

**OAKLAND HILLS CONDOMINIUM ASSOCIATION**  
**Board Meeting Minutes**  
**September 14, 2016**

The Board Meeting of the Oakland Hills Condominium Association was called to order at approximately 4:00pm, September 14, 2016 at Gardner Management Group offices.

**1. Roll Call:**

- A. Board members in attendance: *Joy McClendon (Secretary, Website Committee), Larry Smith (Vice President, Landscape Committee), Roger Stamper (Infrastructure Committee), Linda Teare (President, Finance Committee)*
- B. Gardner Management in attendance: *Ryan Gardner, Calvin Johnson*
- C. Absent: *Jack Gesmundo (AVB, Member At Large)*

**2. Record of email approvals since last meeting:**

- 1. Approved minutes from July 14, 2016 meeting.
- 2. Approved replacement of carriage lights in Phase I and Phase II from reserve fund. Carriage lights in Phases 1 and 2 (units 1 – 54) will be replaced immediately as a reserve fund expense due to potential electrical problems. The back lights on those same units will be evaluated for any deterioration that might lead to a failure similar to those seen in the front. If any back lights need to be replaced this will be a co-owner expense.
- 3. Approved closing the pool the Monday after Labor Day for 2016 and subsequent years.
- 4. Approved the Tustin bid for repair of cracks in our roads  
Total Amount Approved \$2,315. A minimum order quantity is required for this service which answers a previous question as to why the quantity invoiced did not seem to align to the quantity of asphalt spread.

**3. Reports from Individual Committees:**

**Finance Committee** – Carl Dyszkiewicz presented on behalf of the committee.

**Finance Old Business**

None

**Finance New Business**

- 1. **Reserve Fund:** Carl Dyszkiewicz, a member of the OHC Finance Committee, presented on the long-term capital reserve fund. The reserve fund currently has a balance of approximately \$340,000. As the years progress we will be ramping that amount up significantly, perhaps in the \$2-2.5M range, to cover major expenditures such as roof replacements. With this amount of money, the Finance Committee proposed that we should consider enlisting external expertise to invest the funds. The purpose of this is to assure that we are at least keeping up with inflation. With our current strategy, inflation will exceed our rate of return, with the result being an ongoing diminishing principle.

Key components of the proposed option include:

**Objective:** Net investment growth in order to minimize the association dues needed to fund the reserve. There would be some risk of short-term capital loss.

Strategy: Very Low Risk Profile. At the beginning of the year, funds sufficient for current year capital expenditures would be transferred to a cash account, thereby avoiding any potential for short-term losses on needed monies. Monthly or quarterly, Gardner Management would transfer Association Dues from the Reserve to our investment account.

Controls: Independent monitoring of account transactions to assure no transfers out of our investment account unless authorized by the President or Treasurer of the OHC Board.

Advisor would be selected based on a breadth of financial wealth management experience.

Cost: 0.25% One known Advisor has quoted this cost. It is unlikely that other reputable advisors would be willing to perform this service for a cost this low.

**Decision:** The Board approved proceeding with the proposal as outlined. (3-yes, 1-no)

**Action Item:** The Finance Committee will seek out one or two other reputable advisors to obtain an estimated cost for this type of service, and will bring that information back to the board for a vote on which advisor to proceed with.

2. **Operating Report:** Carl Dyszkiewicz also reviewed the most recent OHC Financial report from the Month Ended August 31, 2016 report.

Summary:

Revenue: Actual \$33,050 Budget: \$31,625 \$1,425 Fav

Expenses: Actual \$30,586 Budget: \$29,064 (\$1,522) UnFav

Key Items:

The unbudgeted Special Assessment for the 2015 Shortfall of \$20,675 is reflected in the Operating Revenue making that appear higher than it would normally be. There was a shortfall in revenue of \$9,786 due to delays in home closings vs what was included in the budget (131 closings paying all 12 months was budgeted, but the actual number is lower.) We are overspending on maintenance expenses at a rate which is approximately 52% over last year. Maintenance expenses include Gardner Management work orders, irrigation and pond expenses.

Taking all of these items into consideration, our net income excluding the special assessment and insurance proceeds is **(\$16,828) Unfavorable.**

With our current unfavorable situation and rate of spend exceeding our revenues, the finance committee recommends that each one of the committees provide a prioritized list of items (not already included in the 2016 budget) to be used for input to the 2017 budget creation process. It is important to understand the impact of an increased budget on Association Dues and if no Dues increase occurs, what items will not be completed.

