

FOREST HEIGHTS HOMEOWNERS ASSOCIATION, INC.

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BOARD OF DIRECTORS MEETING MINUTES

Tuesday, April 13, 2010

FHHOA Office

Attendance:

Board Members:

Present: Eric Butterfield, Jayne Calkins, Pam Cavagnaro, Sherrill Corbett, Michael Fletcher, Stuart Roberts and Joseph Schutz (arrived at 6:08 pm)

Absent: None

Association Counsel: Stuart Cohen

Association Management Present: Stephen Herr, General Manager; Molly McManus Oliver, Compliance Coordinator

Committee Chairs: None

Owners: Ric Barton, Jay McAlonen, Julie Peterson, Mary Shuhert and Lee Unkefer

Guests: Rob Carson and Daniel Covington, MB&G; Mike Peebles, Otak

CALL TO ORDER

The Forest Heights Homeowners Association Board of Directors (FHHOA) meeting was called to order at 6:05 pm by President Fletcher.

OPEN FORUM

Resident Julie Peterson presented questions from residents of the Brownstone Homes sub-association about the financing of the Mill Pond project.

Resident and FHHOA Budget and Finance Committee member Mary Shuhert asked about the vendor contract negotiations on the agenda for the evening's executive session. She stated she thought only personnel issues were to be discussed during an executive session. Association Counsel Cohen stated that the use of executive session to discuss contracts still under negotiation is appropriate.

The following letter from residents Scott Dietterick, Julie Peterson and Ric Barton was requested to be included as part of the meeting minutes:

Questions submitted to FHHOA Board of Directors

Re: Mill Pond Project

Dear Board Members:

How does the FHHOA Board of Directors intend to pay for any shortfall between funds in reserve for the Mill Pond Project, if any, and the actual costs of the Project?

How much money is there currently in reserves to pay for the Mill Pond Project?

Respectfully,

Scott Dietterick, Julie Peterson and Ric Barton, Brownstone residents

CONSENT AGENDA

Approval of Minutes from the March 9, 2010 board meeting

Motion by Vice President Butterfield to approve the minutes, second by Treasurer Cavagnaro. Motion passed unanimously.

MILL POND RESTORATION UPDATE

Manager Herr introduced Bob Carson and Daniel Covington from MB&G and Mike Peebles from Otak. He then updated the board on the progress made on the project since the last board meeting. Soil samples taken from Mill Pond came back clean for contaminants; based on the topographical mapping of the pond, there is 12,000 cubic yards of soil that needs to be removed; Leahy Construction has adjusted their costs to \$32.00/cubic yard, stating this is their best estimate of an inclusive cost for dredging and disposing of the sediment. The original estimate of \$202,920 (which has been planned for in the reserve study) assumed a per unit removal cost of \$20 and the removal of 7,260 cubic yards of sediment.

Manager Herr described the tight time frame that must be adhered to in order to accomplish the dredging this year. Mr. Covington from MB&G described the permitting process. In order to dredge this summer, permits would need to be applied for by May 1st. He stated these permits typically are active for 5 years, so they could be used in 2011 should the project not be completed this year.

There was conversation about putting the dredging portion of the project out to bid, as it is the single most expensive component of the project. The consultants stated that an accurate RFP (request for proposal) could be written once the technical/consulting work on the permit applications had been completed. RFPs could be sent out before the permits were actually issued.

The board asked the consultants if there were options that would reduce the need to dredge the pond or lengthen the time between dredging. The possibility of converting the pond to a planned wetland was mentioned. This led others to ask what the pond might look like while it transitioned to a wetland. They consultants were also asked what would happen if nothing was done to the pond. Mr. Peebles commented that the City of Portland would eventually look at the storm water master plan for Forest Heights and hold FHHOA to whatever the stated requirements are for Mill Pond as a retention facility.

The consultants were asked what professional fees would be required for them to get the dredging permits filed and gather enough technical information to generate a dredging RFP. Including professional fees and permit submission, the total would be approximately \$40,000.

Motion by Vice President Butterfield authorizing the expenditure of \$23,647 to Otak and \$11,909 to MB&G, plus the permit costs, to move the Mill Pond project to an RFP stage; second by President Fletcher.

Before the vote, Director Roberts commented that there are a number of different ways to remove the silt from Mill Pond, and he's not sure that all the options have been explored. Treasurer Cavagnaro asked the consultants if any of the professional services put towards the Mill Pond project could be applied to a wetlands application. Both MB&G and Otak said no.

Voting in Favor: Butterfield, Fletcher

Voting Opposed: Show of hands in opposition not called; motion failed

Director Roberts suggested asking the consultants to examine and present all of the options for Mill Pond and recommend what they believe is the “best” option. And if dredging is preferred, could they present any creative solutions or available options for dredging?

Motion by Secretary Calkins to authorize spending up to \$10,000 with consultants MB&G and Otak to obtain cost information on all options regarding Mill Pond, second Director Roberts. Motion passed unanimously.

