - 00:39:51:26

Owner. Yes, Thank you. I just had a question. Since we're close to transition,²⁵ can we table the fee increase and allow the homeowner board of directors handle that issue of whether they increase or not Increase in at what rate? Good for you.

00:39:52:12 - 00:40:27:09

²³ Charles-Maurice de **Talleyrand**-Périgord 1st Prince of Benevento who described a complete fiasco by saying that it was "worse than a crime, a mistake." I think that a comparison with Talleyrand is very "**à propos**" here.

²⁴ More meaningless wordage. CC&Rs 5.2 describe the timelines for a proposed budget and the adoption of a budget. The Board had up to 11/2/2023 to produce a proposed budget. There was plenty of time to publish a budget. Why the sudden rush? They couldn't get the 20% increase out soon enough.

²⁵ We have been "close to transition" since July 2021 when there was only 10 lots left to sell.

Pres. Um, I. I am not comfortable with that at this at this time, mainly because we, we are uncertain if we're, if we're close to transition, you know, given the beginning of January. Um, I know people are aware. There's rumors that the, the last lots are, you know, sold. They are under contract, but they are not firm. So it's very possible that the they're not a firm sale. So the potential purchaser is still doing due diligence. So we're not starting a transition process, you know, prior to us knowing that those lots are sold.

00:40:27:11 - 00:41:00:23

And what I would hate to have happen is that person decide not to and then we still need to increase it.²⁶ The reality is, is that when you look down at the end of 2023, the HOA is going to be in a negative operating income position and we need to return that to a positive balance.²⁷ And so we're going to proceed with with an increase beyond that, whether how healthy of a balance that the HOA would pursue, you know, in future years when we're out, I think is very much up to up to date.

00:41:00:25 - 00:41:07:29

But this increase will will we definitely want to put forward in this fiscal year? Can I zoom in on something for you, Morgan?

00:41:08:24 - 00:41:09:10

No, it's.

00:41:09:12 - 00:41:12:25

Okay. Can you just be best if.

00:41:12:27 - 00:41:16:07

Sorry. Sorry. Could we have this?

00:41:16:09 - 00:41:20:11

²⁶ Its nowhere near a "done deal" yet.

²⁷ Simple solution: reduce the amount going into the reserve account that is based on a useless reserve study.

Lot 34: Could you get this to us before the end of day to day?

00:41:21:29 - 00:41:22:14

Oh.

00:41:22:23 - 00:41:25:18

Pres. Sorry, I. Did you not. Have you not seen this at all?

00:41:26:05 - 00:41:26:22

Lot 34. No.

00:41:28:07 - 00:41:39:27

Pres. Oh, my apologies. I thought Robert had sent this out to everybody earlier this afternoon. So my my apologies on that. This was this was finished this morning. **QPM.** Yes, we can provide that today. This today to you.

00:41:40:12 - 00:41:56:16

Lot 34. Okay. Well, while we're at it, you know, some of these I've always complained about some of the line items. And I do recall on the 26th of February this year, we got a newsletter from ~~Cpi-m~~ **QPM** saying that the three main factors which

00:41:58:15 - 00:42:42:27

caused the increase of the monthly dues last time was the AG buffer management fees and the reserve studies, and there were massive increases on them exceeding inflation, excluding even current inflation from the CPI in the United States. And it looks as if some of these expenses have to be looked at closely. As you know, the association has contributed \$30,000 to agricultural buffer maintenance to an agricultural buffer, which does not exist except in the delusional minds of some kind of group psychosis which pervades the association (**coughing and spluttering**) and all that.

00:42:42:29 - 00:42:44:00

Line item should we?

00:42:44:02 - 00:43:14:03

It's never been completed. No one can provide me evidence that the **Declaration Declarant** ever completed an AG buffer. Consequently, pursuant to the 2004 AG buffer agreement, the Declaration had no right to put the costs of maintenance of the ag buffer onto the association. Fortunately for the declarant, there is a 12 month statute of limitations to complain about unnecessary ~~offers~~ **expenditures** so that we must just write off the whole 20 or \$30,000 which we've lost.

00:43:14:06 - 00:43:40:06

But it certainly looks as if the ~~and~~ the management of course has increased, but the management services have decreased. It's only a four day week from QPM now and their website does not contain anything new since 2022. I mean, they services have deteriorated. It's dreadful that you should increase the management fees when the services have decreased.

