

The FYI

A Private Residential Community

Newsletter for the Edgewood Townhouse Association

MESSAGE FROM THE BOARD

Preserve • Restore • Maintain

Dan Goodlett

President, Edgewood Townhouse Association president@etaboard.org

Year one of the reserve study has passed. With that comes a harsh reality. The economic and political turmoil that has entangled our nation and world has drastically affected our Edgewood Townhouse Association finances. While the situation is not dire, it is certainly concerning.

ETA President Dan Goodlett presented the preliminary results of our special assessment and reserve study spending at the January board meeting. Let's look at accomplishments first. Using information we have to date, we spent \$638,437 on reserve study projects in 2022, with the majority of the work on townhomes at \$532,000 and the rest on common property. Almost \$200,000 was spent on roofs, \$233,000 in repairs to siding due to dry rot, and \$60,000 spent on painting. We finished roofs on 18 units. We started siding repairs on 75 units and painting on 66 units.

With 18 townhouse roofs completed and 72 remaining to be repaired, we can conclude that there should be a sense of urgency based on inflation in the cost of those roofs. Considering just pitched roofs which cost \$169,000 so far, our reserve study allocated \$123,000 resulting in a budget deficit of \$46,000. If this trend continues, we could be \$120,000 over budget by the time we complete roof projects.

For you who have been paying attention to recent board meetings, you know that this situation is foremost in our minds. The Board has been entertaining many proposals and ideas of how to secure funding for future spending while at the same time keeping a healthy reserve fund balance. I want to emphasize that we are brainstorming, and *the Board has not made any decisions yet.*

Suggestions have been made about cutting operational expenses, reducing services ETA provides, changing dues from 4% possible increase to a higher amount, and others. It is certain that our founding brothers (Breedon Brothers, ETA developer) did not foresee the dramatic changes that have taken place 50 years later. This may be the time to take a hard look at our founding documents, the CC&Rs. In the end, we, the Board, can only suggest. The homeowners of Edgewood have the power to make decisions about positive changes.

SPECIAL NOTICE

Homeowner Dues are due on the first of each month. If using US Mail send to Edgewood Townhouse Association, 95 Westbrook Way, Eugene, OR 97405

Clubhouse WiFi Password:
ww95ww95@E

UPCOMING EVENTS

ETA Quarterly Open Forum Meeting:

Tuesday, January 24, 2023, 7:00 PM. Place Clubhouse and Video Conference.

ETA Board of Directors Monthly Business Meeting:

Tuesday, February 14, 2023, 6:30 PM. Place Video Conference.

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Sharon Kimble, Editor
Email: fyi.editor@etaboard.org

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

Preserve • Restore • Maintain
Tuesday, January 10, 2023

Call to Order: Board President Dan Goodlett called the meeting to order at 6:34 PM. The meeting was held by videoconference. Board members present were: Dan Goodlett, Darell Bidstrup, Jan Connell, Ray Czerwinski, Sheila Dorsey, Merryn Gregory, Patricia Mullen, Wayne Russell, and JoAnn Wilson. Also present was Frank Gaddini, ETA Director of Facilities and Operations. Ten homeowners attended.

Election of Board Officers: Board officer incumbents Dan Goodlett, President; Ray Czerwinski, Treasurer; and JoAnn Wilson, Secretary, ran unopposed and were unanimously reelected to serve for another one-year term. There were two candidates for Vice President, incumbent Sheila Dorsey and Board member Patricia Mullen. Sheila was reelected.

Approval of Minutes: The minutes of December 13, 2022, were unanimously approved.

Financial Reports:

