

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

- We face a financial crisis in being unable to fund essential capital maintenance.
- We're starting inspections to make sure our Reserve Study will be complete.
- A glimmer of hope: with adequate Reserves we can avoid a crisis like this in the future

Our financial crisis continues to be the big news for us. Our new financial statements clarify the difference between our regular annual operations and our capital maintenance. This gives us a clearer picture of our financial resources.

The basic news is simple: our buildings and grounds have deteriorating conditions in a backlog of capital maintenance projects in the range of \$900,000, and we are now also facing the prospect of roof replacements in the range of \$525,000 over the next five to ten years. As of February, we had \$55,000 as our Reserve, though \$18,000 of that is restricted to work on chimneys. The money from our regular monthly dues goes right out again as we encounter unexpected emergencies (anything health and safety-related).

The figures for our backlog are broad estimates, underscoring the need for the Reserve Study that is now under way. As noted in my letter to homeowners, the Board has directed our Director of Facilities and Operations, Frank Gaddini, to inspect all the units in the development, including their inner patios or courtyards, so that we can make sure we have taken into account all needed capital maintenance both for our backlog and to know how much we need in Reserves to avoid this kind of crisis in the future.

This is an additional burden on Frank's time, so I am stepping in to take up the work of fielding questions and other communications from homeowners. To help us with this, please call or email me instead of Frank (email will be faster). While I will do my best to respond promptly, response time will be slower than it has been.

I know this is grim news, and we certainly have a deep hole to climb out of. There's a glimmer of hope for the future, though. We have spent a fair amount of money on repairing dry rot in our wood siding and structures, but much of that has been caused or worsened by neglect. When properly maintained – meaning properly painted and weatherproofed – wood siding can last a very long time. When painting goes neglected, however, siding can start to deteriorate, and then after a while the structure below the siding begins to be damaged. At each stage of deterioration, the costs to repair go up dramatically. With the proper Reserves in hand, and some reasonable vigilance in oversight, we can keep our buildings in excellent condition.

SPECIAL NOTICE

Homeowner Dues are due on the first of each month.

UPCOMING EVENTS

Next HOA Quarterly Open Forum Business Teleconference:

Tuesday, April 27, 2021
at 7 PM

Next Regular Board of Directors Business Teleconference:

Tuesday, May 11, 2021
at 6:30 PM

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Sharon Kimble, Editor
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**EDGEWOOD TOWNEHOUSE ASSOCIATION
VIDEOCONFERENCE: BOARD OF DIRECTORS
MONTHLY BUSINESS MEETING**

Preserve – Restore – Maintain
April 13, 2021

Call to Order: Board President Paul Turpin called the meeting to order at 6:35 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, Larry Kenton, Sharon Kimble, Michael Maulding, and JoAnn Wilson. Also present was Frank Gaddini, ETA Director of Facilities and Operations. Fourteen homeowners attended.

Approval of Minutes: The minutes of February 23, 2021; March 2, 2021; and March 9, 2021, were unanimously approved.

Financial Report: The ETA Financial Statement YTD February 28, 2021, was presented by homeowner Susan Turpin who has been assisting in developing and refining the new “Funds model” bookkeeping changes approved earlier by the Board. The Board discussed at length the budget category of “Property Sales.” Before a townhouse is sold, an inspection is obtained by the prospective buyer. When emergency repairs which are the responsibility of the Association are discovered, the work is performed as soon as possible. Non-emergency repairs are performed later as a part of the Association’s routine maintenance. The Board decided by consensus that the Property Sales category should be eliminated and all repairs/maintenance revealed as the result of a sales inspection should be included in either the “Planned” or “Emergency” capital maintenance categories. It is not *how* a repair or maintenance item is discovered but whether it is attended to on a planned or emergency basis. ETA Treasurer Dan Goodlett submitted the second half of the Financial Report.

ETA Safety Committee Report: Co-Chair Ingrid Wendt commended the fuel-reduction work of the Northwest Youth Corps and urged homeowners to take the opportunity to say hello and thank the workers when encountering them on the property. Frank Gaddini reported that he meets with Youth Corps members daily for at least an hour. Frank said they were focusing on the West end of the property because it’s so difficult for us to access. All agreed that thank you letters should be sent to AmeriCorps and the Oregon Department of Forestry which awarded the grant. Co-Chair Linda Sage submitted a report to the Board laying out her thoughts on what, if anything, we should do next now that the grounds have been cleared of fuel. The report includes a list of area nurseries where fire-resistant species can be purchased. The goal would be to discourage regrowth of invasive plants such as blackberries and prevent erosion of the creek bed.