00:43:41:04 - 00:44:15:24

Pres. There's there is no increase between this year and next year. And yes, you're correct, you'll see both in column F or sorry NG. And so there's a landscape contingency that we have underspent on. And the \$5,000 we held that we have not spent yet. So this this could be a line item that you could take out next year and it can be adjusted and that will help. But at this point, we're just carrying it and providing the notice of the of the fee increase. But but when we get to year end, we'll have a better idea of those costs.²⁸

00:44:15:26 - 00:44:21:12

Lot 34. As you said, this was available for QPM this budget this morning. Why was it not on the

00:44:23:05 - 00:44:23:26

website?

²⁸ Babble!

00:44:24:25 - 00:44:32:20

Well, I think it probably was this afternoon, probably just around lunch.
²⁹But yes, you know, I apologize that.

00:44:33:18 - 00:44:34:14

Lot 34. That website.

00:44:34:16 - 00:44:39:21

Hasn't been updated since November 2022. There is no.

00:44:39:23 - 00:44:40:12

Minutes on it.

00:44:40:24 - 00:44:53:16

There's no financials on it. It's a pointless website as **its** badly laid out. We're not getting value for money. We're no doubt paying for it. It's not the ~~debt limit~~. It's Declarant that's paying for the website. It's the association.

00:44:54:24 - 00:44:58:07

Lot 34. Know the standards have dropped, standards have dropped, but.

00:44:58:09 - 00:44:59:19

Lot 34. Fees have gone up.³⁰

00:45:02:00 - 00:45:04:19

Pres. Okay, Judy, you have a question?

00:45:08:06 - 00:45:09:20

I believe you started to see.

00:45:11:16 - 00:45:32:15

²⁹ It's still not there!

³⁰ And the Board simply does not care

Lot 83. All this money that we're talking about. Is any of it in an interest bearing account? It would seem to me we can offset, given what interest is now, we can offset some of these expenses to the homeowners just by virtue of the interest we could earning on some of this money in the reserve account and various other accounts. ³¹

00:45:33:11 - 00:45:34:00

And so, so.

00:45:34:02 - 00:45:34:26

That's, that's.

00:45:35:09 - 00:46:08:02

That's what I mentioned earlier, that we we definitely want to move the reserve funds into a higher interest account. The checking accounts typically don't have any interest. So the checking account money, which you know is going to be and that's at about 35,000. So that's a lower amount. But yes, we are going to pursue putting the reserve funds into a an interest bearing account or interest bearing instruments, you know, probably short to medium term³² that that will, you know, generate.

00:46:08:15 - 00:46:18:26

Lot 83. My question is, why haven't you done this a lot sooner? Why is it now? We've been having to look into it and it's been you guys have been in charge of this for, what, two years now?

00:46:20:06 - 00:46:27:09

Pres. And the interest. Interest rates. Interest rates were very, very low historically. And it was something.

00:46:29:09 - 00:46:35:24

³¹ The Board and QPM want the money to be liquid and the monthly dues to be as high as as they can so that all the money can be withdrawn quickly and easily.

³² For "fully funded" commitments that are 30 years in the future!!!

They've been high now for quite a while. And why are you just now looking into it if you have our interests?

00:46:36:06 - 00:46:38:00

I just don't have information.

00:46:38:02 - 00:47:05:20

Lot 34. A point of information I had I bond investment accounts, which are very easy to open up. I opened up 1 in 2 minutes and it was bearing 9.5% tax free. Bearing in mind that when the time comes to use these interest bearing reserve accounts, their interest is offset against the expenditures in form ~~428~~ 1120-H So we never pay any taxes on them if we schedule things properly.

00:47:07:21 - 00:47:09:28

Pres. Joshua, do you want to speak to the timing?

00:47:10:24 - 00:47:11:09

You know.

00:47:12:15 - 00:47:19:11

Treasurer. The timing. I mean, other than to say that the prime rate has gone up 500 basis points in less than a year,³³ I mean.

00:47:22:04 - 00:47:41:07

Pres. Yeah. And Judy, we did start looking in on this and consulting counsel earlier this year and and over the summer.³⁴ And so we're moving towards a decision on that. It's a little bit harder when it's an association and there's trust accounts involved. And it's not just a personal, you know, personal bank account.

00:47:41:23 - 00:47:50:18

³³ The "prime rate" is a rate that relates to bank lending, credit cards. home loans. The HOA is a depositor not a borrower. More meaningless piffle.

