



Meeting Minutes Board of Directors Meeting November 28, 2011, 7:00 p.m.

Pursuant to notice duly given a regular meeting of the Board of Directors of the Mountain Park Home Owners Association was held at the Clubhouse on Monday, November 28, 2011. Present at the meeting were Directors Barton, Dod, Nelson, O'Connor and Warren. Mayor Jack Hoffman and GM Lemoine were also present. Director Sangrey was absent.

Call to Order - The meeting was called to order by President Nelson at 7:00 p.m.

1. Visitor Comments & Letters to the Board –

- a. **Mohammad S. Rahman** – Notice of claim (accident 7.20.2011).
- b. **Luigi Bogni** – Three letters regarding CPWR as requested by property owner of 77 Garibaldi. Board to review CPWR policy in 2012.
- c. **Lake Oswego Mayor Jack Hoffman** –
 - i. Request of e-mail blast to announce February 2, 2012 Summit regarding city master plan.
 - ii. Water & sewage update.
 - iii. Urban renewal district: Foot Hills water front neighborhood development.

2. Appeals to the Board – None.

3. Minutes of Board Meeting –

- a. Director Warren made a motion to accept the October 24, 2011 minutes as written. Director Barton seconded the motion and upon vote by the Directors, the motion passed unanimously.
- b. Director Warren made a motion to accept the November 14, 2011 minutes as written. Director Barton seconded the motion and upon vote by the Directors, the motion passed (4-0); Director O'Connor abstained.

4. Committee Reports –

- a. Architectural Committee (ARC) – No meeting in November.
- b. Compliance Committee – Meeting report of November 8, 2011.
- c. Clubhouse Committee – Meeting report of November 21, 2011.
- d. Reserve Committee - Director O'Connor presented the 2012 Reserve Projects proposed by the Reserve Committee. The Reserve expenditures have a five percent contingency for all projects which include construction. The Reserve Committee will present details for the roofing project at a later date as well as the details of the water pipe repair project. Several items have been scheduled for replacement in the Reserve Study, but are not listed in the 2012 Reserves Projects. These items are either pushed back beyond 2012 or on hold until the landscape master plan has been completed.

5. Financial Documents – GM Lemoine presented the October 2011 financials and key performance Indicators.

6. Resolutions –

- a. Director Warren made the motion to set the **2012 annual assessment** amount for the single family living unit at \$863.60 as recommended by accounting staff. Director Barton seconded the motion and upon vote of the Directors, the motion passed unanimously.
- b. Director O'Connor made the motion to **appoint Luigi Bogni** to fill the remainder of the term of Director Bogni. Director Warren seconded the motion and upon vote of the Directors, the motion passed unanimously.
- c. Director Warren made the motion to approve the 2012 Reserve projects funded by the Mandatory Reserve Fund in the amount of \$179,375.00 as proposed by the Reserve Committee. Director Warren seconded the motion and upon vote of the Directors, the motion passed unanimously. The 2012 Reserve Projects are:

Room Name	Item	Bid \$
Exterior Balcony - East	Patio Furniture	\$ 4,000
Landscape/Maintenance Bldg.	Siding/Plywood	\$ 9,765
Fitness	Cardio Equipment	\$ 9,350
Fitness	Strength Machines	\$ 14,334
Landscape/equipment	Mower-Honda 21"	\$ 1,139
Landscape/vehicles	2005 Chevrolet Dump Truck	\$ 49,932
paths & trails	Asphalt Paths/Total Mt. Park	\$ 45,340
IT	Computer replacement allowance	\$ 6,500
The Playschool	Fire Alarm-ADA Upgrade	\$ 10,725
Lobby	Fire Alarm-ADA Upgrade	\$ 10,922
Landscape/equipment	Trailer	\$ 3,450
Lobby	Lobby light/esthetics	\$ 5,300
Various	Water pipe replacement scope & design	\$ 4,300
Proposed reserve projects for 2012		\$ 175,057
Construction contingency of 5%		\$ 4,318
2012 Reserve Fund Board approval		<u>\$ 179,375</u>

- d. Director Warren made the motion to rescind the resolution made on September 26, 2011 of the description of the Interest Contingency Fund and replace with the following description. Director O'Connor seconded the motion and upon vote of the Directors, the motion passed unanimously.

Whereas, the mountain park board borrowed an additional \$250,000 during the construction period of the 2009 renovation project for the purpose of creating a contingency fund for any additional interest burden that might be created when the construction loan interest rate adjusts in June 2013 for the next three years (July 2013- June 2016) in order to not impact the operating budget,

Whereas, the current interest rate is 6.3% and could adjust to a rate in a range of 5.8% to 8.8%,

Whereas, the board also contemplated that if the entire \$250,000 contingency fund was not needed to offset any increase in loan payments, the balance the fund would be used to pay down the principal balance,

Therefore, be it resolved that the board of directors shall use the entire Interest Contingency Fund to first, fund any difference between the current mortgage payments and adjusted mortgage payments beginning in June 2013 for the next three years loan payments after the rate adjustment in June 2013, if desired, and second to use any remaining balance of the fund to pay down the principal of the loan. If funds are available for principal pay down, the pay down shall be paid no later than July 31, 2013. In any event, the fund shall sunset before July 31, 2016 and any balance in the fund shall be paid against principal. At any

time the board deems that the fund is no longer necessary as a safety cushion for loan payments, it shall pay the balance of the fund towards principal and close the fund.

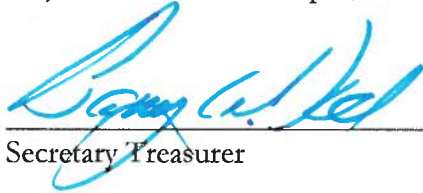
For example, if the current loan payment is \$466,000 per year and the new loan payment after the interest rate adjustment is \$500,000 per year, then \$102,000 of the fund could be used to make up the difference in payments and \$148,000 of the fund would be used to pay down the principal in July 2013. The remaining 102,000 would be drawn down, monthly, to cover the increase in payments. The fund would then have a zero balance by June 2016 and the fund would be closed.

For example, if the current loan payment is \$466,000 per year and the new loan payment after the interest rate adjustment is \$451,000 per year, then the entire \$250,000 would be used to pay down the principal before July 31, 2013 and the fund would be closed.

For example, if the current loan payment is \$466,000 per year and the new loan payment after the interest rate adjustment is \$500,000 per year. The board, however, decides (for whatever reason) that the fund is not needed and the increase in payments can be absorbed some other way, then the entire \$250,000 would be used to pay down the principal before July 31, 2013 and the fund would be closed.

7. **Old Business** – Reviewed the e-mail from Peter Watts, attorney, regarding the motion at the annual meeting to **ratify the Board's actions**. There is no required authority either under the statutes or the Association documents which require that the members ratify the Board's action every year.
8. **New Business** – None.

Adjournment – At 9:10pm, the meeting was adjourned.



Secretary Treasurer