

The FYI

A Private Residential Community

Newsletter for the Edgewood Townhouse Association

MESSAGE FROM THE BOARD

Preserve • Restore • Maintain

Paul Turpin

President, Edgewood Townhouse Association etapresident@email.com

- The new "Funds model" Financial Statements are here.
- The Reserve Study is on its way.
- Large maintenance outlays are not far off.
- Start thinking about ways to raise money, or face freezes or moratoriums if we don't.

The new "Funds model" bookkeeping changes are complete. ETA's 2020 Financial Statements, delivered with this issue of the FYI, show our finances in the new format. These numbers were adjusted since the March 9 Board meeting to reflect a late bill. The Reserves Fund summary on the first page reflects the new 22% contribution from annual dues to the Reserve Fund. It also shows that Unplanned Emergency Repair dominated the capital maintenance we were able to pay for out of our regular dues -- \$91,640 compared to \$3,768 toward Planned work. The Unplanned Emergency category consists of emergencies like unforeseen roof repairs and broken water valves and needed repairs that come to light when homes are put up for sale (Property Transfers) or when other work is being done on a unit. If not for 2020's \$108,000 Special Assessment, we would not have gotten any of our planned capital maintenance done last year. That is a sign of how much capital maintenance our aging facilities are demanding of us.

The process of completing the new Financial Statements led to some fine-tuning of our accounting that will also help us on the Reserve Study. We revised and expanded our capital maintenance account codes, which will give us more-detailed financial reporting on those expenditures in the future, and those same account codes will provide us a good backbone for organizing the Reserve Study line items. Finishing the detailed costs and estimates of remaining useful life for the Reserve Study will take a couple of months to complete.

While the Reserve Study is not yet complete enough for a demonstration, we do have a reasonably good idea of the first things that will be on it: the list of Planned, needed work has not gone away. Frank Gaddini has been holding a list of \$900,000 worth of repairs spread over five years, waiting for funding. In addition, our roofs will be approaching the end of their useful lives over the next ten years. We have already started replacing some with the worst sun exposure, so we will need to do as thorough an inspection as we can to assess our condition.

We can tell just from the needs we already know about that we will need to raise more money for some years to come. While the Reserve Study will help us identify specific costs and timeframes, we should start thinking now in broad terms about what we will do. The two main strategies for raising more money are to raise our regular dues beyond the 4% increases allowable by the CC&Rs, and/or to use Special Assessments to fund identified projects. **If we are unable to agree on raising money, we will be faced with spending freezes or moratoriums.**

I wish I had better news. The best I can offer is that we seem to still have time to consider our options, but not much past a few months. I expect we will need to vote on how to raise money by the Fall.

Enjoy our wonderful Oregon spring weather!

SPECIAL NOTICE

Homeowner Dues are due on the first of each month. The 2021 Special Assessment for Planned Projects payment in the amount of \$800 was due on March 1, 2021. If paid by the month in payments of \$80 with the Homeowner Dues, the total amount due is \$453.

UPCOMING EVENTS

Next Regular Board of Directors Business Teleconference:

Tuesday, April 13, 2021 at 6:30 PM

Next HOA Quarterly Open Forum Business Teleconference:

Tuesday, April 27, 2021 at 7 PM

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**EDGEWOOD TOWNEHOUSE ASSOCIATION
VIDEOCONFERENCE: BOARD OF DIRECTORS
SPECIAL BUSINESS MEETING**

Preserve – Restore – Maintain

February 23, 2021

Board members present were: Paul Turpin, Darell Bidstrup, Sheila Dorsey, Dan Goodlett, Merryn Gregory, Larry Kenton, Sharon Kimble, Michael Maulding, and JoAnn Wilson. Also attending was Frank Gaddini, ETA Director of Facilities of Operations. Seven homeowners attended. The purpose of the meeting was to discuss the FY 2021 Board Goals; a "Succession Plan" for Frank Gaddini's retirement; and the "Funds" Model of Funding and Tracking ETA Expenditures. President Paul Turpin opened the meeting at 6:35 PM.

FY 2021 Board Goals. Paul asked each Board member to state what their most important Board goal/goals were for the current year. Paul began by saying that he'd like to see shorter Board meetings and finding a way to increase Board member involvement, whether as a liaison to an ETA committee, a member of a Board committee, or something similar. Several Board members named budget-related issues. Michael Maulding said he'd like to get away from special assessments and work on a CC&R amendment to raise the 4% limitation on annual dues increases. JoAnn Wilson, Larry Kenton, and Sheila Dorsey concurred. Merryn Gregory said she'd like to bring more clarity into funding, finish the Reserve Study, and digitize HOA communications such as maintenance requests. Darell Bidstrup spoke of the need to develop a business continuity plan, one part of which would be a succession plan for Frank's retirement. Sharon Kimble agreed about the importance of a succession plan and added getting the Funds Model into place and having a good idea of what repairs need to be done in FY 2022. Frank was asked for his input and expressed his support for passing an amendment increasing the 4% CC&R dues limit. Paul Turpin summarized by saying that there was a clear desire among Board members to increase the level of income to meet the cost of repairs needed next year and in succeeding years. He commented that more information will be needed to determine the amount and pointed out that changing the CC&Rs requires a three-fourths vote of the homeowners.

Succession Plan. Frank Gaddini led the discussion by presenting the three different management models of associations similar to ours. They are as follows:

#1. Volunteer Model: This is what ETA used for about 40 years. The volunteers serve with the best of intentions but may lack expertise. ETA had a series of "caretakers" who did minor maintenance duties and chores in exchange for use of a rent-free, association-owned townhouse. There was no director of facilities and operations.

#2. Hybrid Manager/Volunteer Model. This is ETA's current management model. The association pays a part-time professional who reports to the volunteer Board to manage the facility and operations. This enables ETA to retain complete control, and it also allows for a good deal of collaboration between Board and professional.

#3. Professional Management. In this model, the Board either shares or relinquishes responsibility to a professional

management company. Frank said there may be some management companies that offer a menu of services that would permit more sharing of responsibilities and thereby reduce costs. However, even if there is such sharing, the company would want complete control over some things. Frank will get more information on this option for the Board.

The Board asked a number of questions after Frank's presentation. There was concern about a management company coming in and prescribing work as well as the overall expense. Paul pointed out that the advantage of the hybrid model is its flexibility at a reasonable cost. Several Board members expressed support for staying with the hybrid model and in response to a question, Frank said that he does know of several persons who have the knowledge to take on the role of part-time professional. If the Board chose this model, it could write up a position description and recruit both locally and regionally. The job specifications for Frank's position and his contract could serve as a good starting place for compiling a position description. Frank said that he likes the hybrid model but would also like to know more about the professional management model. He will continue his research. Frank will also check with a few homeowners to see if they are interested in joining the succession planning committee.

Paul Turpin pointed out that there is a fourth model, a sort of modification of the hybrid model that entails supplementing the on-site professional by separating the work into two part-time jobs. In this model, there would be a construction/project manager and someone who does administrative work. Frank Gaddini has informed Paul that he would be interested in the construction role. The Board will continue its discussion in a future meeting.

Funds Model. Frank Gaddini said he has been keeping track of jobs during the course of his tenure and has a 9,000-line spreadsheet of jobs performed. His goal is to tie these entries to the summary totals in the Funds Model so we can produce a report. Ultimately, this will tie our Reserve Study very specifically to our physical plant. Paul noted that by separating our annual operating costs from the Reserves, which fund capital expenditures, it will make it clear to homeowners that there's not a lot of money left over. Paul is hopeful that homeowners will see that we really do need to raise more money. If we don't, there won't be money to do the work. While the CC&Rs do not absolve the association of the responsibility to perform the work, it's also clear that if we run out of money and work has to be delayed, we are not liable (CC&Rs Article VIII, Section 5). Board member Darell Bidstrup asked Paul if he could develop a way to present this material in a simple, clear way for homeowners to better understand. Paul will present the Funds Model to homeowners at the open-forum Town Hall meeting scheduled for Tuesday, March 2, 2021, at 7:00 PM.