³⁴ Its all explained in ORS 94.670(2)(b). No need for advice from a "counsel".

Lot 34. Um, the Oregon statutes allow you to invest money in United States Treasury obligations. It's in there somewhere, correct?

00:47:51:09 - 00:47:52:06

Yeah, yeah.

00:47:53:00 - 00:48:00:18

Pres. Yeah, that is correct. And so we're looking for one that actually, you know, generates some interest for the owners. Um.³⁵

00:48:03:00 - 00:48:20:21

Okay. Josh, do you want to handle the adoption of the budget and the assessments separately or do you want can we handle these as one? I think they go part and parcel. I think we can adopt both at the same time with a single motion. And I would move to adopt both the 24 budgets and the 24 ranges.

00:48:22:07 - 00:48:25:06

Board member. ~~Osian~~ I'll second fell **Pres.** All in favour.

00:48:26:26 - 00:48:27:11

Okay.

00:48:29:02 - 00:48:49:24

Pres. Um, investment reserve. I will pass this over. Well, Josh, maybe you want to start, and then Robert's got some comments from from his research that we can address. **QPM? Board?** Uh, only to say that we've got now got some clear guidance and that we can proceed as quickly as the options will permit.

00:48:51:16 - 00:49:29:26

Pres. And then I believe, Robert, you've set up, you've contacted an investment advisor and would like to set something up. **QPM.** And so

³⁵ This and many other comments by the Board are simply excuses for doing nothing so that the money can be held in cash accounts.

there's a what I'd recommend is that, you know, what's the level of distrust, so to speak³⁶, to the process that maybe the ~~taek~~ TAC³⁷ and maybe have a little committee look at these things and spend some time learning about the products that are out there. There's something out there now that there's 5% and it's pretty liquid and but it's \$100,000. The minimum amount of room ??? to drop in with a three day funding where it could within three days fund for any of our expenditures.

00:49:30:00 - 00:49:44:23

But for opening balance is 100,000. But I think for any of those instruments coming from the community looking at that would be probably a good bet. ~~Chasm attack~~ **Have the** TAC involved or select committees to look at that. People who know things.

00:49:48:13 - 00:49:57:07

Sorry. Okay. **Pres.** Well, I mean, we're supportive of you setting up a committee. Okay. With some of the residents and then to advise us.

00:49:57:09 - 00:50:18:07

Lot 83. Yeah, Nobody's had a chance to look at this if it came out today. I mean, or no, he said today. And could you give us like 4 or 5 days to take a look? I'm assuming you're going to send it to everybody. And so we can review the budget, because right now what's being put on the screen is absolutely foreign to everybody here.

00:50:19:07 - 00:50:41:01

Board member. Judy, with all due respect, um, preparation and adoption of the budget is wholly within the ambit of the board. We, you know, members of the association have the right to speak at these

³⁶ A snide implication

³⁷ TAC - "Transitional Advisory Committee" in ORS 94.604. The HOA never got a TAC of their own selection. Instead Crystal Lake installed a fake TAC in 2019/2020 using a non-statutory election that did not comply with the statutes, Bylaws, and parliamentary rules.

meetings, but it is the board's obligation to both prepare and pass the budget.³⁸

00:50:41:09 - 00:50:46:13

Lot 83. But we don't know what we don't know what to speak about because we haven't had a chance to review it.

00:50:46:28 - 00:50:59:26

Board. That's fair. Judy, to summarize, the budget that's been adopted within 30 days, which will Judy, we will provide Robert has a copy of it and we'll send it to all the residents.

00:50:59:28 - 00:51:04:17

Lot 83. All right. So do we still have a say in it?³⁹ Or a question about.

00:51:05:06 - 00:51:19:15

Pres. I am happy to. I'm happy to field questions from you. We have we have adopted it both the budget and the fee increase. We're moving on to the interest bearing. But I you know, we're open to we're open to questions on the budget.

00:51:20:03 - 00:51:24:26

Lot 83. Last time I tried to email you, I was blocked.⁴⁰ So what you, me.