TREASURER/FINANCIAL REPORT

Treasurer Cavagnaro discussed the audited financial statement for the year ending December 31, 2009, which had been sent to board members prior to the meeting. She asked if there were any questions about the report; there were none.

Motion by Treasurer Cavagnaro to approve publishing the audited financial statement for the year ending December 31, 2009, second by Secretary Calkins. Motion passed unanimously.

Manager Herr discussed the tax opinion letter from association CPA David Schwindt in which the accountant recommends filing tax form 1120 H. This opinion letter was requested as a result of the audit.

Motion by President Fletcher to approve the filing of tax form 1120 H based on the letter of April 7, 2010 from CPA Schwindt, second by Director Corbett. Motion passed unanimously.

MANAGEMENT REPORT

Manager Herr presented his management report to the board (see attached report).

DISCUSSION RELATING TO MANAGERS REPORT

Pippen House: Manager Herr wanted to make sure all board members knew that the Pippen house is not a viable option for a community center, as was previously suggested to the board. Washington County will not support a residential use variance for the property.

EcoShuttle Contract: Manager Herr reported that EcoShuttle has proposed a contract increase of \$19,520.25 as they have determined they have had a cost overrun of 14% during the first year of the contract. Manager Herr stated he discussed the request with the Safety, Streetscape and Transportation Committee, which has asked Manager Herr to go back to EcoShuttle and ask them how services might be reconfigured to keep the shuttle contract at its current rate.

Volunteer Reception: Manager Herr reminded the board that the Volunteer Reception is set for this Friday, April 16th at the Paragon Restaurant from 6 – 8 pm.

UNFINISHED BUSINESS

a. Willamette Landscape Contract Ratification

Manager Herr noted that a value-engineered contract has been negotiated with Willamette Landscape. He stated the contract provided a gain of 8-10% a year in value, and provides for a three year savings of over \$35,000.

Director Roberts asked if the price of the contract was fixed for the three year period. Manager Herr answered that the annual increase in costs is capped to the actual Consumer Price Index (CPI—All Urban Areas) with a maximum increase of 3% a year. Recent CPI data suggests the annual increases will be significantly less than the 3% maximum.

Motion by Director Roberts to approve the Willamette Landscape Contract, second by Director Schutz. Motion passed unanimously.

b. Park & Recreation – Lot 265 Plans

Manager Herr reported that the installation of the landscape plan for lot 265 had been put out to bid with four contractors. The bids ranged in price from \$47,480 - \$74,695. Manager Herr interviewed the lowest bidder, Cascadian. They specialize in commercial landscape installations, have lower labor costs and own both their own heavy equipment and a nursery.

Director Roberts expressed concern about the landscape design firm. He noted a member of the G2 Committee wanted clarification that the lot plan designer was a landscape architect. Park and Rec Committee Chair Butterfield stated that the design firm was highly recommended and he is confident in the design of the plan.

Motion by Vice President Butterfield to contract with Cascadian to install the landscape plan according to their bid, second by Director Schutz. Motion passed unanimously.

c. ARC Solar Guidelines

Motion by Director Corbett to approve as written the ARC Solar Guidelines, second by Director Schutz. Motion passed unanimously.

NEW BUSINESS

a. Review of Annual HOA Meeting Agenda (May 4, 2010 – 7:00 pm)

Manager Herr asked board members to arrive by 6:45 pm, and to promote committee and volunteer involvement. He stated quorum for the meeting is 362. Association Attorney Cohen agreed to be the inspector of the election.

Manager Herr's plan is to have an informal question session at the end of the meeting, where residents can approach board members one-on-one. Director Roberts stated he wanted to make sure there was a report about the status of the Mill Pond project. He also thinks residents may have questions they want to ask the board. It was then agreed to hold the question and answer session at the end of the meeting before it is adjourned, so that all residents can ask questions and hear answers.

b. Review Office Elections Procedures (May 11, 2010)

Manager Herr reviewed the guidelines for board officer nominations and director voting, which will occur at the first board meeting (May 11, 2010) after the annual meeting. Consensus of the board was that the guidelines looked good. Manager Herr stated he would provide the information to all three of the board candidates, so that they would know what time commitments for board activities they would have in between the annual meeting and their first board meeting.

EXECUTIVE SESSION

Motion by Director Corbett, second by Director Schutz to go into executive session to discuss contract negotiations and personnel matters. Motion passed unanimously.

The board then went into executive session. Upon exiting executive session the following motions were made.

Motion by President Fletcher directing Manager Herr to negotiate a lease extension for six months while the association looks into other office leasing options. Motion second by Director Corbett. Motion passed unanimously.

Motion by Secretary Calkins to approve a base salary increase of \$5,000 for General Manager Herr. Motion second by Director Schutz. Motion passed five to two.

Attorney Cohen was directed to amend the employment agreement.

ADJOURNMENT

The meeting was adjourned at 8:46 pm by President Michael Fletcher.

Respectfully submitted,

[/Jayne Calkins/](#)

FHHOA Board Director, Secretary

[/May 5, 2010/](#)

Date