Coordinator Reports:

- Technology Coordinator: No report submitted.
- Swimming Pool: Closed.
- Clubhouse Coordinator: Closed.
- Welcome Coordinator: No report submitted.

Facility Report: Submitted.

Educational Minute: Frank Gaddini presented some brainstorming ideas for Board members to consider as they decide when and under what conditions the Pool and Clubhouse might be reopened. Whatever the Board ultimately decides, it is important to begin planning well in advance. Frank stressed that any opening must be based on 1) Oregon Health Authority orders and guidelines and 2) assessed Association risks. The Board will consider the reopening at the May business meeting.

Old Business:

1. **Reserve Study: Progress Report, Impending Shortfall, and Implications for Need to Raise More Money:** Board President Paul Turpin reported that we are getting some good detail filled in on the Reserve Study. Paul showed a sample of the format. When it’s completed, it will show us what expenses we should expect coming up as well as what we will need to save. One major expense over the next 10 years will be about \$540K to replace roofs. This assumes average life spans for our roofs; some may need to be replaced within a shorter time frame. Paul has worked out four different scenarios in order to get estimates of what ETA will be short over a 10-year period. The scenarios assume differing dues levels and whether or not there are also special assessments. Looking at one scenario for the 10-year period starting in 2022 in which these assumptions are made: 1) dues are increased by 4% each year, 2) there are no new special assessments, 3) the projects in the 5-year plan are prioritized, and 4) roofs are replaced over the 10 years, there would be a shortfall of \$1.445M or \$16,056 per household.
2. **Setting FY 2021 Board Goals:** The Board agreed that its goal for the current year is to get a much clearer idea of where we stand financially in order to keep Edgewood solvent and a desirable, marketable place to live.
3. **Succession Plan—Update:** Frank Gaddini stated that he would be willing to remain in his current capacity as ETA Director of Facilities and Operations through FY 2022 in order to help ETA figure out how to structure itself. He did ask if there was a way he could be relieved of managing homeowner questions and requests, a process that can bog him down. Paul Turpin said he would take on the task. Paul will be sending a letter to homeowners about ETA’s financial crisis. In that letter, Paul will also ask homeowners to contact him with any requests for Frank and he will “triage” what needs Frank’s attention. Paul will circulate the draft to Board members before finalizing it.

New Business:

Increase Reserve Contribution from 22% to 28%: The Reserve contribution was initially set at 22% at the time the Funds model was adopted. Several capital maintenance items, which should be under Reserves, were discovered to be still under Operations categories. That meant our Reserve Fund was higher and Operations Fund was lower by about 6% in Jan-Feb than we first thought, so the motion reflected that change. Sharon Kimble asked if it could be decreased again if it proved too high. Paul Turpin said it could, that we’ll look at it every month. Merryn Gregory moved that the Reserve Contribution be raised to 28% and Treasurer Dan Goodlett seconded the motion. The motion passed unanimously.

1. **Parking Waivers:** None submitted.
2. **Interior Patio Inspections:** Frank Gaddini suggested that patio surveys of every townhouse be conducted in order to do the diagnosis for the Reserve Study. Currently, we don't have information on interior patios. Frank said he would start the process immediately and conduct a set number of inspections per week. Frank will do the report and Paul Turpin will put the data in the spreadsheet. The Board agreed by consensus that this process should be undertaken.
3. **Board Retreat:** Board members agreed that Frank Gaddini should organize an off-site Board retreat as he has done in previous years. Frank will find a time and place for a date in May. No Board business will be conducted and there will be no cost to the Association.
4. **Additional Meetings:** Board members discussed whether we need additional meetings to discuss topics like the financial issues and reopening the Pool and Clubhouse. Different days, times, and formats were discussed. It was agreed that Paul Turpin will host an informal meeting on Zoom on April 21, 2021, at 11:00 AM to discuss Pool/Clubhouse compliance issues during the COVID-19 pandemic. The meeting will include some Board members as well as interested homeowners. In addition, Frank Gaddini said he had spoken with one of the two insurance companies that submitted proposals on ETA's master policy. Frank will arrange for 45-minute presentations on Zoom by representatives of the two companies during the month of June. There will be an opportunity for both Board members and homeowners to ask questions.