00:51:25:21 - 00:51:48:00

Pres. I definitely did not block you. But if you were just call me and I will. I will. I will. I will confirm the receipt of an email. So if you do email me, feel free to call me. And I would be happy to confirm that I've

³⁸ And it is the Board's obligation to invest the HOA's funds in a prudent manner. Bylaws 3.14 defines the board's duties. A TAC does not make financial decisions. The Board cannot decide which of its duties it wants to delegate to a non-statutory TAC and vague committees. QPM and the Board have been using the non-statutory TAC as a pawn in their delaying excuses.

³⁹ Someone should advise Lot 83 that it is pointless to ask the Board and QPM questions. You must demand what you want from them, and wait for them to deny you using whatever excuses they have at hand at the time.

⁴⁰ I believe Lot 83. By now Lot 83 should have emailed proof of the blocking to all owners.

received it. Thank you. I believe Dana has my phone number, so you're welcome to call anytime.

00:51:50:10 - 00:51:54:04

Neither. **Lot 34.** Quick comment, if I may. I suggest that.

00:51:54:17 - 00:51:55:08

You know.

00:51:55:27 - 00:52:29:09

Lot 34. The treasuries are very conservative and anything you put money away for 30 year expenditures has to be considered with prudence and concerning with your fiduciary responsibilities. And I understand it's the board responsibility to decide on these things. However, you know, it only takes a minute to look at what the US Treasury has to offer, and the inflation linked bonds are tax free and I think the minimum investment amount is about \$1,000 and the interest on them is only payable when they are redeemed.

00:52:29:17 - 00:52:53:12

Lot 34. And I've been doing this for a long, long time and I have laddered investments over the decades. I'm 77 and you're not investing these to make a fortune. You will invest to get something that protects your investment against inflation and may be worth a little nest egg added on at the end, if you're lucky. And that's about as good as you can get.

00:52:54:18 - 00:53:21:11

Board. Yeah, that's excellent. We're limited to CD. I see insured accounts, certificates of deposit and government treasuries. So if we're not we don't have the full array of investment options open to us.⁴¹ And we do, you know, in line with our fiduciary obligation we we ought to be conservative. But point taken, .27 percent is is not adequate. No.

⁴¹ They are all readily available on the internet. The criteria for selecting them is dictated by statute and by common sense. This is not a complex matter.

00:53:24:29 - 00:53:42:25

Pres. All right, Robert, Moving on to the report of members delinquent and assessment payments for our standard privacy. You know, we're not naming names, but can you please advise us on delinquent membership fees? All right. **QPM.** Right now, there's.

00:53:43:08 - 00:54:01:04

There's only one that's severely delinquent, which we've already filed, leans against the property, but consequently, the county has already foreclosed and they're in a in a in a state right there. We talked about that previously on an email. ⁴²

00:54:03:16 - 00:54:17:16

Everybody else is within. You know, at the most \$200 or so delinquent or in the process of the initial discussions or people most mostly start paying as we as we issued those notices to pay.

00:54:21:10 - 00:54:28:12

But as far as actionable right now, I don't see anybody. There's nothing we can do with the with the one that's severe readers.

00:54:28:14 - 00:54:36:23

Besides that, please. **Lot 83.** I'm sorry. Could you repeat that? We had a hard time understanding what you were saying.

00:54:37:03 - 00:54:38:09

QPM. Yeah. Okay. Just

00:54:39:29 - 00:54:54:15

one of the lots. The people did not pay their dues for quite some time. The HOA placed a lien on the property. But lean **lien** for amounts owed.

00:54:56:15 - 00:55:30:15

⁴² Lot 38.

Recently, the county foreclosed on that property, taking ownership of ~~some~~ **said** property. And we have a we have a period of time to see if we want to try to perfect our position on that. Possibly get. Fees paid to us. There are processes that would allow that. But Legal has to figure out if it's worth the time to to do that. If we do nothing, the HOA will walk away from all those fees and get nothing from the delinquency.⁴³

00:55:36:06 - 00:55:54:15

Lot 83. So we're stuck with him. And I have no idea what lot you're talking about. But think you all know we have the entire complex has an issue with the lot on the entry. With not having done anything except put in a motorcycle parking place.

00:55:54:17 - 00:56:01:01

Lot 34. I think this is out of order. I think that you can't go into details like this in Robert's Rules meeting.

00:56:05:23 - 00:56:06:08

Unknown. You do?

00:56:07:01 - 00:56:37:07

Pres. Yeah, we will. We're having a discussion with. With Robert on the unpaid, um, the unpaid lot. Uh, I think Judy's response is directed at a different lot. And we have had discussions with Robert on that, and we'll have discussions with him as well. So, um, but yes, we Josh and I have had a conversation about what to do with regards to the lot that is being foreclosed on by the county.