The meeting was adjourned at 8:20 PM.

JoAnn Wilson, Secretary, Email: etasecretary@email.com

**EDGEWOOD TOWNEHOUSE ASSOCIATION
TOWN HALL VIDEOCONFERENCE**

Preserve – Restore – Maintain

March 2, 2021

Six Board members, the ETA Director of Facilities and Operations, and 13 homeowners attended the videoconference.

Board President Paul Turpin opened the meeting at 7:02 PM. Paul summarized three topics the Board has been focusing on and said he'd like to discuss those, in turn, and then go to any other questions or issues that homeowners might like to raise.

"Funds" Model: The first of the three topics the Board is currently focusing upon is the "Funds" model for funding and tracking ETA expenditures. Paul spent some time discussing the Funds model, noting that it was adopted to clarify the distinction between our annual operations expenses (in an Operations fund) and longer-term capital maintenance and repair expenses (in the Reserve fund). (For a full discussion of ETA's new financial statements method and the flowchart diagram displaying how the Funds structure is modeled on ETA's CC&Rs, please see the February 2021 FYI. A copy of the reformatted FY 2020 Financial Statement was attached to the Town Hall Meeting notice sent to homeowners.)

Paul then asked for homeowner questions and comments. One homeowner (100 WW) asked Paul to talk about the Reserve Study and how much we are going to need. Paul replied that this will be a matter for the Board and homeowners to decide. Are we going to set our dues to raise X amount? Are we going to use special assessments to raise capital project funds? An updated and completed Reserve Study will help us determine the life of ETA's capital assets and the cost of repair/replacement. Paul favors keeping dues at a level where we will have the money, but that is a topic for discussion. Another homeowner (54 WW) asked if there might be a "trigger" for using Reserves such that if a special assessment is needed to repay the Reserves, a vote might not be needed. Paul replied that his reading of the CC&Rs is that nothing is automatic. Frank Gaddini added that special assessments are used to fund specific capital projects, and Susan Turpin, who helped develop the Funds model, noted that even in the case of an emergency such as ice storm-related damage, repairs would still constitute a project.

Succession Plan: The second topic of recent discussion by the Board is the Succession Plan for the retirement of Frank Gaddini, ETA Director of Facilities and Operations. Frank went over the three basic models for HOA management: (1) Volunteer Model; (2) Hybrid Manager/Volunteer Model; and (3) Professional Management. (For details, see the minutes of the Board Special Business Meeting held on February 23, 2021, included herein.) One homeowner (186 Brookside) spoke of another "model," the "Caretaker Model," used earlier in ETA's history when there was someone living on the property who performed simple maintenance duties. The homeowner asked if it is possible to find someone to perform these kinds of tasks, whether it's a student or perhaps a volunteer homeowner. Board member Merryn Gregory said that is one potential benefit to a property management company. Another homeowner (71 WW) mentioned one idea being considered by the Board of Frank's staying on to manage major repairs only. Paul Turpin noted that would mean adding an administrative position, thereby increasing our operations budget.

Wildfire Safety: The third topic being discussed by the Board is wildfire safety. Paul reported that the coalition of associations in our greater neighborhood has successfully obtained a grant for state funds. The precise details are unknown as yet but monies would pay for a Youth Corps crew to remove brush before July 1, 2021. Paul pointed out that brush removal could raise landscaping issues and possibly entail more costs. Board member Dan Goodlett has spoken with Ingrid Wendt, ETA Safety Committee Co-Chair and coalition liaison, about another coalition effort to improve local communications during an emergency. Specifically, the coalition is discussing the use of high-frequency walkie talkies. Thanks go to Ingrid for her leadership in improving wildfire safety at ETA.

