

FRE HOA Quarterly Meeting Minutes

Date: Wednesday, March 6, 2019 at 6:00 pm

Location: Sunriver Public Library, Sunriver, Oregon

HOA Board Members in Attendance: Tom McManus, Alisha Petersen, Keli Brinkman, Paul Burton

HOA Members/Guests in Attendance: John Brinkman, Maralee Douglas, Larue Smith, Cooper Brinkman, Rick Thompson, Darla Thompson, Bill Swanson, Alice Carey-Swanson, Aileen Winge, Tina Ward, Rick Bestwick, Charlie Mongoe, Kay Korzun, Diana Kriz-Stowe, Mike Stowe, Jill Kellogg, M.G. "Mick" McMicken, Jeff Fowlds

General/Opening:

Meeting opened at 6:15pm. Quorum of the HOA Board was present. Members of the HOA Board were introduced. Previous HOA Quarterly Board meeting minutes were read by Keli Brinkman and agreed upon unanimously by all HOA Board Members.

Chairperson's Report:

HOA Liability Insurance has been purchased. There was a short discussion in regards as to whether or not liability insurance was required or not. Previous HOA Board members/guests (Aileen Winge, Alice Carey-Swanson, Tina Ward) in attendance voiced concern as whether or not it was legally required – they were told previously it was not required; that because Board Members are volunteers that it would not affect them in the instance of a lawsuit. It was understood, by them, that it would fall under the same idea or similar to the "Good Sam" or "Good Samaritan Law." It was explained by the Chairperson, Tom McManus, that we (the current FREHOA Board) were advised, not only at the HOA Seminar attended, but also by FREHOA legal counsel that the insurance was a requirement, as well as a smart idea.

Treasurer's Report:

Treasurer's Report was read by Alisha Petersen: CD \$13,000; Money Market \$13,000; Checking \$12,137.66. Total \$38,137.66. Accounts are a Long-Term CD and a 90-Day Money Market; both of which are interest-bearing. No new expenses have occurred since the previous Quarterly Board meeting.

Old Business:

Maralee Douglas volunteered to do a reserve study to see if monies in the FREHOA accounts are sufficient for the future – this is to make sure funds in the accounts are adequate in the event of other potential issues down the line. She is also looking into what might be needed in the future - trying to prevent the issue of a special assessment being done. Maralee Douglas would like input/questions from

others in the HOA. Tom McManus mentioned the possibility of raising dues and this discussion/vote taking place at the annual meeting. This raise in dues, if in accordance with the reserve study, would be for looking forward in the event of catastrophic events.

New Business:

The possibility of dues increase – based on the results of reserve study.

Paul Burton – Firewise Community. Paul Burton was given a Certificate from the Firewise Program. Paul mentioned Aileen Winge and Bill Swanson as those who deserved the certificate; since he is new to the program and appreciates all the hard work they have put in to the program in the past years. The Firewise Community certificate has been renewed.

A Board vote is planned for the FREHOA Annual 2019 meeting – 2 positions (Treasurer and Member-at-Large) will need to be filled.

Discussion and Voting on Proposed Resolutions:

The date for the FREHOA Annual meeting, proposed for June 1, 2019; agreed on by all Board Members. A brief discussion was done on the possibility of holding the Annual Meeting at an outside (of the community) location. No AYES were given by Board Members or Guests in attendance on holding the Annual meeting at a location outside of the community. For the sake of information, Keli Brinkman, FREHOA Secretary, is looking into costs of renting a meeting site, potluck, catered, etc. The majority of the HOA/Non-HOA members in attendance called for the Annual meeting to be held in a cul-de-sac in FRE.

Tom McManus has invited the Lapine FD Chief to attend annual meeting and give a presentation. SDAO (Special Districts Association of Oregon) is also scheduled to speak on SRD (Special Road District) organization & management.

Special Road District

Discussion was done on the FRESRD; current HOA bylaws; temporary appointment of SRD members Bill Swanson, Aileen Winge, and Richard Bestwick to the FRESRD until June 1, 2019:

Bill Swanson spoke about the FRESRD. He presented a handout to the HOA Board Members and Guests in attendance. He stated the SRD was made by Oregon law; the original board members were appointed by the HOA; subsequent SRD Board were self-appointed or appointed by other SRD Board Members. Bill stated that, Mick McMicken, a previous FRESRD chairman, stated it was hard to get volunteers for the FRESRD. Bill Swanson stated he was retiring and he got Aaron Francis to start on FRESRD board, and as such, Bill Swanson put Aaron Francis on the FRESRD bank account. Bill Swanson then stated that our FREHOA Chairman, Tom McManus, called Aaron Francis and had an argument on the phone. Bill Swanson stated that Aaron Francis came to him (Bill Swanson) the next day and said he resigned as FRESRD Board Member/Chairman. Bill Swanson then stated that he went to the Deschutes