00:56:40:17 - 00:57:04:08

Lot 83. Well, what's being done on the lot that has not complied with their letter of compliance, that has the motorcycle and the highway blocks in the front and done no landscaping whatsoever. And it's just an eyesore in the whole community. And I think Robert has gotten multiple letters from people in the community.

⁴³ What is the Board doing about this? Who's in charge here?

00:57:04:10 - 00:57:13:29

QPM? And real quick, Aaron and I do agree that this is out of order that were kind of hijacking the board at this point.

00:57:14:01 - 00:57:25:28

Well well, just just for the purposes. We'll move on to other business and open discussion because that's the last item. And I think we're satisfied with your report on delinquent assessment payments. So yeah.

00:57:26:27 - 00:57:27:22

On a on a.

00:57:27:24 - 00:57:49:25

QPM. On a serious note, whether it's we're talking delinquencies, there's going to be a need for an executive session. I would say it recommended a board that perhaps we have a special meeting to where we could go into a special session and discuss the levies of fines. ET cetera. To gain compliance for compliance letters that have already gone out.⁴⁴

00:57:50:25 - 00:57:52:10

And so the mentioned.

00:57:52:12 - 00:57:58:10

Lots were brought up in this meeting. But that's not for public consumption.

00:57:59:12 - 00:57:59:27

You know.

00:58:00:25 - 00:58:14:19

⁴⁴ It is n ow time then to openly call out the Declarant, the Board and QPM in their delinquencies as well.

Pres. Then we'll make that commitment. Robert. Josh and I will set up a call with you within the next two weeks to. To discuss all of these outstanding things and come up with a come up with a plan.

00:58:15:22 - 00:58:16:07

Further.

00:58:19:29 - 00:58:25:09

Pres. Okay. Is there any other open comments before we set the date to the next meeting and adjourn?

00:58:29:22 - 00:59:05:00

Lot 34. I'm deeply concerned about the lack of openness and transparency in the general management of the association. The number of documents and the information which can be kept secret is enumerated in the Oregon statutes⁴⁵, and it comes down to a few things legal personnel and that sort of thing. Apart from that, anything and everything should be made available to the home owners. I would interject that things seem to be taking an awful lot of energy to manage.

00:59:05:26 - 00:59:26:09

25 years ago I wrote accounting packages or I went back to 1998 and I'm shocked that there's just so much effort required. Which leads me to the most important thing I've got is that the 47 page document, which I got this morning at breakfast,

00:59:28:18 - 00:59:34:20

what Oregon statute allowed you to **expand** **expend** money on this document?

00:59:36:17 - 00:59:39:06

Pres. Sorry. Which. Which document are you referring to?

00:59:39:08 - 00:59:41:10

⁴⁵ See ORS 94.670(9)

Lot 34. The email. The one.

00:59:41:12 - 00:59:42:02

Lot 34. With the reserve.

00:59:42:04 - 00:59:45:10

Lot 34. Study. The reserve study and the accounting.

00:59:47:15 - 00:59:50:16

Lot 34. We already had a finalized.

00:59:52:16 - 01:00:12:11

Lot 34. Budgets and things coming out, but engaging. Engaging a Certified public Accountant. The expenditure of a public accountant is only reserved in one instance in the management of the association, and that's after turnover. Who is paying for this

01:00:15:15 - 01:00:16:11

Lot 34. accountant?

01:00:18:09 - 01:00:19:04

Pres. Well.

01:00:19:19 - 01:00:21:25

Pres. The HOA is paying for the accountant. **Lot 34.** Well, we're.

01:00:22:03 - 01:00:23:12

Lot 34. Saying is it's not that's.

01:00:23:14 - 01:00:26:04

Lot 34. Not allowed expenditure for the HOA.

01:00:27:09 - 01:00:29:27

Lot 34. If you look at the statutes, if you look.

01:00:29:29 - 01:00:42:01

Lot 34. At the statutes, the only time that you can engage a certified public accountant is after turnover, when the certified public accountant does a review.⁴⁶ Here we've got a review.

01:00:43:07 - 01:01:00:18

Board member. There is a there is a review law that once once the HOA exceeds \$76,000 in yearly assessments, they have to have a third party certified public accountant review the financial statements. I don't have the awareness right now, but that is part of the law.