**Action Item:** The budget creation normally occurs at the November OHC Board meeting so prioritized lists (including cost estimates) need to be completed and submitted before that.

**Website Committee** – Joy McClendon presented on behalf of the committee.

#### **Website Old Business**

1. **Issues & Enhancements:** The committee continues to work with the developer on a document archiving capability in order to simplify document access. Requirements are being developed and a proposal will be presented to the Board when ready. Microsoft email rejections are still an issue being discussed with the Developer.

#### **Website New Business**

2. **Website Training:** A training session was held on 7/21/16 at 5pm just before the 5:31 Potluck in the Clubhouse. This session provided hands-on assistance with profile updates,

answers to questions, as well as demonstrations. A PowerPoint demonstration on website use was created to run on the clubhouse TV. Unfortunately, changes made to the TV setup after testing resulted in an inability to use the TV show. Corrections have been made and hopefully this will be able to run at a future event.

**Action Item:** Joy will distribute this PowerPoint show to the Board.

**Infrastructure Committee** – Roger Stamper presented on behalf of the committee.

**Infrastructure Old Business**

1. **Carriage Lights:** (See Email Decisions Above) Replacement lights have been found and an adequate supply for the foreseeable future has been confirmed. Gardner will send out the bids from 2 electricians and the OHC Board will vote on which one to use. Back lights will be evaluated for potential electrical issues as the front lights are replaced in units 1-54. If a recurring issue is discovered, this will be brought back to the Board for further discussion. .
2. **Excessive water areas:** There are two areas with standing water issues. For the sidewalk flooding along Oakland Drive, AVB has installed small drains which appear to have corrected much of the problem. As more grass grows in the area it is anticipated the problem will continue to diminish. There is still a problem off of Hollow Creek Trail (corner of Oak Meadow Cove and Hollow Creek Train behind the first unit) that has not been addressed. Heavy rains and sprinklers result in standing water. AVB needs to implement drainage in this area as well. The committee recommends that we continue to monitor both areas and assure corrections are made before AVB completes construction and leaves the complex.
3. **Power-washing Unit Siding:** The committee asked for a vote on whether the Association would treat unit power-washing as an Association responsibility (i.e., a centrally managed process spread over multiple years and the associated expense.) If approved, the process would begin next spring and the expenses would be added to the 2017 budget. (Further discussion on the proposal from the committee can be found in the 7/13/2016 Board meeting minutes.)

**Decision:** The Board approved proceeding with the proposal as outlined. (3-yes, 1-no)

4. **Clubhouse Carpet Damage:** An insurance claim was negotiated for the damage to the carpet in the clubhouse. The total amount of the claim is \$9,100 with insurance paying \$4,100 after a deductible of \$5,000 that is the Association's responsibility.

**Decision:** The Board approved proceeding with the proposal as outlined. (3-yes, 1-no)

The insurance claim allows for reasonable expenses incurred for removing, storing, returning and recalibrating the exercise equipment. A quote of \$970 was received from All Fix Fitness for this. The insurance claim also includes reasonable expenses for removing, storing and returning the large cabinets and furniture in the main room, but excludes some of the furnishings (e.g., breakables.) The clubhouse needs to be closed during the work which could be up to a week. Notice will be sent to the community beforehand. There was additional discussion regarding the use of an external designer vs. a resident resource to select colors, fabrics and an eventual design for the current AVB office.

**Action Item:** The committee will follow up with Jack Gesmundo regarding his suggestion to use an AVB designer.

**Infrastructure New Business:**

1. **Roof Inspections:** It will cost an estimated \$500/year to evaluate ¼ of the units per year starting in 2018.

2. **Street Cleaning:** Cleaning which is focused on the most visible areas by the clubhouse, will cost an estimated \$410, and is recommended to be done in the spring of every year. This will be included as one of the prioritized list for 2017 budget from the committee.
3. **Pool:** There is mold on the pool deck and the committee is recommending that the pool deck, and patio around the clubhouse, including the entrance from the parking lot, be cleaned once a year in the spring. A quote was received from Hadaway for \$675. Gardner Management indicated they could perform this task for the same amount. This will be included in the Infrastructure committee's prioritized list for 2017 budget.