County Commissioners – explained to them what his side of the issue was – and that he wanted to extend his tenure as well as add new members to the FRESRD Board in order to make a total of 3 FRESRD Board members. Bill Swanson then remarked a few days later he got a call from Laura with Deschutes County Counsel’s office: He was told that Tom McManus showed up at the Deschutes County Legal Counsel’s office upset. Bill Swanson stated he was told the Deschutes County Commissioners ordered the Deschutes County attorney to find a resolution. Bill Swanson then stated that “in order to placate” (the situation) the Deschutes County Counsel’s office stated positions #1 and #2 would be appointed by the FRESRD Board and position #3 would be appointed by FREHOA board.

Aileen Winge (current temporarily-appointed FRESRD Board member) then voiced concern that those who are not in FREHOA should also have a say in the FRESRD. Some lots of the FRESRD are HOA and some are non-HOA.

Rick Bestwick (current temporarily-appointed FRESRD Board member) expressed a desire in wanting to maintain the FRESRD board and to keep it functioning properly.

Tom McManus read from the FREHOA Bylaws, dated 2014 (and approved again in 2017). The 1996 Bylaws version, contain the exact same wording regarding nominating SRD officers, as today. Those bylaws regarding nominations of the SRD by the HOA has never been previously challenged in 27 years.

Mr. McManus stated that he was not going to address many of the inaccurate comments made by Mr. Swanson that he disagreed with, point by point. Mr. McManus also went over and discussed the issues as the HOA Board understands them, and went over a document prepared for the HOA meeting (Attachment 1).

Bill Swanson stated he was appointed by Mick McMicken to the FRESRD Board in 2015; they have not had enough people volunteer to be on the FRESRD board. There has only been one person on the FRESRD Board since in Bill Swanson was in office.

Tom McManus stated the FREHOA was trying to follow the long-standing FREHOA guidelines to appoint members to the FRESRD Board – in order to keep with the FREHOA Bylaws and to maintain democracy. Tom McManus claimed he had asked for information on assets of the FRESRD; these documents were never received in a timely manner. These documents were finally received from Mr. Dennis Doyle, Deschutes County Legal Counsel.

Maralee Douglas stated she had reviewed the FRESRD bank account documents and found only a minor discrepancy (2 cents); which was of no concern. [*Updated Note: Secretary, Keli Brinkman, received documentation/communication from Maralee Douglas on 03/07/2019 noting that the 2 cent discrepancy was located and was solely a calculating error.]

Darla Thompson made motion to move on to another topic.

Kay Korzun asked, "What is the immediate outcome moving forward?"

The remark was made that the "HOA Bylaws are not legally binding; as there is no identified method for receiving nominations for appointment to the board." [*Secretary Note: This remark was made by an unidentified Guest or Board Member in attendance. Please note, there were multiple individuals making remarks and speaking over each other at this time, so some statements were potentially missed or not noted as to the individual who spoke them. Those who were identified are clearly named/marked in the meeting minutes.]

Jill Kellogg stated that, over the years, bylaws have not been followed well, or at all. She also claimed that this current issue has to do with a disagreement between Bill Swanson and Tom McManus rather than the FREHOA or the FRESRD.

Tom McManus remarked that he/we (the FREHOA Board) had only the FREHOA bylaws to go by, passed on by prior HOA Boards. It is the desire of the FREHOA Board to continue with precedent and these Bylaws in using the HOA Board to make the FRESRD nominations – thus allowing a broader group to choose from, as well as a more democratic option for volunteers/nominations.

Paul Burton stated the FRESRD would need to be in the FREHOA Bylaws once it is approved by the Deschutes County Commissioners. Everything needs to be straightened out and working properly.

Tom McManus claimed the FREHOA Board would be presenting to the Deschutes County Commissioners the desire for the FREHOA Board to appoint the FRESRD Board. Options currently on the table are: 1) Move forward with working out the situation with the FRESRD & nominations; 2) The other option is to dissolve the SRD totally (this would mean the roads would be taken over by Deschutes County Road District, if that was an option).

It was pointed out that other SRDs are solely SRD Board-appointed. (Tom McManus noted that those are normally for larger municipalities.) Whatever the outcome, the FREHOA Bylaws will need revision; they will need to be followed as needed/appointed. The FREHOA can bring this matter forward to the annual meeting in a vote, if needed. In regards to the Deschutes County Commissioners meeting, the FREHOA will be sending in a written proposal with a request, and as it has been explained, will be allowed to speak for a few minutes.