Frank Gaddini spoke about the creek-clearing work performed by volunteers and contract workers during FY 2020. As a result of their efforts, Frank believes the risk is low there, and we need to start looking at reducing the tree canopy. Ultimately, this means more extensive work and more money, an estimated \$20-\$25K. In answer to a question from Paul, Frank said that we do a comprehensive analysis annually using three separate arborists: one from the City of Eugene and two private sector arborists. This year, Frank will be focusing on limb reduction of sweet gum trees on Westbrook Way and pines along the creek on the Brae Burn side. That will consume the \$10K we have budgeted for tree maintenance. Board member Darell Bidstrup cautioned everyone not to get complacent because this whole part of Eugene consists of "wooden houses in a wooded landscape." In response to an earlier question from a homeowner, Darell added that should we need to evacuate, nearby safety zones for us are Spencer Butte Middle School/Edgewood Elementary School and the cemeteries. The homeowner at 71 WW offered to work with Ingrid to write up other wildfire safety suggestions included in recent presentations by community groups.

Other: Frank Gaddini announced that the FY 2021 Special Assessment Groundwater Project at 140-160 WW is now complete and performing very well.

The meeting was adjourned at 8:23 PM.

JoAnn Wilson, Secretary, Email: etasecretary@email.com

**EDGEWOOD TOWNEHOUSE ASSOCIATION
VIDEOCONFERENCE: BOARD OF DIRECTORS
MONTHLY BUSINESS MEETING**

Preserve – Restore – Maintain

March 9, 2021

Call to Order: Board President Paul Turpin called the meeting to order at 6:32 PM. The meeting was held by videoconference due to the COVID-19 pandemic. Board members present were: Paul Turpin, Darell Bidstrup, Sheila Dorsey, Dan Goodlett, Merryn Gregory, Sharon Kimble, Michael Maulding, and JoAnn Wilson. Larry Kenton was excused. Also present was Frank Gaddini, ETA Director of Facilities and Operations. Seven homeowners attended.

Approval of Minutes: The minutes of December 15, 2020; January 26, 2021; and February 9, 2021, were unanimously approved.

Financial Report: The January and February financial reports will be delayed until April. The data are still being updated for the FY 2020 Annual Report. ETA's bookkeeper has been working through the detail with Treasurer Dan Goodlett and Susan Turpin, and Frank Gaddini has been assisting in finalizing the account codes. There will be more work to set up the accounts, but once that is completed, financial statements will be quite easy to prepare.

ETA Safety Committee Report: Safety Committee Co-Chairs Ingrid Wendt and Linda Sage summarized several activities being undertaken by the Safety Committee. Ingrid has been working with a cluster of contiguous homeowner associations which were included in a successful grant application written by Ian Appow of Eco-System Solutions. The grant was from the Oregon Department of Forestry for fuel reduction work. In addition to Edgewood Townhouses, the homeowner associations in the coalition are Edgewood West, Edgewood Mountain, Rockridge, Highlands, and Startouch. Linda spoke about landscaping the creek bed now that it has been cleared to prevent bank erosion and the blackberries from taking over again. She has been researching appropriate plants and would like to set up a "demonstration patch" to see what would work best. Ingrid mentioned that the next step in reducing wildfire risk is "home hardening." This is another kind of grant we could apply for and Ingrid asks any homeowner who has grant writing experience to contact her. ETA Safety Committee members have been attending various online community presentations. Ingrid provided several links for homeowners to learn more about fire prevention. They are: <https://youtu.be/ply0lAt-Blg>; <https://youtu.be/sdpj8o8DQs0>; <https://youtu.be/5upifElrDy0>; <https://youtu.be/VxgUNFEcm3A>; <https://youtu.be/ply0lAt-Blg>; and https://www.youtube.com/watch?v=qaHMZJK_sHI.

Coordinator Reports:

- Technology Coordinator: Dan Goodlett reported that he and Board member Sharon Kimble were joined by Paul Turpin in their most recent meeting on updating the ETA website. One of the things that will be needed is help writing content. If there are any homeowners who would like to assist, please contact Dan Goodlett at etatreasurer@email.com.
- Swimming Pool: Closed.
- Clubhouse Coordinator: Closed.
- Welcome Coordinator: Bruce Trafton has met with the new homeowners at 140 BB and 2 WW. Bruce spends about 30-45 minutes talking with new homeowners, showing them the Clubhouse, answering questions, and going over the following materials: ETA Rules and Forms; the Safety Committee folder; a map of ETA; and the master insurance policy. He also has homeowners complete the Emergency Contact Information form.

