

Arbor Ridge Homeowners Association

President's 2021 Report

Introduction

Thank you for attending our Homeowner's Annual Meeting. It has been another tough year for everyone so we really appreciate you taking the time to join us here tonight. The purpose of the meeting is to inform Arbor Ridge homeowners about what we have been doing this year and give you an opportunity for comments. It is also a good time to share with you possible HOA projects for 2022.

Current Board Members, Terms - 4 Positions Open for Election

Below are the names and terms of the current HOA Board of Directors. Due to 2 terms expiring and 2 vacant positions, there are 4 total positions open for election.

Board of Directors - 7 total positions
4 positions open for election at this Annual Meeting

Board of Directors	Term
Joe Lopez, President	2020 - 2023
Todd Behunin, Secretary	2020 - 2023
Kay Syravong, Treasurer	2018 - 2021 (expiring)
Mike Farris, Director	2018 - 2021 (expiring)
Issac Romero, Director	2019 - 2022
Vacant	2020 - 2023
Vacant	2019 - 2022

2021 Operating Budgets

Both Main and Cottage homes budgets are doing well. Our continued careful HOA Board review of expenditures has kept overall expenditures within budget amounts. When we have a proposed expenditure project we check the cost to see if it makes sense. We also review to make sure we have sufficient funds to pay for it without damage to the overall budget. For both Main and Cottage budgets, water for irrigation has been the one major expenditure that can vary a lot. However, we now have AMS reporting to us **actual** monthly expenditures for water.

This, combined with a consistent watering schedule, is giving us a great ability to monitor water use costs and plan for the future.

2022 Budget Overview

As difficult times for many households continue, it is fortunate that good management practices make it possible to have only minor assessment increases in the proposed 2022 budgets.

The annual January 1 assessment for all homes increases \$5 from \$357 this year to \$362 for 2022. The semi-annual assessments for Cottage homes also increases \$5 from \$250 to \$255 for 2022. **In 2022 for Cottage homes the total annual assessments will be \$872 (includes home front yard landscape services). Non-Cottage homes pay \$362 a year.** These are the major cost categories for each budget.

Main Budget Major Cost Categories

- Reserve Transfer
- Management Fees (Associated Management Services NW, AMS)
- Irrigation Water
- Landscape Contract

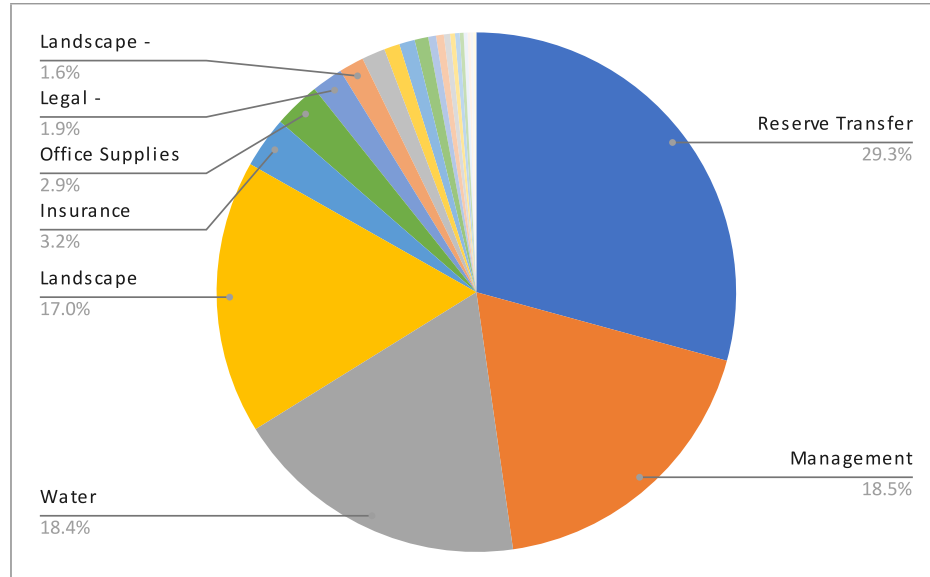
Cottage Budget Major Cost Categories

- Landscape Contract
- Reserve Transfer
- Irrigation Water

The following charts and pie charts detail the spending categories for each budget and the budget shares of each cost.