- **Treasurer:** Submitted. Ray Czerwinski, Treasurer, commented that we have two options to bring our Operations spending in line with the budgeted amount: spend less or raise dues and assessments. Frank Gaddini observed that while the CC&Rs require the Association to repay any monies borrowed from Reserve, they do not specify a repayment time frame. Ray concurred but said his sense of urgency about spending stems from rising costs and multiple unknowns. Wayne Russell asked Ray if there was any way to simplify the reports. Ray replied that our format complies with the tax filing format required by the State of Oregon but he would think about a way to highlight where we are overspending in order to identify possible opportunities for savings. Merryn Gregory asked where we are on Reserve Study spending. Frank replied that the \$5,000 Special Assessment for FY 2022 was a fund to address many years of deferred projects and our responsibility was to take care of the worst cases right away. He continued that when the Reserve Study was done, we inspected each property and rated the urgency of replacing each of the 13 capital expense features we are responsible for. (Please refer to Dan's *Reserve Report FY 2022* for additional information. The report was distributed at the October 2022 Annual Meeting. Copies were mailed to homeowners who did not attend. Please contact Dan at president@etaboard.org if you didn't receive a copy.) Ray added that things came up during the year that distracted us such as the Clubhouse furnace, flooding of the Pool and Equipment Room, and foundations. Merryn expressed her concern that that if the Board doesn't know what projects were planned and what we did, we can't go to members and ask for more.
- **Reserve Study Coordinator:** Dan began by saying that, "A Reserve Plan is not an Operations Plan." He continued that not all the data is in yet and he will be working to finalize the *Reserve*

Report FY 2022. It should be ready by the April Quarterly Meeting. Dan reported that 18 roofs have been completed, 20% of our community, and costs were 27% over budget. Some siding was replaced on 75 units, 83% of the community. And every exterior wall that was identified as a #1 priority for painting in the Reserve Study was painted, representing 66 units or 73% of the community. The actual cost for painting is running close to estimates. Merryn asked if it would make sense to use a professional company for a reserve study in order to get better numbers. Ray replied that 99% of what we're seeing is attributable to inflation. Frank added that most of the costs in our Reserve Study were informed by contractor bids and represent sound, confirmed data.

Call for Agenda Items: Both Merryn and Patricia said homeowners need to receive the meeting agenda earlier and that knowing the topics might increase attendance. Dan replied that 75% of those to whom he sends the meeting notice/agenda open the email and no homeowners have notified him that they aren't receiving his email. He added that anyone not receiving the notices should check spam or promotions in Gmail prior to contacting him at president@etaboard.org about being added to the distribution list. Regarding the exact timing, the agenda is not finalized until the Friday before the Board meeting and it is circulated by the following Monday. Wayne asked if the call for agenda items was for the current meeting or future meetings. Dan replied that it depends upon time constraints and the urgency of the item. Wayne said he would like to add these topics: 1) the gate at Westbrook and Brookside; 2) parking; 3) use of common ground for HVACs, and 4) ETA committees (e.g., which are currently active; a description of purpose).

Coordinator Reports:

- **Technology Coordinator:** Dan reported that there are 106 contacts and 100 subscribers on the mailing list for agenda/meeting announcements and electronic copies of the FYI.
- **Swimming Pool:** Closed.
- **Clubhouse Coordinator:** Patricia said that there is good turnout for activities in the Clubhouse, especially exercise classes and movie night. They are looking at adding another exercise class.
- **Welcome Coordinator:** Dan reported that the coordinator attempted to meet with three new homeowners but not all are fully moved in and available.

Landscape Committee: Patricia said she and Ruth Kenney are working on compiling a list of issues to discuss with Frank.

Facility Report: Submitted

Educational Minute: Due to the press of other business, Frank was unable to prepare this item.

Old Business:

No agenda items.

New Business:

1. Goals for FY 2023. Frank presented four goals for the Board to consider during the current fiscal year, all intended to address the Association's funding issues in both Operations and the Special Assessment. They are as follows:

- a. Amend the 4% limitation for annual assessment to allow for a higher maximum percent (CC&Rs, Article IV, Section 3 (a)).
- b. Amend the majority rate requirement for assessment, currently set at two-thirds, to 55% of quorum (CC&Rs, Article IV, Section 3 (a)).
- c. Transfer earthquake insurance to homeowners.
- d. Transfer rat abatement costs to homeowners.

Frank said that passing both or either of the two CC&Rs amendments would be a significant achievement that would give future Boards more flexibility in solving funding issues. The 4% limitation was set in 1970 and is no longer realistic. Dan said that he and Ray would work together to figure out what the maximum percent figure for increasing annual assessments should be.