Announcements:

1. ETA Quarterly Meeting: Tuesday, April 27, 2021, 7:00 PM, by videoconference.
2. The next regularly scheduled Board of Directors Business Meeting: Tuesday, May 11, 2021, 6:30 PM, by videoconference.

Adjournment: The meeting was adjourned at 9:21 PM.

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

Looking Back Over March 2021 Facilities and Operations Report

Frank L. Gaddini, etadirector@email.com

This report is a review of facility and grounds work performed in March 2021.

Originally, March, named after the Roman god of war, was the very first month of the Roman calendar. Symbolically, we can make sense of the arrangement. In the Roman's geographical region, the grips of winter are just beginning to lose their hold in March. It makes sense that a year should begin as a new season of life begins too.

Whether a god of war or agriculture, the personality of Mars is charging, unrelenting, and brutally assertive. We find this kind of fervent focus in the month of March too. At this point in the year, there is no stopping the burgeoning birth of new life. March (and Mars) is a high-speed locomotive on a single-focused monorail with only one objective: *Explosive Expression!*

Temperatures during the month were relatively normal for the season. Daylight and darkness finally reached equilibrium on

March 20th, and the advance towards the longest day, summer solstice, June 21st ensued.

During the month, we recorded and completed ninety-three (93) jobs. We completed Phase 3 of our annual Roof/Gutter Maintenance during the month cleaning thirty-five roofs and gutters and applying moss control to these roofs in our southeast quarter. Our roofs are well maintained and moss-free!

Although maintenance was very routine during the month, we discovered a leak in the roof flashing at 132 Brae Burn. The leak compromised the sheathing, and we removed all compromised materials and re-roofed that portion of the roof's elevation. Under our new accounting report, this type of work is now classified as "*Capital Maintenance*" because the improvement is very durable and expected to last for several years. Also, we now fund Capital Maintenance projects from our Reserves account. Reserves pay for unexpected as well as planned capital maintenance projects, unlike our Special Assessment funds that are restricted to projects specified in the Special Assessment.

Two other unexpected capital maintenance projects arose during the month. The first one that we addressed arose from a slow leaking flushometer in the Men's Restroom at the Clubhouse. The drywall adjoining the urinal was completely removed and new cementitious paneling installed to limit the spread of water damage. The cementitious panel is immune to water and liquid damage. This repair work is also very durable, long-lasting and funded from our Reserves Fund.

Our second unexpected capital maintenance project was both a safety and security matter at 163 Westbrook Way. This double door system had warped and one side became very difficult for the homeowner to open the door in an emergency exit. The double door system also became impossible to lock because of the warping leaving the home unsecured. The new door system was fabricated, installed, and funded from our Reserves Fund.

On our grounds, lawns, and cultivated shrubs, a panoply of sprouts responded to the steady March rains, longer days, and warmer temperatures. Our landscape contractor finally removed the last of defoliated leaf from the Sweet Gum and Pin Oak trees, while mowing the lawns and blowing the hardscapes (sidewalks and driveways). Our Contracted Laborers also performed a number of shrub bed projects, most notably in Driveway 9 (118 through 198 Brae Burn) where we re-barked much of the area and planted several new azalea plants. We also planted three new Sequoia seedlings along our south boundary with the cemetery.

As part of our facility maintenance during the month, we hydro-jetted the patio storm drains at 57 Westbrook Way. Debris clogged this portion of the building's (35 through 67 Westbrook Way) groundwater drainage system. After hydro-jetting and cleaning the drain line, we used cameras to inspect the pipe's interior to assure the removal of rain and ground-water away from the building.

As of this reading, though, we are well into April, the fourth month of the year, which is often considered the second month of spring in the northern hemisphere. The name *April* is rooted in the Latin *Aprilis* which is derived from the Latin *aperire* meaning "to open" – which could be a reference to the opening or blossoming of flowers and trees, a common occurrence throughout the month of April and especially at Edgewood Townhouses. Enjoy the beauty of nature around us.