01:01:01:01 - 01:01:03:18

I **Lot 34.** Yes, but that is subject.

01:01:03:20 - 01:01:11:07

To another statement which says that it's only occurs after turnover for Class one and class two HOA.

01:01:13:05 - 01:01:25:14

Pres. Morgan, I appreciate your concern. I mean, as chair, I'm just going to move to adjourn the meeting on this point. It is in the best interest of the residents to have an independent third party look at the financials. That is keeping.

01:01:25:16 - 01:01:28:14

Lot 34. Well, I think the residents are unhappy. It's not in.

01:01:28:16 - 01:01:35:22

Lot 34. Our best interest that you should spend money willy nilly for no legitimate reason at all. I understand.

01:01:35:24 - 01:01:37:00

The 75,000.

01:01:37:10 - 01:01:38:00

46

Legitimate.

01:01:38:02 - 01:01:41:29

But. But we **Lot 34**. but you because you must follow the laws.

01:01:42:01 - 01:01:51:00

And there's been a gross breach of the laws from the date I joined this association in 2015 has been one law, one statute.

01:01:51:02 - 01:01:52:01

Lot 34. We are not.

01:01:52:03 - 01:02:12:03

Lot 34. Happy when foreigners like yourself trample our Oregon statutes. It is arrogant of you. You remember you serve the association. We are not answerable to you. It's the other way around. Ellen Blumenthal. Blumenthal, our Department of Justice director, said that.

01:02:13:19 - 01:02:18:27

~~Who is~~ **HOAs** must serve the association. You answer to the association.

01:02:18:29 - 01:02:21:03

Lot 34. We decide what's in our rights.

01:02:22:02 - 01:02:30:05

Board member. Morgan. I would draw your attention to yours. 94.670, Subsection five.

01:02:30:07 - 01:02:34:25

Lot 34. Okay. 94 670. Count. Yes.

01:02:34:27 - 01:02:38:13

Lot 34. Where is it? 94. Six, seven. Can you bear with me? I'm almost there.

01:02:39:11 - 01:02:40:18

Pres. Yeah, We'll bear with you.

01:02:42:15 - 01:02:49:01

Lot 34. Where is it? 94 670. Okay. Which paragraph is it?

01:02:49:29 - 01:02:50:14

Board. Five.

01:02:50:28 - 01:02:59:03

Lot 34. Okay. Paragraph five, subject to 94.671. So could you please go to 94 671.

01:03:02:17 - 01:03:27:16

Lot 34. Have you got it? The requirements of of AWS 94-670. ORS 94.670 Paragraph five First apply first apply commencing the fiscal year following the turnover meeting or with a class two association. Its following the year in which the owners assumed responsibility. So you had no right to engage a certified public accountant at our expense.

01:03:28:23 - 01:03:30:08

Lot 34. We have no obligation.

01:03:30:10 - 01:03:30:25

Board member. But an.

01:03:30:27 - 01:03:32:20

Board member. Obligation and a right to different things. ⁴⁷

01:03:32:22 - 01:03:35:07

Lot 34. Fine. But you can't put the cost on us.

⁴⁷ The Board has an obligation to stick to the owners' rights occurring in the Oregon statutes. **They engaged a CPA to write up a 47 page document to coverup the unsatisfactory state of a QPM created shambles of the HOA's bookkeeping since Sept 2020 that is now deeply amiss.**

01:03:36:24 - 01:03:50:08

You have no legal standing to do that. This is what I say. We do not like foreigners telling us what our laws are and reading rewriting our statutes. It's what you're doing. It's disgusting. It's arrogant.

01:03:53:08 - 01:04:30:29

Pres. Sorry, Morgan, I. I mean, and anybody else can speak up. The purpose of hiring an independent third party accounting firm to prepare the tax returns for the HOA and to prepare reviewed financial statements is to provide transparency⁴⁸ for the owners so they know that the ~~Declaration-Declarant~~ and ~~PM QPM~~ have not misused any of the money that has been contributed to the HOA fees. It is fundamental to our responsibility and duty to you as owners to ensure that you're happy with that you know that this money hasn't been misappropriated.

01:04:31:01 - 01:04:40:00

Pres. I'm I am lost on all of the complaints that you have about our management, and I get that we have fallen short. I will admit that in some spots.

01:04:40:15 - 01:04:42:03

Lot 34. I've given up enumerating.