Regarding earthquake insurance, Frank explained that just one year ago, our policy with American Family included the standard coverages and some earthquake coverage. We now have separate policies for fire and casualty and another separate policy for earthquake coverage. Earthquake coverage alone added \$24,000 to our FY 2022 Operations expenses. Ray said that he finds our CC&Rs and Bylaws unclear as to our responsibilities for insurance coverages. Dan suggested we have a meeting with our attorney prior to making a decision on insurance.

According to Frank the annual budget for Pest Control until not long ago was \$2,000 and was limited to termites. Now we are spending about \$14,000 annually. Much of that increase is due to rat abatement, and the root cause is lifestyle choices that attract rats. ETA has done its part by eradicating a lot of English ivy and dead leaves near foundations so as to deny rats a home. But homeowners need to do their part. Store trash cans in the garage, secure pet food containers, and most importantly, stop feeding the wildlife (birds, squirrels, and deer). The idea of shifting the cost of rat abatement to homeowners will need considerable discussion with homeowners as well as among Board members before we can make a decision.

Board members had additional ideas for reducing expenditures such as charging for usage of the pool, reducing water usage by changing watering practices, and planting more drought-tolerant plants. Frank encouraged them to bring their ideas to future meetings. Finally, Ray said he would like to add to the list the topic of ductless heat pump placement.

2. Looking Forward: Common Ground and Facilities Projects. Frank began by saying that a special assessment is a project an association identifies and then implements, beginning to end. ETA's 2019 Special Assessment for Chimneys is a good example. In thinking about the next four years, Frank put together a ranked list of 10 common ground projects and two facilities projects that are achievable in the next four years if funded by special assessment, whether individually or grouped together. Because of our current funding issues in both Operations and FY 2022 Special Assessment, this is one way to generate funds and move on with important projects.

Common Ground Projects (Ranked)

- a. Groundwater Drainage, 121 WW through 137 WW. This is the last groundwater project to take care of and if unaddressed, it will cause a foundation problem at 137 WW.
- b. Concrete: Horseshoe Walkway
- c. Driveway #4: Complete Asphalt Repairs
- d. Concrete: Stairways at 8 WW and 36 WW
- e. Gate at Westbrook Way and Brookside. An engineered solution could potentially reconcile different opinions about gate positioning and securing (e.g., open/closed and unlocked/locked).
- f. Concrete: Stairwells and Walkway from 100 WW to 136 WW
- g. Westbrook Way Asphalt: Phase 1
- h. Westbrook Way Asphalt: Phase 2
- i. Westbrook Way Asphalt: Phase 3
- j. Groundwater Drainage, Driveway #3. We manage this on an annual basis but ultimately, we need a long-term solution.

Facilities Projects

- a. The foundations at 71WW and 147 WW

Board members asked if these projects were on the Reserve Study (Frank replied they were) and expressed concern about going back to the homeowners for additional special assessments after the \$5,000 Special Assessment in FY 2022. Several said that their understanding was that the \$5,000 would address such projects and enable the Association to reach sustainability. Frank pointed out that the \$5,000 was to get us past the #1 (and the urgent and immediate #0) priority projects in the Reserve Study, and there was never a way it could fund everything. Several Board members said that the Board had not been fully transparent when it advocated for the FY 2022 Special Assessment. Frank pointed out there is nothing in these project lists we haven't discussed. Sheila responded by saying that all of these issues are very complex, that the Board decisions were done in good faith and on sound information, and that, "We have been transparent since Day 1." She continued that we have detailed accountings of everything we've done and are trying with the best information we have to go forward. Frank closed by saying the Board can look at this as an "OMG moment" or as a problem we have to solve. "These projects need to be done. They should be done in the next four years. This is reality."

New Ideas and Questions: Due to the lateness of the hour this agenda item was omitted.

Announcements

1. The next Quarterly Meeting: Tuesday, January 24, 2023, at 7:00 PM, at the Clubhouse and by videoconference.
2. The next regularly scheduled Board of Directors Business Meeting: Tuesday, February 14, 2023, at 6:30 PM, by videoconference.

Adjournment: The meeting was adjourned at 9:56 PM.

Executive Session

JoAnn Wilson, ETA Secretary. Email: secretary@etaboard.org

Looking Back Over December 2022 Facilities and Operations Report and a Frank Point of View

Frank L. Gaddini, etadirector@email.com

This report is of facilities and grounds performed during the month of December 2022. During the month we completed seventy (70) jobs. Thirty-two (32) recorded jobs, or forty-six percent of the work, were part of our Special Assessment and Reserve Fund projects.

