



Fanno Creek Townhomes Owner's Association

P O Box 23892
Tigard, OR 97281

Board of Directors Member Meeting Minutes
July 18, 2023

Opening:

The Member Meeting of the Board of Directors of Fanno Creek Townhomes Owner's Association was called to order at 7:05 PM on July 18, 2023 by President, Laura Donaca.

Board Members Present:	President	Laura Donaca
	Treasurer	Chelsea Smart
	Secretary	Matt Friesen

Members in Attendance: Heather Macdonald, Carey Lachenmeier, Jason Ling

A. Approval of Agenda

The agenda was unanimously approved as distributed.

B. Approval of Minutes

The minutes of the previous meeting were waived.

C. Treasurer's Report

The treasurer's report was waived.

D. Open Issues

1. None

E. New Business

1. Repairs and Maintenance

The Board has been actively making necessary repairs and still have several scheduled, but we are not out of the woods, more repairs need to be completed. The following is what has been and is scheduled to be done: repairing the steps and entryway for units 7545/7575 which was completed June 29, 2023, partial re-roofing on building one for units 7595/7585 scheduled July 19 thru 21, 2023, repair, caulking, and painting the front of all three (3) buildings including house color, accent, and trim which is scheduled for the week of Sept 18, 2023, repair of steps and entryway of other units - not yet scheduled.

Our current funds standing shows: \$23,785.84 in the operation checking account and \$8,000.25 in the savings account totaling \$31,786.09 whereas the scheduled maintenance expenses total \$44,167.80 a difference of \$12,381.71. Because the work scheduled to be completed is not a "major repair or replacement" as legally defined, payment for the expenses cannot use the reserves funds. The reserves funds are mandated by law to cover "major repairs or replacement of fixed assets". To be considered a "major repair" it must encompass a complete repair or replacement, not partial. Or generally must have been due to unexpected damage caused by weather or some activity not under the control of the association such as a fallen tree or extreme windstorm. To qualify as a "replacement of a fixed asset" the entire fixed asset must be replaced whereas we are performing a maintenance by replacing only a portion of the unit's paint therefore the \$16,702.42 we have in the reserves account cannot be used unless we establish a loan from the reserves to the operating account which is extremely costly.

In addition to the scheduled maintenance items, there are the general operating expenses to consider, window and gutter cleaning, landscaping and the large expense coming due in October for the liability insurance. The board has been crunching numbers for the past several months in attempts to afford the necessary maintenance repairs. The only solution is to levy a special assessment to make up the deficit in cash flow. Motion by Laura Donaca was made and seconded by Matt Friesen to make a special assessment in the amount of \$2000.00 from each lot owner; the schedule for this assessment is \$1,000.00 due by September 30, 2023 and the balance due by October 31, 2023.

The following topics were discussed: why an assessment and where the money is going, exterior lighting replacement and installation of all three (3) buildings, replacement and installation of house numbers, repair, caulking, painting of all buildings, repair, replacement of steps and entryway on other units, enable necessary amount of money in reserves to cover unexpected repairs and/or replacements. Several years ago, this association had an extreme financial outlay as a result of lack of proper maintenance of the property. This Board is taking this action to avoid a future recurrence.

Homeowner associations are regulated by the state laws related to Planned Communities. Tax returns are filed wherein the money collected from the homeowners and spent must be properly identified. Mismanagement of funds may cause the association to run out of money, which could force bankruptcy with costs incurred from borrowing money that would be catastrophic including and not limited to a possible loss of assets. As a community we are all in this together and it will not be easy on any of us by any means. As mentioned, the board has been crunching numbers for months, scheduled and rescheduled repairs to fit cash availability and enable continuation of necessary repairs and replacements. To avoid bankruptcy, this special assessment is our only option.

The vote was taken and the motion passed. A special assessment of \$2,000.00 is levied on all eleven (11) homeowners due as follows: \$1,000.00 due September 30, 2023 and \$1,000.00 due October 31, 2023.

F. Adjournment:

Meeting was adjourned at 7:27 PM in Tigard, OR. by President, Laura Donaca. The schedule for the next meeting is October 24, 2023.

Minutes submitted by: Laura Donaca, President