Facility Report: Submitted

Educational Minute: Frank was too busy to prepare something for this meeting.

Old Business:

1. **March 2, 2021, Town Hall Debrief:** Board member JoAnn Wilson mentioned that some comments at the Town Hall made it clear that the ETA Director of Facilities and Operations, Frank Gaddini, had not one job but at least three: planning and oversight of capital maintenance and repair projects; administration; and general handyman. The position Frank holds is officially part time, 20 hours per week, but he typically works 40-60 hours per week. As the Succession Planning group moves forward, it will be important to carefully delineate responsibilities in the position description(s). Darell Bidstrup commented that he wished there were more homeowners participating in the town hall meetings. We don't seem to know how to engage homeowners. Sharon Kimble added that this makes the Board's job harder.
2. **American Family Policy Renewal:** The master policy with American Family was renewed on February 15. Frank Gaddini reported that a homeowner had asked him if the master policy covered all 91 units completely in case of fire. That is a question we need to ask. The Board agreed that it is important that the two other insurance groups which prepared bids be able to present their proposals and answer homeowner questions. The Board will arrange for these presentations in the coming months.
3. **Setting FY 2021 Board Goals:** Board President Paul Turpin enumerated the major projects the Board is currently engaged in: finalizing the Funds Model of funding and tracking ETA expenditures; the Succession Plan for Frank Gaddini's retirement; and completing the Reserve Study. He asked if there was anything to add. Darell Bidstrup brought up the need to market the efforts of the Board so that we can get homeowners to understand that we need to invest in these properties and that we have a contractual obligation to maintain them. Frank Gaddini stated that the goal is increased funding. The Board needs to decide on what change(s) should be made to the CC&Rs to either raise the base rate or change the 4% limitation on dues increases. Several Board members followed with their concerns about the challenge of effectively communicating the need for additional funds and about the ability of some homeowners to pay more. Frank pointed out that there are 90 townhouses and nine Board members. Many homeowners don't want to participate and would rather leave it upon the Board's shoulders. But the Board needs the tools to do its job. It is up to the Board to make the decisions. Paul Turpin commented that ETA is going to be a more expensive place to live in the future. He continued, it almost ran out of money a few years ago and it should have been a more expensive place to live some time ago.
4. **Succession Plan:** Paul Turpin reported that the committee has not met yet but he did receive Frank Gaddini's job description and will try to edit out the pieces which go to construction and those to administration. Frank said he should have his research on management companies wrapped up next week.
5. **Reserve Study:** Frank stated that by the end of March we will have really good data for the Reserve Study. Paul Turpin said

that the account code refinements led to a number of ideas that will be an organizing principle for all the items in the Reserve Study. We will get forecasts and actuals recorded in the same terms. Susan Turpin said that we will be able to calculate how much is needed monthly and she added that one way the Board could control costs would be by changing the CC&Rs so as to shift responsibility for certain things to the homeowners.

New Business

1. **Parking Waivers:** None submitted.
2. **Reconsideration of Late Penalty for Dues:** Paul Turpin asked if it was time to reconsider how we treat the penalty when dues are late. Dues are due on the 1st of the month. Paul has learned that there are a number of homeowners who pay at the end of the month, just before the penalty applies. This increases staff time and creates a cash flow problem. Treasurer Dan Goodlett reported that reasons vary as to why this occurs. For some homeowners, this is intentional; some simply forget; and others may have a financial problem. Paul asked if the grace period is excessive. Would it be helpful to send reminder notices? Frank Gaddini reviewed several options: remind homeowners in the FYI that HODs are due on the 1st of the month; send a notice on the 10th of the month to homeowners who haven't yet paid; and consider increasing the penalty fee. The current assessment is 7% but the Board can go up to 10%. FYI Editor Sharon Kimble will highlight the due date in future issues of the FYI. The Board agreed to discuss the topic at a later meeting. Frank announced that ETA now has an active mailbox on our property. In about six months, we will be able to close our PO Box and save the rental fee. Our new address is 95 Westbrook Way, Eugene, OR 97405.