At the beginning of the month, we addressed and completed more of our Reserve Study projects. We replaced 80 linear feet of sidewalk at the approach of the Long Bridge's north side, and we will be rebuilding the softscape shoulders along the new sidewalk over the next month. We also completed three flat roof replacements at 30 and 128 Brae Burn Drive and 175 Westbrook Way. Four carpentry Reserve Study projects were addressed to replace rotted wall siding panels at the patio areas of 9, 75, and 79 Westbrook Way, and we performed pre-painting carpentry repairs in Driveway 2 (1 through 31 Westbrook Way). Another Reserve Study project we addressed during the month was the replacement of 80 feet of new groundwater drainage pipe along the east side of 117 and 113 Westbrook Way.

Throughout the year we performed and completed over one thousand two-hundred ninety-one (1,291) discreet jobs. Five-hundred twenty (520) of our jobs, or 40.28% of our work consisted of Special Assessment and Reserve Study projects, including re-roofing, carpentry repairs, painting, concrete, and asphalt repairs throughout the community. Our routine maintenance on the grounds and on our facilities continued as usual during the month of December.

A Frank Point of View.

Three of Ten Qualities of Successful HOA Management

(from <https://www.cedarmanagementgroup.com/successful-hoa-management-qualities/>)

At a glance, it can be hard to tell whether an HOA community is being run well. Sure, everything looks good on the outside. The sidewalks are clean, amenities are well-maintained, and the landscaping is beautiful. But looks can be deceiving. From an insider's perspective, things could be downright chaotic. So, how do you know if your association has successful HOA management?

Signs of Successful HOA Management. What is HOA management in the first place? Simply put, it is the governing of a homeowner's association with the goal of increasing property values within a community. The association's board of directors members, who are elected to office, typically assume this responsibility, sometimes with the help of a professional HOA management company.

However, there is more to successful HOA management than simply collecting dues and hiring contractors to maintain the community. To a regular resident or an outsider, it is difficult to determine whether an HOA community is being run successfully if you do not know what to look for. Luckily, there are some key qualities you can identify in a successful association or HOA, such as:

1. Strong Leadership

Most homeowner associations have a board of directors to lead and govern the community. But, just because there are leaders does not mean an HOA can be considered successful. Your association's board must be *effective* leaders, acting with a clear and shared objective in mind. If your HOA board is comprised of uncommitted volunteers, or volunteers with personal interests, nothing will be accomplished. It helps to have board members who have served on the board for some length of time. It is also a good sign when HOA board members come from different age groups. An HOA board must strike the right balance.

2. Smart Decision-Making

Another quality of successful HOA management is smart decision-making. If your association's board of directors practices this, then you are on the right track. Smart decision-making involves due diligence, research, and considering the community's best interests. Decisions must be discussed by the board, taking homeowner comments into account, and should not be made precipitously, aggressively, or spontaneously.

3. Successful Communication

Communication between the HOA board of directors and residents is very important. It is common for members to complain about not being in-the-know about critical information, like new policies or procedures, regulations, or due dates. If you find yourself often in the dark about these things, it might be that your HOA is not managing its communications properly. You can tell an HOA has good communication when residents are well-informed on matters regarding the community. Successful HOA management usually entails having a website, regular newsletters, and email updates to keep members informed. Additionally, the board should have an established system for getting feedback from residents, whether they are complaints, ideas, questions, or other issues.

Successful HOA Management Starts with You. These key qualities can help you determine whether your community is operating with successful HOA management. You want to be sure your association's money is well spent and that matters are being handled in the best interests of the community as a whole. Aspire to see these characteristics in your HOA. Stay informed by understanding the rules and regulations and by reading the information produced by the Board. This will help you ask the right questions if necessary and provide the most value to your association.

It is common for an HOA to have homeowners who disagree with the leadership. Coming up with alternative ideas in a positive way is helpful. In my honest assessment, your Board of Directors has achieved the spirit of these qualities, even with the contrarianism of a small but vocal group of homeowners.

If this narrative piqued your interest and you would like to learn about the other six qualities of a homeowners' association with successful HOA management, send me an email.