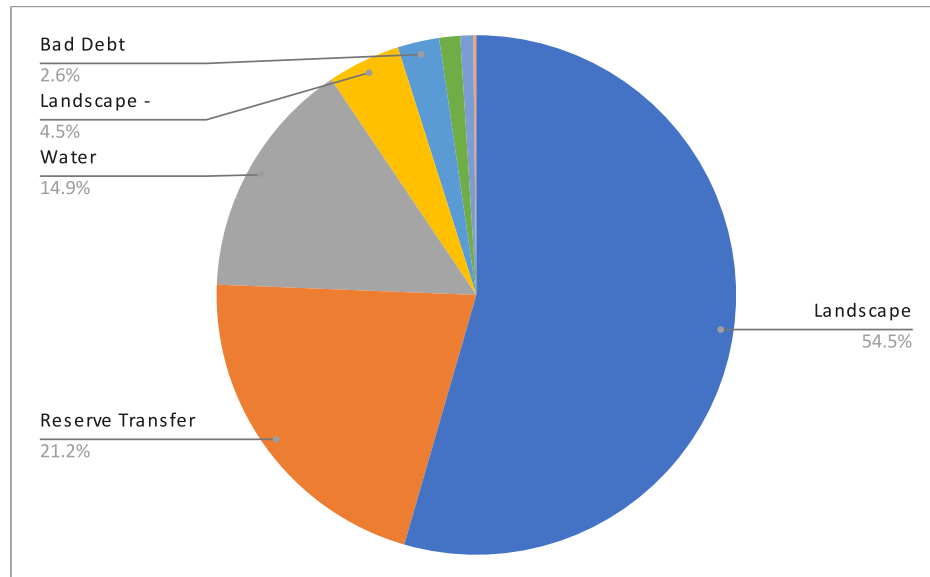
2022 Main Budget - Expenses

Reserve Transfer	\$60,358.00
Management Fees - AMS	\$38,153.52
Water	\$38,000.00
Landscape Contract	\$35,160.00
Insurance	\$6,572.00
Office Supplies	\$6,000.00
Legal - Collections Costs	\$4,000.00
Landscape - Other	\$3,200.00
Compliance Program	\$3,000.00
Wetlands Management	\$2,000.00
Audit/Review Expense	\$2,000.00
Contingencies	\$1,755.00
Plant Replacement	\$1,000.00
Bad Debt	\$1,000.00
Tree Pruning	\$800.00
Rserve Study	\$620.00
Electricity	\$600.00
Community Function Expense	\$500.00
Legal	\$500.00
Seasonal Color	\$360.00
Backflow Device	\$360.00
Tax Preparation	\$350.00
Licenses and Fees	\$50.00
TOTAL EXPENSES	\$206,338.52



2022 Cottage Budget - Expenses

Landscape Contract	\$83,904
Reserve Transfer	\$32,586
Water	\$23,000
Landscape - Other	\$7,000
Bad Debt Expense	\$4,000
Contingencies	\$2,000
Tree Pruning	\$1,230
Backflow Device	\$300
TOTAL EXPENSES	\$154,020



A major part of the 2022 Main Budget is this year will be the 2nd and last year of repaying \$46,076 to the Reserve Fund.

Two years ago a transfer of \$45,076 from the Main Reserve Fund to the Main Operating budget was needed due to very high water costs. New water saving equipment and conservation measures have fixed this problem. So with final repayment in 2022, the Main budget in 2023 will not require any assessment increases and money will be available for an increase in commons area water irrigation (good for the arborvitae) and other improvement projects.

The HOA board will continue to assure all Arbor Ridge needs are met, search for cost saving opportunities, and work to make sure financial management is the best it can be.

Reserve Funds

Reserve Funds of the HOA are used to save and pay for longer term projects. Annual Reserve Fund studies were conducted to assess the status of these funds.

The Board approved the continuance of our contract with the firm Reserve Study Update, LLC to perform annual Reserve Studies for both Cottage and Main/Commons areas. This will make sure we have an independent assessment of the conditions of these funds and adequate reserves to pay for long term expenses.

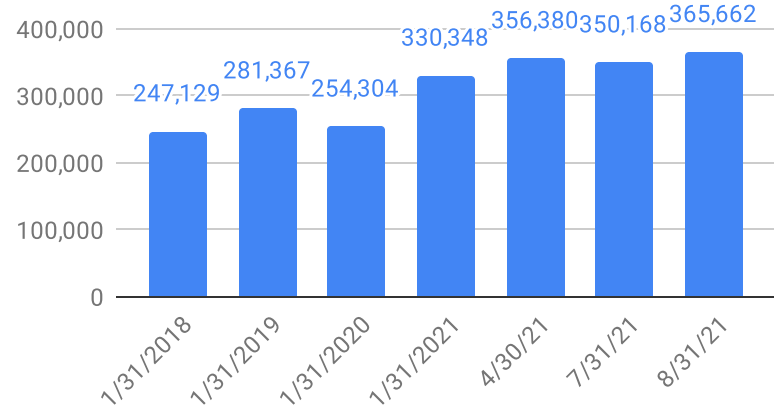
Funds borrowed from the Main Reserve Fund to pay for high commons area water bills in 2019 are being repaid one half in the 2021 budget and the other one half in the 2022 budget. As mentioned in comments on the 2022 budget, in year 2023 this repayment will no longer be required which will allow the Main assessment fee to remain level and still have a bonus of funds available in the operating fund to pay for community enhancement projects.

