

Riverbend on the Willamette Condominium Association
Board of Directors meeting
January 11, 2016

Time: 10:00 am

Location: Lobby Bldg.3

Purpose of the meeting: Review and discuss damages to Riverbend security system and remedial actions, costs and timelines

Present at the meeting:

Board of Directors: Augie Gallego, Charles Collins and Bill Eklund

HOA members: Jim Wortham, Malcolm Putnam, Don Wilson, Henri Smit, Leonard Springer

CAP representative: Britton Powell

Riverbend Maintenance supervisor: Steve Summers

Augie opened the meeting by describing the events of the storm and resulting power surge that effectively destroyed our security system. He explained the reason for the approximately 3-week delay in deciding on a remedy. Insurance information, extent of liability of PGE and the holidays contributed to the long response times of the vendors.

Britton - reported that 3 vendors, Siemens, ProTec and Metro have reviewed the damage and recommended complete replacement of the 16 year-old, outdated system.

1. Siemens, provider of the existing system - \$32,500.00 – estimated minimum of 4 weeks before start of replacement.
2. ProTec - \$31,849.00 + option for \$3,987.00 fire alarm door release supplies
3. Metro Access Control - \$21,919.00 + \$139.00 for monthly on-air cloud hosted access control fee and \$211.00 for power supplies to 16 locks. Estimated completion date for the system installation is the 1st week of February. Updates for Metro system will be included at no charge.

The proposal from Metro is considered the most appropriate for our needs and is the least expensive of the three bids; it is also able to complete the work in the shortest time, i.e. by the first week in February. Metro is a cloud-based system that will add a number of new features. Programming the system can be done remotely and by more than one designated individual. For example, in the event of a failure, Steve would be able to reboot or do specific reprogramming from home. Likewise, an authorized individual at CAP would be able to do the same.

Augie explained that our insurance policy has a \$10K deductible for such damage coverage. The insurance company will be working to resolve liability, if any, of PGE. We are hopeful that PGE will accept some responsibility as a result of the damage occurring at the time they turned on power after they completed repair of the damaged line.

Augie advised that Metro cost would include periodic updates at no additional charge.

Steve confirmed that we would be able to reprogram and use our existing fobs.

Britton added that Metro uses over-the-counter parts and products, compared to proprietary and more costly parts used by Siemens. An important advantage of Metro's system is the ability to have more individuals able to reprogram the system. The Metro system is designed to minimize the time between damage and restoration of service and eliminate the need for someone to come on site to fix the problem. Britton indicated that Metro had a record of excellent responsiveness and service. He also indicated he had some real concerns about ProTec. The new equipment will not eliminate the risk to individual homeowner electronics. Homeowners are encouraged to use their own appropriate surge protectors. Britton stated that Metro uses over-the-counter supplies for its system, eliminating the limitations of availability that might occur with the proprietary components used by Siemens.

Britton advised that our current insurance plan carries a \$10,000.00 deductible. The insurance company is currently evaluating the extent of coverage and determining whether PGE has any liability and the amount of such liability. PGE liability may exist, given that the power surge, resulting in damage to the security system occurred as a result of the manner by which power was turned on. It may take 2 or 3 weeks to complete the determination of responsibility and any costs to be borne by the HOA.

Henri Smit asked for clarification of reasons for the decision to replace vs. repair the system. Augie explained that the extent of damage to the system made repair unreasonable. The new systems are regarded as superior technology. The Metro system enables more people to make adjustments and address problems that might occur; thus, reducing delays resulting from travel time to our site in order to restore function. Henri spoke in support of the Metro proposal.

Augie stated that we need a written agreement with a "*cost not to exceed*" clause.

Charles proposed that we accept the proposal from Metro with a limit of 10% for cost overruns. The Board was in agreement.

Augie asked Britton to request a written agreement in the contract that cost would not exceed a specified amount.

Henri raised concern about the possible need for a special assessment.

Augie is hopeful that all costs will be covered by insurance and PGE; otherwise a special assessment may be required.

Charles noted that we need to wait for the reserve study findings before we can determine the need for special assessment.

Henri announced that we have had 360 hits to our Website this year. He advised that we not refer to the security system issue on the Website. The Board is in agreement.

The Board agreed to accept the Metro proposal for a new security system.

Augie informed those present that he carries insurance for unscheduled special assessments, reminding other homeowners that this is an option to consider if they do not have such coverage. **Augie** also proposed that we invite an insurance broker to the annual

meeting to discuss our coverage and options. **Britton** will recommend a broker to invite. **Augie** recommended that we also invite LO police to discuss overall safety issues with the HOA members.

Britton will work with **Charles** to set up an informational meeting to include safety and insurance matters for the homeowners.

Other items discussed:

- **2016 budget** – Charles Collins stated he is waiting on the reserve study findings and recommendations before he completes the proposed 2016 HOA budget.
- Henri Smit advised that we not post information regarding our security issues on the Website, due to approximately 36 outsider visits per week to our site. The board agreed.
- Augie informed us that he carries insurance for unscheduled HOA assessments on his homeowner's policy and that others may wish to consider the same if they do not have this coverage.
- Augie requested that we schedule an HOA meeting with an insurance broker to discuss various insurance options available to the association and to individual owners. Also recommended was a meeting with a representative from the LO Police Department to discuss various safety and security issues. Britton will work with Charles Collins to arrange such a meeting.

ACTION ITEMS FROM THIS MEETING

1. Britton to finalize arrangements and schedule Metro to replace security system
2. CAP to follow up with insurance company regarding costs to HOA, how responsibility and coverage of costs will be assigned
3. Cap to ensure that "**cost no to exceed**" clause will be in the Metro contract
4. **Britton** to work with **Charles** in setting up an informational meeting to include safety and insurance matters for the homeowners

Meeting was adjourned at 10:50 am
The board reconvened in executive session.

Minutes prepared and submitted by Bill Eklund, Secretary, Riverbend condominium Homeowners' Association.



January 15, 2016