

Mountain Park Meeting on Assessment Increase
February 25, 2019

A group of hearty Members braved the wintery weather on Monday evening, February 25, to participate in a discussion about the future policy controlling assessment increases. Representatives from the Board of Directors presented an overview of the issues resulting from the decision by the U.S. Bureau of Labor Statistics to cease publication of a Consumer Price Index (CPI) for the Portland-Salem area. As described in the letter sent in January to all MPHOA Members, the current policy governing the annual increase in the assessment is tied explicitly to this index and, as a result, we must adopt a replacement policy through a formal affirmative vote of 2/3 of the MPHOA membership.

The presentation by the Board to begin the meeting reviewed the history of MPHOA policy controlling annual assessment increases. The original policy laid down in the 1968 CC&R's proved to be unworkable and was responsible for the financial problems that beset MPHOA in the late 1990s and early 2000s. The current policy, enacted in 2008 addressed these problems by requiring an annual increase and prescribed how this increase would be calculated. Certain other policies and actions were put in place at that time including borrowing \$5 million to recapitalize the Association, which included the renovation of the pools and clubhouse.

The broad-ranging discussion that followed quickly focused on a new policy that would still be linked to common inflation data like the CPI but would be sufficiently general or flexible so that we would not repeat our current situation. Several specific replacement CPI indexes were discussed but none appeared to be ideal as a replacement for the Portland-Salem index. The consensus at the conclusion of the meeting was that a revised policy statement that referred to the CPI with a more flexible statement like: - **"a US Bureau of Labor Statistics CPI that best represents the Portland/Lake Oswego area"** - would be appropriate.

Other issues that were discussed included agreement that several elements in our current policy should be retained. Specifically, we should continue to limit any increase in the annual assessment to 5% regardless of the increase in CPI. Continuing to require the Finance Committee and Board to make the decision on an assessment increase each year was also supported. There were suggestions to increase communication with the Membership about the annual budgeting process, perhaps by having a public meeting in the fall when budgets were being prepared.

Our current plan is to have a report on this issue presented at the Annual Meeting on March 21. Between now and then we welcome any comments from Members about the tentative conclusions from Monday's meeting. We may have a recommendation for the wording of a specific revised policy to present at the Annual Meeting and, if so, we will follow shortly after by requesting a vote by all Members on a new policy.

We welcome any thoughts or suggestions from Members. Send those comments to the Executive Director or to me.

Sincerely,



Eleanor Kurtus
President MPHOA