The current and recent previous balances for both the Cottage Reserve Fund and the Main/Commons Reserve Fund are shown in the following graph.

Main/Commons Reserve Fund

1/31/2018	247,129
1/31/2019	281,367
1/31/2020	254,304
1/31/2021	330,348
4/30/21	356,380
7/31/21	350,168
8/31/21	365,662

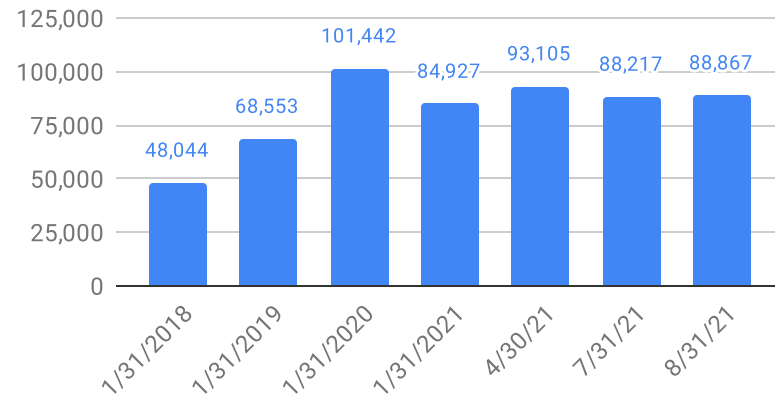
Main/Commons Reserve Fund



Cottage Reserve Fund

1/31/2018	48,044
1/31/2019	68,553
1/31/2020	101,442
1/31/2021	84,927
4/30/21	93,105
7/31/21	88,217
8/31/21	88,867

Cottage Reserve Fund



2021 Initiatives and Projects

Landscape Aeration and Barkdust

The Board approved landscape proposals to aerate commons and Cottage homes lawns. This strongly improved the health of grass areas and helped lawns survive the record setting heat we had this past summer. Also approved was spreading bark dust in commons areas to promote tree and bushes health and also enhance the attractiveness of these areas along West Union.

Tree Pruning for Visibility and Building, Sidewalk and Driveway Clearance

This was approved for Main/Commons and Cottage areas. It will be completed in late 2021.

Rock Retaining Walls Checked for Stability - completed by consultant and findings positive

Selective Tree Removal, Tree Plantings, and Drought Resistant Plants

Trees in the Cottage homes area are continuously evaluated and assessed with the assistance of tree specialists. They are selectively removed based on arborist recommendations. New, young trees will be planted to replace the removed trees.

Ground cover and drought resistant plants were installed as beautification projects. This is a sustainable approach to enhance our community and conserve future water use.

New Collections Resolution

Overall, the success rate of assessment collections for our HOA is at a good level for sound financial HOA management. However, there are still a few instances where homeowner accounts are seriously overdue.

To address this problem and make clear for all homeowners the HOA policy on collections, the Board along with assistance from our AMS management company, developed and adopted a new collections policy. This now details all the various steps, timelines and actions that will be taken if accounts are delinquent. One key feature is of the policy is liens will be recorded in instances where the balances of assessments, fines and interest are over \$1,000 and 90 days overdue.

Having this detailed policy follows recommendations from HOA collections experts and makes our system transparent and fair for everyone. It will prevent having homeowners who pay on time make up for delinquencies. A copy of this new resolution was sent out to all homeowners earlier this year.

Social Committee

Again due to COVID virus safety restrictions, most social committee events were not held. There will be a review of future events to see if they can be held. Former HOA board member Lisa Walker continues as **Neighborhood Watch** coordinator for Arbor Ridge HOA. If you are interested in Neighborhood watch, contact Lisa at **Watch@ArborRidgeOnline.com**

Habitat Area

Monitoring continues to control possible high water levels caused by beaver activity. This past year our landscape company removed dam construction. Because of drought and extremely high heat conditions, future flooding problems caused by dam building might not be a major problem.