01:04:42:05 - 01:04:44:06

Lot 34. I have given up enumerating them.

01:04:45:14 - 01:04:48:24

Pres. But but I guess my my question is, is.

01:04:49:00 - 01:04:50:15

Lot 34. My walls words have fallen.

01:04:50:17 - 01:04:52:09

⁴⁸ Does any owner now feel more transparent after getting 47 pages i=of verbiage from the "independent accountant"?

Lot 34. On silent ears.

01:04:53:18 - 01:05:01:17

Pres. Yes. But the independent accountant⁴⁹ seems to be the most prudent thing that we could possibly do.

01:05:01:19 - 01:05:02:22

Lot 34. Why all of a sudden.

01:05:02:24 - 01:05:12:07

Lot 34. Do we need an independent accountant producing 47 and sending out 47 pages of verbiage when this has never been done before in the last eight years?

01:05:13:14 - 01:05:53:28

Pres. Every year. Swinton Co has reviewed it. And before that, before that, there was an accounting firm in Bend that Crystal Lake used. And it's not 47 pages. Robert linked everything together, but what was sent out was the reserve study, which is which is done by Regenesis and then the 2021 reviewed financial statements and their letter and the 2022 reviewed financial statements draft and their letter. So this year, yes, Robert sent it as 47 pages, but it was three separate sets of documents that, you know, I think are very cost effective.

01:05:54:00 - 01:05:55:07

Lot 34. Remember that these.

01:05:55:09 - 01:06:01:01

Lot 34 The financial statements are to be produced for the benefit of the association members.

01:06:01:26 - 01:06:03:06

Pres. 100%. **Lot 34** Okay.

⁴⁹ Chosen by the Declarant-appointed Board and QPM and paid for by the HOA members dues!

01:06:03:17 - 01:06:12:07

Lot 34 When we get verbiage, including three pages of disclaimers or disclosures, nobody reads that this is padding.

01:06:12:10 - 01:06:16:20

Lot 34 That this is padding out this. This never happened.

01:06:16:22 - 01:06:38:14

Lot 34 Before. Every year we got a financial statement. I never liked any of them, but we did not have to put up with pages and pages of disclaimers from certified public accountants who specialize in homeowners association. And as I said, the entire association could be run on ~~Ms.~~ **an MS-DOS** computer. You know, 25 years ago.

01:06:39:22 - 01:06:46:23

Pres. Um. Well, okay. You know, I don't think this is productive at this point because we are going to move forward. Like.

01:06:47:17 - 01:06:48:16

Lot 34 Well, what do we do?

01:06:48:24 - 01:06:49:09

Lot 34 What do.

01:06:49:11 - 01:06:52:24

We do? What do we do? We see. **Lot 34** Look, why don't you just come.

01:06:52:26 - 01:06:58:06

Lot 34 Up front and say we're knocking it up? 20 knocking your dues up 20% each year because.

01:06:58:08 - 01:06:59:03

Lot 34 We can.

01:06:59:05 - 01:06:59:20

Lot 34 Instead.

01:06:59:22 - 01:07:00:07

Lot 34 Of these.

01:07:00:09 - 01:07:04:06

Lot 34 Fatuous explanations that we got from ~~Cpi-m~~ **QPM** in February this year.

01:07:05:03 - 01:07:05:28

Lot 34 It's appalling.

01:07:07:06 - 01:07:09:02

Pres. Well, February of last year was.

01:07:09:04 - 01:07:12:13

Lot 34. February of this year. February the 26th, 20, 23.

01:07:12:15 - 01:07:30:24

Pres. February of this year was a result of and we have admitted at the time we failed to give you a budget in advance of 2023 and we failed to raise the fees the previous two years and we needed to return the the association to a positive net income fine at the end of the day.

01:07:30:26 - 01:07:34:03

Lot 34. Do you recall that for 42 weeks.

01:07:34:05 - 01:07:37:17

Lot 34. This association did not have a board of directors?

01:07:39:13 - 01:07:42:25

Pres. The association has had a board of directors the entire time. **Lot 34.** No, it has not.

01:07:42:27 - 01:07:56:13

Lot 34. Go into the secretary of state, Oregon's website,⁵⁰ and you will see there was no board of directors from a proper board of directors with meetings from September 2020 to July 2021, a period of 42 weeks.

01:07:58:10 - 01:07:58:25

Um.