It was remarked by some of the current/temporary FRESRD Board Members (Bill Swanson and Aileen Winge) that the FRESRD Board held a Private Board meeting a couple weeks ago. It was remarked by other individuals present that there was no community posting or announcement of an FRESRD Board meeting in order for members to attend and that private meetings are inappropriate. Bill Swanson & Aileen Winge claimed this was an "Executive Meeting" and that as such there was no requirement for announcement. It was also stated by FREHOA Board members/guests present that this was not true; "executive sessions/meetings" are not exempt from community/public announcements and holding such meetings are inappropriate.

Kay Korzun requested for all HOA members in seeing the proposals submitted by the FREHOA ahead of the Deschutes County Commissioners meeting in order to maintain transparency.

Mike Stowe remarked that he feels as though this conflict needs to be worked out; no more talking bad about others (it does not help matters in any way); that we (the members of the HOA and the FREHOA Board) need to follow the FREHOA Bylaws to the letter. We need to find a way to move forward and follow the rules.

Meeting was concluded (*Secretary's Note: I apologize, I failed to note the time of conclusion for the meeting). The next meeting will be the FREHOA Annual meeting on June 1, 2019; location and time TBD. FRE Cul-de-sac or other options are available and an announcement will be made once a decision is rendered.

Signed,

Keli Brinkman

Fall River Estates HOA, Secretary

Addendum remarks by Tom McManus - March 27, 2019

Points of Clarification

1. Mr. Swanson is completely inaccurate regarding any face to face meeting which I may have had "someone named Laura" or with Ms. Sharon Keith, at the County, with whom I have corresponded with regarding the FREHOA nominees to the FRESRD. I have never met with either one of them in person.

This controversy is however in relation to the surprise visit made by Mr. Swanson, complaining to Deschutes County Commissioners on February 6, 2019, a day after I sent a letter to Sharon Keith at the BOCC on February 5, 2019, nominating the three new officers of the SRD.

Mr. Swanson never notified the FREHOA that he was taking any such action. We believed he had resigned as he publicly stated in the December HOA meeting. I believe I had limited telephone calls with Ms. Keith on this topic, but most of this discussion was via email. We were notified by the County attorney, David Doyle, by letter of Mr. Swanson's meeting and the appointment of the temporary officers by the BOCC, on February 7, 2019. Mr. Swanson's comments at the meeting are largely inaccurate.

2. On that point, Mr. Swanson also stated at the March 6th meeting, when asked if he had resigned or not, that he did say so at the December board meeting where he resigned, but that "things changed" since then. The only thing that the FREHOA Board understood which had changed, is that the Board requested on multiple occasions to Mr. Swanson starting in October 2019 with the nomination of Mr. Snitker, for financials from the SRD, which Mr. Swanson refused to provide. These public records were only provided through the Deschutes County attorney, who secured a portion of the documents requested and provided them to the HOA on March 1, 2019.

3. The proposed split of the new SRD Board to be formed, a two SRD appointed, and one HOA appointed member, is true, but was not done to placate the HOA, as further stated by Mr. Swanson.

This proposal is County Attorney David Doyle's position, which he never discussed with the HOA before offering it, in his staff recommendation to the BOCC. The BOCC had not adopted this proposal. However, I did write to Mr. Doyle on March 17, 2019, asking him to retract this recommendation. At this time, this letter is being kept confidential until the meeting with the BOCC on April 15, 2019.

4. The statement made by Mr. Swanson that the SRD nominees can only be made by the SRD is also untrue. ORS 371 allows nominations to be made by SRD's themselves, and also allows the County Commissioners to approve another nomination method.

Apparently Deschutes County approval of the nominations by the HOA occurred long ago, based on 27 years of the history of the bylaws. If this had ever been challenged previously, the bylaws would have been changed by previous HOA boards, to reflect a different practice.

I have spoken to many Deschutes County SRD Board chairman prior to this HOA Board meeting. I have been told the fact is, that many are "stand alone" SRD boards, with no HOAs. Therefore, for these Road Districts, there is no other means of nomination.

5. While it is certainly true that Mr. Swanson and I have a disagreement on this issue, I disagree as has been stated, that this is a personal matter at all. This is about following the bylaw rules as we know them, and the Oregon Revised Statutes for SRD's.

6. To all HOA and non-HOA members of the Fall River Estates community, please understand that the current officers have done just that. Follow the rules. We are deeply concerned that the community has again had to struggle, and expend significant time and HOA money, for a few members that do not accept the need to exit gracefully at the end of their terms, and turn over all records of the HOA or the SRD. These are public records, and each and every member of the HOA and the SRD are entitled to see them, promptly, when asked.

We have also prepared a draft resolution to amend our bylaws at the annual meeting, sent in our last email blast on voting and balloting, to compel all future HOA Board members to do exactly that. Retire gracefully and return records that do not belong to them individually. It is unfortunate that this step is needed, to enforce what is just common sense.

Tom McManus

Fall River Estates HOA Board Chairman

Term 2018-2020