Architectural Review Committee (ARC)

Our ARC Board continues to review all Architectural Review Forms applications submitted by homeowners. The objective of the review process is to promote consistent, high quality neighborhood appearance. The process is based on Arbor Ridge Homeowners Association Covenants, Conditions, and Restrictions (CC&Rs) and our Bylaws. The information can be reviewed at our management company's website under Owner Documents:

https://caliber.ams-nw.com:9002/CaliberWeb2_AMSNorthwest

Before you make any major changes to your landscaping or exterior (both Main and Cottage homes), you must submit an Architectural Review form for approval. The forms can be found at our HOA Arbor Ridge website under Documents:

<https://www.arborridgeonline.com/>

Possible Projects and Initiatives for 2022

- Replace arborvitae water drip line over 3 years. Our landscape company recommends this to improve irrigation to arborvitae which seriously needs good irrigation especially due to ongoing drought and high heat conditions.
- Increase watering for Cottage homes now that we have established a solid baseline schedule for planning and have water conservation measures in place. This will help lawns do better in the hot, dry summers.
- Increase watering of arborvitae now that we have established a solid baseline schedule for planning and have water conservation measures in place. This will help arborvitae do better in the hot, dry summers.
- Continue water conservation to avoid a repeat of a major operating budget problem.

- Consider beautification and enhancement projects which may be fundable due to controlling major budget expenditures.
- Continue reviewing the issue of the white perimeter fence which our landscape company recommends be removed due to maintenance costs and problems with arborvitae health and growth.

One option is partial removal of the white fence only along West Union. The advantages would be: 1) removal in an area where the fence is partially hidden by trees and bushes, 2) eliminates some cleaning costs (\$10,440), 3) promotes healthy arborvitae growth 4) very attractive features along West Union remain (trees, bushes, lawn, winding sidewalk). The black chain link fence between houses and the arborvitae would remain. Other options being discussed include metal and other fencing material replacements.

- Consider barkdust for the front of Cottage homes. This past year spending from the Cottage Reserve Funds was limited so funds should be available for this. Barkdust was spread in the commons areas in 2021.
- Review compliance management to determine the need to increase enforcement on Covenants, Conditions, and Restrictions (CC&Rs)
- Other issues and projects suggested by homeowners and HOA Board Members

Conclusion

As always, your input is very important. You are encouraged to present your concerns at Annual Meetings, at HOA Board meetings, and to the HOA management company.

Our HOA Board will continue to work hard to manage the Homeowners Association in a sound and responsible way and always taking into account the best practices for maintaining a high quality, attractive, and safe Arbor Ridge community. You can be assured that decisions will be made to satisfy the majority of homeowners. However, in some cases we will not be able to always please all homeowners.

Contacts List - Reporting Community Problems

At the end of this report is a contact list you can use to report problems in our community. Our HOA organization can respond to some problems but other situations are out of our jurisdiction.

Be safe and stay healthy.

Thank you.

Joe Lopez, Board President, Arbor Ridge Homeowners Association

Contact List for Arbor Ridge Residents

The Arbor Ridge Homeowners Association and our AMS management company are available to help with enforcement of HOA rules. However, the HOA cannot enforce laws under the jurisdiction of the Sheriff or Washington County. Here are phone numbers you can call to report rules or law violations to keep our neighborhood safe and as a beautiful place to live.

Washington County Sheriff Non-Emergency Dispatch - (503) 629-0111

Abandoned cars. Excessive loud music or loud night parties that disturb neighbors. Illegally parked cars: blocking sidewalks, parked the wrong direction, no parking areas. Speeding, not stopping at stop signs, texting while driving, littering.

Washington County Animal Control - (503) 846-7041

Loud, continuous barking dogs. Dogs walked without leashes or running loose without leashes.

Basketball Hoops in Right of Way - (503) 846-7623

Basketball hoops are not permitted in right of way (streets). They are only allowed in dead end streets and cul-de-sacs.

Tualatin Hills Park and Recreation District (THPRD) - (971) 246-0169

Dogs without leashes or running loose without leashes on THPRD trails/parks. Other problems at THPRD trails/parks.

Association Management Services (Arbor Ridge HOA) - (503) 598-0552

Enforcement of Association Covenants, Conditions, and Restrictions (CC&Rs) Examples are:

- trash cans must be stored out of view
- lot must be maintained in a clean and attractive condition and free of clutter and trash
- lawns and trees must be kept in good condition
- for rent signs (only 1 permitted and it must be in house window)
- no campers, boats, trailers, motorcycles, recreation vehicles on property or on streets