**Landscape Committee** – Larry Smith presented on behalf of the committee.

**Landscape Old Business:**

1. **Drain Projects:** As discussed at the last Board Meeting (see Board Minutes 7/13/2016) there are two areas which are saturated with water after heavy rains. This results in grass damage from the mowers. The committee presented a proposal to improve runoff and prevent further damage. This proposal includes:  
 Shady Oak Area – Add 9 large rocks to the area to restrict mowers at a cost of \$306 (Brightview estimate)  
 Selly Oak Area – Add 3 large rocks to the area at the corner of the pond to minimize erosion and run off at a cost of \$102 (Brightview estimate)  
**Decision:** The Board approved proceeding with the proposal as outlined. (4-yes)
2. **Tree Replacement:** The committee presented a revised proposal (see Board Minutes 7/13/2016) which includes replacing only 2 trees, one behind the unit at 2372 Tangley Oak, and one behind the unit on 8675 Oakland Hills Circle (by Oakland Drive sidewalk). Both were deemed necessary due to privacy and noise reduction issues. The estimated cost for each tree is \$475 for a total cost of \$950. Planting to take place in 2016.  
**Decision:** The Board approved proceeding with the proposal as outlined. (4-yes)  
 A proposal for tree replacement will be submitted to the board for the 2017 budget.
3. **R&A Water Feature Maintenance:** The committee presented a revised proposal (see Board Minutes 7/13/2016) to include an annual water feature cleaning starting in 2017. This would include cleaning of the 3 water features by power-washing, pulling weeds, applying gravel where needed, ecoblast of the stream beds and sealing the two waterfalls. The annual cost would be \$1,675. The month when this annual cleaning occurs we would NOT also receive the monthly maintenance charge. The committee will include this in the prioritized list of landscape items to be included in the 2017 budget.

**Landscape New Business:**

None

4. **General Old Business:**

1. **Responsibilities Document:** Linda Teare distributed the latest version of the Responsibilities Document. This document lists key community elements (e.g., street-side lights, walkway to entry, driveways, plumbing, utilities, etc.) and identifies the responsibilities of the Association and the Co-owner for each. Some minor word modifications were made to item 2 (exterior electrical and lighting) and 7 (water and sewer) for clarity and consistency. Item 20 was modified to reflect the decision made by the Board to have the Association be responsible for

cleaning the exterior siding. As a result of Board decisions made, there are now multiple items which are not in alignment with the current Master Deed/By-laws.

**Action Item:** Linda will ask Jack Gesmundo about the modifications to the Master Deed that AVB will be making as the last units are completed, to see if the above items could be added in order to have only one legal review. Once completed and endorsed by the Board, this document will be added to the Community Handbook.

**5. General New Business:**

1. **Handbook Update:** The pool opening and closing schedule will be added to the handbook during the next update. Once the Responsibilities Document is finalized, the handbook will also need to be updated with this information.
2. **Board Actions Calendar:** Linda Teare is working on a calendar to document the timeframes for key Board Actions such as budget preparation, approving contracts and Board member elections. Linda distributed this draft to the Board and will continue to work on refining the information.
3. **Interim Board Member Elections:** Linda asked about a process for electing interim Board members (outside of the annual process) and asked if this should be contained in the by-laws. The Board agreed someone should draft a process for review.

6. **Next Meeting:** November 9, 2016 4:00pm Gardner Management Offices

**7. Resident Comments:**

**Residents in attendance:** Mary McLean 2392 Tanglely Oak Court, Mike McLean 8908 Oakland Hills Circle, Mike Race 8870 Oak Meadow Cove, Tom Welsh 2380 Tanglely Oak Court

1. A recommendation was made to hold future Board meetings at the clubhouse to facilitate participation by more residents. The Board will consider this suggestion against the need to have easy access to Gardner maintained data during the meeting. **Action Item:** To facilitate attendance, an email will be sent to the community notifying them of the meeting date, time and location a week or two before.
2. Residents are looking for a survey and the board should consider pulling out the prior survey and updating/issuing it. There are various tools available for this.
3. It was mentioned that providing the security system as an Association responsibility was not found in the Master Deed. **Action Item:** The Board agreed that this should be reviewed to see if this is another modification that needs to be made.
4. Landscape damage caused by residents or their guests was discussed. If a resident sees damage they should first report this to the landscape committee. This process/reporting information can be found in the committee policies and procedures documents and we should consider adding this to the handbook.

8. **Adjournment:** The meeting was adjourned at approximately 6:45pm.

*Minutes Submitted by Joy McClendon, OHC Board Secretary*