Announcements:

1. The next regularly scheduled Board of Directors Business Meeting: Tuesday, April 13, 2021, 6:30 PM, by videoconference.
2. ETA Quarterly Meeting: Tuesday, April 27, 2021, 7:00 PM, by videoconference.

Adjournment: The meeting was adjourned at 8:45 PM.

Executive Session

JoAnn Wilson, Secretary. Email: etasecretary@email.com

Looking Back Over February 2021 Facilities and Operations Report

Frank L. Gaddini, etadirector@email.com

This report is a review of facility and grounds work performed in February 2021. February can only be described as normal as normal can be – and that means showers and rain. In fact, as you read below you will see that managing rain water was more than a theme this month.

Temperatures during the month were relatively normal for the season; daylight was increasing minutes each day, there were seven of 28 days of sunshine that broke through the fog and clouds, and rainfall during the month was nearly a normal 5 inch average for the season and our area.

During the month, we recorded and completed ninety-four (94) jobs. Our most important work was our Groundwater Improvement Project at 140, 150, and 160 Westbrook Way. This project was funded by the 2021 Special Assessment. We installed a new 6" drain line, four groundwater collection basins, and an underground lift pump that discharges the groundwater that had been collecting along the front doors of these townhomes. Our project was successful performing as expected, drying out the area, and pumping water out to our storm sewers. We stayed within our estimated projected cost.

A project that touched two-thirds of our townhomes was our annual Roof and Gutter Cleaning Project. We had to be patient, as we waited for proper weather windows, but eventually those opportunities opened up during one of the most drizzly months. Rain also brought us an unexpected leak in our roof at 110 Westbrook Way. We replaced all the pipe jack seals and attic vents, however we did have water damage to the homeowner's ceiling. Another roof repair that we performed was the complete removal and replacement of the shingle roof at 136 Brae Burn. The shingles' granules had deteriorated to a point where preventative maintenance meant replacement.

One of the most visible jobs during the month was the construction of a new section of radiused wood fencing along the southeast corner of the Small Bridge. The fence serves to protect pedestrians from potentially falling into the Brae Burn Creek.

Other work included our routine lawn maintenance, Clubhouse sanitation, Pool water maintenance, and our routine rat abatement. On our grounds, we began our annual lawn moss control and fertilization routines, as well as applications of moss remover on our hardscapes. Our efforts had a visible effect on abating moss in the lawns and on hard surfaces like our sidewalks, especially on the creek walkways and asphalt driveways.

As we move forward, please remember to keep food sources for rats controlled. Do not feed the squirrels, or birds, or turkeys, or raccoons, or deer, or stray cats. These wild animals do not need our help. And, we should be prepared for the annual onslaught of sugar ants invading our homes. There are many products available to control sugar ant infestation. Sugar ants are very hungry as they awaken in the early spring.

Safety Committee Report EARTHQUAKE ALERTS

ShakeAlert, the earthquake early warning system for the West Coast, became active on March 11 in Oregon. Via the Wireless Emergency Alert (WEA) system, your cellphone will receive text alerts a few seconds before an impending earthquake so you can duck, cover and hold.

You don't need to sign up, but make sure your emergency notifications are turned on. On Apple iPhones: Settings → Notifications ↓ Government Alerts → Emergency Alerts and Public Safety Alerts. The Oregon Office of Emergency Management also has video instructions in its ShakeAlert section. On Android phones: Settings → Apps and notifications → Advanced → Emergency broadcasts → Emergency alert settings.

A mobile app, **QuakeAlertUSA**, can also be used in Oregon. Using data from the US Geological Survey and ShakeAlert, it sends text messages to your mobile device about an earthquake's location, magnitude and expected length of shaking.