

APPROVED

**BOARD OF DIRECTORS MEETING
MCNARY HIGHLANDS CONDOMINIUM
JANUARY 22, 2007
Page 1 of 2**

**THE MINUTES OF THE MCNARY HIGHLANDS CONDOMINIUMS BOARD OF DIRECTORS MEETING
HELD AT 6:30 PM ON JANUARY 22, 2007 AT 3433 MCNARY PARKWAY, #108, LAKE OSWEGO
OREGON.**

Present:

Bill Barnes, Chairman
Don Adams, Treasurer
Molly French, Secretary
Christine Sutton, Director
Ann Lee Condon, Director

Owners Present:

As indicated on the original sign in sheet

By Invitation:

Nancy L. Reed, Community Manager
COMMUNITY MANAGEMENT, INC. AAMC

I. CALL TO ORDER

The meeting was called to order at 6:33 pm.

II. OWNERS FORUM

Chairman Bill Barnes introduced the Board members. Owner Beth Erlandson was asked to present information to the Board of Directors regarding HOA fee amounts. Owner Jeff Ryder, of unit #803, said that he supported the Board in funding the reserves to prevent special assessments. The Board said that they do not want to impose special assessments, and that the 2002 Condominium Act required Boards of Directors to have a reserve study performed and fund the reserves. Treasurer Don Adams explained the reserve account and what was funded from it. Adams recapped the 2006 income and expenses from the reserves and reviewed projected 2007 expenses, which included \$67,000 to paint the four buildings, \$12,000 for parking lot asphalt, and \$10,000 for trimming and removal of some trees.

Bill Barnes outlined the history of the McNary Highlands condominium development. The McNary Highlands was originally built in 1985/1986 and was converted to condominiums around 1991. The initial monthly assessment was set at that time by the developer and kept at that level for several years by the McNary Highlands Board of Directors. The years from 1991 to now have shown that it was initially set too low to meet capital budget items such as repairing siding, repainting buildings, etc. In 1998, there was a special assessment of roughly \$1,200 per unit.

Due to reserve studies and legal requirements, the board has tried to increase the amount being set aside for large capital replacement expenses (expenses for items with a lifespan over three years). Because of that foresight, the board has not had to ask for a special assessment since 1998 despite \$107,300 of capital replacement expenses in 2006.

Don Adams noted that the increased 2007 budget will mean that capital expense reserve accounts will show a balance at the end of 2006, 2007, and 2008 of \$42,149, \$43,038, and \$36,328 respectively. However, since most of the large expense items are performed during the summer months, the bills come due in September. That means the reserve account balances as of September 30th for 2007 and 2008 will be \$20,268 and \$13,558 respectively. Which is not very much if some unexpected large expense occurs

APPROVED

**BOARD OF DIRECTORS MEETING
MCNARY HIGHLANDS CONDOMINIUM
JANUARY 22, 2007
Page 2 of 2**

III. TREASURER'S REPORT

Treasurer Don Adams presented a review of the year end financial statement. Adams said that there was a surplus of almost \$2,000 in operating, but that the property maintenance expense account was over budget by \$2,100. Adams said that the association was over budget in reserve expenses by \$45,000.

Adams signed the engagement letter for review and tax preparation by Schwindt & Co.

IV. OLD BUSINESS

A. Status of Maintenance Work (gutters/downspouts)

Interstate Roofing is waiting for the final punch list from the Association, and has not been paid for their work replacing the gutters and downspouts. Director Sutton reported a noted problem with the downspout installation on the carport buildings. Sutton also reported that technicians from Interstate Roofing were on site today making a downspout repair.

V. NEW BUSINESS

A. Review of Landscape Maintenance duties/contract

Discussion followed regarding adding sapling eradication to the landscape contract. It was noted there seems to be confusion on the part of Pacific Landscape regarding the scope of the added maintenance items. Nancy Reed will set a meeting with the owner of Pacific Landscape to discuss the performance concerns and the contract additions. Director Sutton will attend that meeting.

B. Landscape enhancement plans for 2007

The Board of Directors discussed proposed landscape enhancements and the concern about increased costs. This will be a topic for discussion when meeting with the landscapers.

C. Tree Pruning/Removal

Owner Ken Sutton reported that the tree committee had met in December and developed a scope of work for evaluating the condition of all trees, mapping the location of all trees and moving forward with the Lake Oswego application process for possible removal of some trees. Nancy Reed will review list of potential arborists and send request for proposal to 5 or 6 arborists.

VI. NEXT MEETING DATE – The next Board meeting will be held on Monday, February 26th.

VII. AJOURNMENT

The meeting was adjourned at 8:30 pm.