01:08:00:08 - 01:08:01:24

Pres. I would have to defer to Josh on that one.

01:08:04:03 - 01:08:05:00

Secretary? Failing to understand how.

01:08:05:02 - 01:08:05:29

Secretary? That's relevant.

01:08:06:01 - 01:08:06:16

Secretary? To.

01:08:06:18 - 01:08:08:06

Lot 34. It's extremely relevant.

01:08:08:08 - 01:08:17:13

Lot 34. It's extremely relevant because we were unmanaged. Nobody was guarding the henhouse. Nobody was watching the association.

01:08:17:17 - 01:08:19:09

Lot 34. There was no quarterly meetings.

01:08:19:11 - 01:08:22:17

Lot 34. There was nobody there at the switch. There was nobody at the wheel.

⁵⁰ https://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_det?p_be_rsn=1178742&p_srce=BR_INQ&p_print=FALSE

01:08:23:16 - 01:08:26:03

But we are tired more.

01:08:26:05 - 01:08:34:08

Board member. Morgan You're switching points from the fact that we were just talking about the need for independent public accountants to the board.

01:08:34:10 - 01:08:37:05

Lot 34. Yes. I told you we never did this before.

01:08:37:07 - 01:08:51:17

Lot 34. Every year out came the income and expenditure and the balance sheets. Not a single. Rarely were they consistent. From year to year. We jumped from one accountant, from one producer after another. You told me it was PM. It QPM produced these documents.

01:08:52:24 - 01:08:54:13

Lot 34. Why all of a sudden now.

01:08:54:15 - 01:09:01:04

Lot 34. When we're not in turnover, do you need pages from an independent chartered accountant?

01:09:03:09 - 01:09:04:05

Lot 34. What's going on?

01:09:04:07 - 01:09:05:01

Lot 34. Why all of a sudden.

01:09:05:03 - 01:09:07:13

Lot 34. We have to make everything look nicey nice.

01:09:09:03 - 01:09:35:05

Lot 34. It must remember from our perspective here in the United States of America, we don't trust accountants. We remember Enron, right? The

Enron accountants were Arthur Andersen. We remember Silicon Valley Bank, the Silicon Valley Bank accountants were KPMG. I'm sure you know about KPMG. Accountants are used by ~~ambassadors~~ **embezzlers**. I worked in financial accounting as a computer programmer. I know about all this.

01:09:35:17 - 01:09:43:26

Lot 34. I don't this don't talk down to me in a dismissive manner. I'm a member of the association. You work for us.

01:09:44:26 - 01:09:47:18

Pres. Morgan. We've invited you to call us to.

01:09:47:29 - 01:09:49:09

Express your concerns.

01:09:49:11 - 01:09:50:28

Lot 34. And I don't talk to you.

01:09:51:00 - 01:09:56:22

Lot 34. You do it in writing, right? I don't like talking to people because I am no time.

01:09:56:24 - 01:09:57:09

Lot 34. For.

01:09:57:16 - 01:10:00:11

Lot 34. Dissimulation and mendacity.

01:10:00:29 - 01:10:12:21

Pres. Yeah. Can we can we set for the next meeting, Josh? Yeah. Do we need to set up prior to adjournment or can we say, no, we don't have to, but we ought to. If we can pick a.

01:10:12:23 - 01:10:17:24

Thursday in in early to mid December, that's probably the best.

01:10:18:29 - 01:10:24:15

Okay, let's, let's call it the 14th. I've actually yeah, let's call it the 14th.

01:10:25:09 - 01:10:25:24

Okay.

01:10:26:15 - 01:10:27:11

So before this happened.

01:10:29:22 - 01:10:30:29

I'm indifferent less.

01:10:32:05 - 01:10:34:18

But I'm just looking at my calendar.

01:10:42:05 - 01:10:46:15

Works for me. 14th. Yep. 5:00.

01:10:48:06 - 01:10:49:15

Yep. Yep. Done.

01:10:51:03 - 01:10:53:08

Okay, let's move to adjourn. Josh, you second.

01:10:54:01 - 01:10:54:18

Second it.

01:10:54:28 - 01:11:12:10

All right. Okay, This meeting is adjourned. Thank you, everyone.

Morgan, I understand your frustrations. I appreciate you sharing them.

And we will move forward. So feel free to reach out and we will get the budget distributed to you this evening. Thank you. Bye bye. My.