

**King City Highlands Homeowners Association  
Board of Directors Regular Meeting  
March 24, 2021**

**Minutes of the King City Highlands Homeowners Association Board of Directors Meeting held on March 24, 2021 at 3:00 p.m. via Zoom meeting software.**

**KCHOA is an Oregon Planned Community restricted to residents fifty-five (55) years of age or older.**

**Present at Board Meeting:**      **Mike Dahlstrom, President**  
   **Judith Baese, Secretary**  
   **Cheri Stanley, Treasurer**  
   **George Buckmaster, Director**  
   **Jerry Crane, Director**  
   **Bonny Chown, ALC Chairperson**  
   **Mary Kelly, Finance Chairperson**

- I.     **Call to Order:** The Board Meeting was called to order at 3:40 p.m.
  
- II.    **Establish Quorum:** A quorum was established.
  
- III.   **Approval or Amendment of the Agenda:** Dahlstrom asked to remove #b HOA IT Support from New Business at this time. **Agreed:** Crane moved and Buckmaster seconded to approve this amendment to the Agenda. Passed without objection.
  
- IV.   **Board Member Updates:** There were no updates.
  
- V.     **Approval of revised January 27, 2021 and February 24, 2021 Board Minutes:**  
**Agreed:** Crane moved and Stanley seconded to accept the revised January 27, 2021 and February 24, 2021 Board Minutes. Passed without objection.
  
- VI:   **Treasurer’s Report:** Treasurer Stanley reported **\$349,607.13 in the Operating Fund** and **\$376,398.84 in the Reserve Fund** for a **total of \$726,005.97**. **Agreed:** Dahlstrom moved and Buckmaster seconded to accept the treasurer’s report. Passed without objection.
  
- VII.   **Unfinished Business:**
  - a. **Finance Committee Version 2.** At the February 24, 2021 Board Meeting Mary Kelly, Finance Chairperson presented a proposal to establish a Reserve Disaster Fund, a

Reserve Contingency Fund and a Operating Contingency Fund. Discussion followed and questions from the previous Board Meeting were answered.

**Why Do We Need These Funds?** At the December 20, 2018 Board Meeting the Board decided to set aside sufficient Reserve funds to cover the insurance deductibles on the Clubhouse. The insurance policy at this time is \$200,000. The decision of the Board at that time lives only in the meeting minutes and had not been codified with a resolution.

The Finance Committee proposes using the existing bank accounts for the Operating and Reserve funds and designating them as current year budget, contingency and disaster accounts to present a clearer picture of the HOA finances to the community. Crane stated that the deductible on the Clubhouse should never go below \$200,000. and that a new evaluation on the value of the building should be done.

**How Will These Funds be Redistributed?** **The dollars shown below are based on the account balances as of 12/31/2020. *The Reserve Checking account at Home Street Bank will be used for current year budgeted expenses.***

- **5%** of the annual HOA dues will move to the account from the Operating Account (current practice). For budget year 2021 that amount is **\$15,312**.
- **\$25,000**. will remain in the Reserve Checking account from the previous year to provide funds for expenses until transfer fees are booked.
- Transfer fees (1% of home sales) will continue to go into the Reserve Checking account as current budget year income.
- The remaining balance in the Reserve Checking account at Home Street Bank, **\$84,648.46** will move to the Reserve Money Market account at Home Street Bank **to fund** the Reserve Contingency Account

***The Reserve Money Market Account at Key Bank will be used for the Reserve Disaster Fund.*** **\$116,142.23** will be transferred from the Reserve Money Market account at Home Street Bank to bring the Reserve Money Market account balance at Key Bank to **\$200,000**.

***The Reserve Money Market*** account at Home Street Bank will be ***used for the Reserve Contingency Fund***. Any remaining balance will remain in this account for unexpected Reserve expenses.

***The Operating Checking account at US Bank will be used for current year budgeted expenses.***

- The account will initially be funded with \$150,000.
- The remaining budget funds will be held in the US Bank Money Market Fund and transferred when the Operating Checking Account at US Bank drops below \$50,000.

- **NOTE:** The total deposit at US Bank **will exceed** the \$250,000 FDIC Insurance guarantee.

The Operating Checking account at Key Bank will continue to be used for the Volunteer Fund.

The **Operating Money Market** account at Home Street Bank and the **Operating CD** account at Columbia Bank will be **used for the Operating Contingency Fund**. Any remaining balance will remain in this account for unexpected Operating expenses.

When the Operating CD account at Columbia Bank is ready for renewal, funds in excess of \$TBD from the Operating Money Market Fund at Home Street Bank, will be added to the Operating CD account at Columbia Bank prior to renewal.

The Finance Committee asked the Board to support this proposal. **Agreed:** Crane moved and Dahlstrom seconded to accept this proposal. Passed 4 ayes, 1 nay.

**b. DRAFT Version 2 Revision to Resolution #2013 -3 Reserve Funds:** Discussion ensued regarding the corrections in Section 1. #A and Section II. #E.

**Section I, #A** correction reads: Additions to the association's common property elements will be added to the Reserve Study for future maintenance, repair, and replacement **but** the cost of construction or acquisition **for new capital assets** will not be taken from the Reserve Fund.

**Section II, #E** correction reads: **Use an amount >\$500.00 as a basis for adding a new capital asset to the Reserve Study Component Inventory of Capital Assets.**

**Agreed:** Crane moved and Baese seconded to accept these revisions to Resolution#2013-13. Passed 4 ayes, 1 nay.

### **VIII. New Business:**

**A. ALC:** Bonny Chown, ALC chairperson presented the following proposals.

**a. Pro-Maintenance** presented a proposal of \$3,300. to pressure wash inside and tops of brick wall surrounding condominiums, shoulders and front of clock tower along Peachvale/131<sup>st</sup>./Dickson St. to be paid from GL #20-7720. **Agreed:** Stanley moved and Crane seconded to accept Pro-Maintenance proposal. Passed without objection.

**b. Bark Blowers** presented a proposal for a minimum of \$1,257.00 to a maximum of \$1,676.00 to finish original bark dusting job. The original crew did not bring enough material to complete the job the first time. To be paid from GL #20-7615. **Agreed:** Crane moved and Buckmaster seconded to accept Bark Blowers proposal. Passed 4 ayes, 1 nay.

c. **Landscape East and West** presented a proposal for \$1,253.00 to blow in 2 units of Fresh Fir Bark in all open beds in Dickson Triangle. Rough areas to be smoothed out prior to bark being blown in. To be paid from GL #20-7615. Agreed: Crane moved and Buckmaster seconded to accept Landscape E&W proposal. Passed with 4 ayes, and 1 nay.

**Board Meeting adjourned at 5:00 pm for Executive Session.**

**Board Meeting resumed at 5:19 p.m. Agreed:** Buckmaster moved and Stanley seconded that the Board waive one-half of the HOA late fee recission requests for four (4) homeowners whose annual dues reached CMI after the deadline. Passed without objection.

- IX. Next Meeting:** The next scheduled Board Meeting will be on Wednesday, April 28, 2021 beginning at 6:30 p.m. for Town Hall with Board Meeting to follow.
- X. Adjournment:** The Board Meeting was adjourned at 6:00 p.m. Agreed: Dahlstrom moved and Baese seconded to accept adjournment. Passed without objection.

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Judith Baese, Secretary

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Approved:







