

OAKLAND HILLS CONDOMINIUM ASSOCIATION
Board Meeting Minutes
November 9, 2016

The Board Meeting of the Oakland Hills Condominium Association was called to order at approximately 4:00pm, November 9, 2016 at Gardner Management Group offices.

1. Roll Call:

- A. Board members in attendance: *Jack Gesmundo (AVB, Member At Large), 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: None

2. Record of Board work since previous meeting (on 9/14/16):

Approved via email:

- 1. Minutes from the September 14, 2016 meeting.
- 2. Replacement of front garage lights and front porch lights on units 1 - 54 from the Reserve fund and others charged to individuals. Communication distributed to residents on 10/25/16
- 3. Snow removal contract with Sandstone.
- 4. Community Communication on siding cleaning program.
- 5. Placement of dumpster at 8670 Oakland Hills Circle from October 14 -October 28.

Discussion Items via email:

- 1. **Responsibilities Document:** The responsibilities document was modified to better clarify Association vs. Co-Owner responsibilities relative to the supply of utilities (e.g., water, electric). Association responsibility includes all supply up to the point of connection to a fixture. The document was also modified to use the term “driveway side” vs “street side” to provide consistency for all units.
Note: Subsequent board discussions continued after the meeting via email and the document remains in draft status at this time.
- 2. **Handbook Revisions:** The handbook revisions will be completed once the responsibilities document is finalized and included. The Website Committee recommended that the Volunteer List be removed from the handbook so a single version can be maintained on both the public Home page and the Resident’s only portion.
- 3. **Board Vacancy-AVB Departure:** AVB anticipates they will be leaving the board in the June timeframe (this is an estimated timeframe only.) Nominations for OHC Board vacancies will begin in February. **Decision:** In anticipation of having an AVB vacancy, we will seek nominations for 3 vs. 2 positions. The 3rd position will remain a non-voting member until such time as the AVB seat is vacated. (5-Yes)

3. Reports from Individual Committees:

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

Landscape New Business:

1. **2017 Estimates:** Larry provided Roger Stamper with a list of 2017 expense estimates to be used for updating the Capital Plan. These items include various pumps, controllers and water lines. **Action Item:** Roger will include this information when updates are made, probably in the spring timeframe.
2. **Pet Waste:** Pet waste continues to appear in the storm drains and water features. Additional communication to the community was discussed which would again reiterate the need to properly dispose of pet waste and explaining the potential costly damage that can occur if this continues. A suggestion was made to solicit community assistance in monitoring and reporting this situation. The Landscape committee chairperson prepared two letters that have been distributed to the community by Gardner Management. **Action Item:** Further communication will be included in the upcoming issue of the community newsletter.

Landscape Old Business:

1. **Trees:** Two evergreen tree replacements approved at the prior Board meeting were planted the last week of October on Oakland Hills Circle. Another tree replaced under warranty was planted on Shady Oak Cove. Another tree for Oak Meadow Cove has been placed on the 2017 replacement list.
2. **Drain Projects:** The two drain projects approved at the prior Board meeting (i.e., placing large rocks in the area to restrict mower damage) were completed by Brightview.

Finance Committee – Linda Teare, Finance Committee Chair and Carl Dyszkiewicz, Finance Committee member presented on behalf of the committee.

Finance Old Business

1. **Reserve Fund:** The Finance Committee contacted three financial advisors as requested by the board following approval of their proposal at the last meeting to pursue investing our reserve funds. The committee's recommendation is to use Ken Lamos, Senior Vice President, Raymond James for this purpose.

Highlights of the recommendation:

- Services received will include monthly statements, quarterly recaps via email, and a semi-annual meeting with the Finance Committee or other designee(s).
- Fee will be approximately 0.7%
- Other Considerations:
 - Assure an adequate cushion is left with Gardner Management until we are able to establish a contingency fund from our non-reserve account.
 - Assure we are maintaining the minimum required in our Bank Account.
 - Establish an appropriate procedure for fund transfers between Gardner Management and Raymond James.

Decision: This recommendation was approved. (4-Yes, 1-No)

Action Item: The next step is for the Finance Committee to work with Ken in the development of a detailed investment policy statement clearly outlining our goals and risk tolerance. This statement will be presented to the Board for approval when ready.

Finance New Business

1. **Operating Report:** Carl Dyszkiewicz reviewed the most recent OHC financials from the Month Ended October 31, 2016 Financial Report.

Summary:

Revenue: Actual \$32,250 Budget: \$31,625 \$625 Fav

Expenses: Actual \$38,569 Budget: \$34,044 (\$4,525) UnFav

Key Items:

- The unbudgeted dues increase of \$15/month started at mid-year contributed to the favorable operating revenue by \$1,400. However, there were no buy-in fees from new residents or re-sales which reduced the anticipated operating revenue by (\$775).
 - Operating expenses continue to be higher than budgeted in the Maintenance areas. Contributing to the increase were: Gardner Management Work Orders (which are charged back to residents if not an Association responsibility) and higher than budgeted pool and irrigation expenses. Gardner Management is working to reduce expenses as much as possible by limiting sprinkler head adjustments, consolidating work to avoid trip charges and reducing the major system inspections done by BrightView.
 - **Action Item:** Gardner was asked to review the Maintenance expenses and assure that items are being correctly accounted for (i.e., assure that expenses are not being incorrectly booked); and then to analyze specifically what is driving the higher expenses. The board asked Gardner to determine if our 2016 Maintenance budget is too low and to consider this when estimating the budget for 2017 to avoid ongoing shortfalls.
 - The unbudgeted Special Assessment for the 2015 Shortfall of \$20,675 (added to the 2016 Operating Revenue) continues to make our revenue appear higher than it would normally be. Taking this into consideration, our year-to-date net income excluding the special assessment and insurance proceeds is **(\$28,947) Unfavorable.**
2. **Carriage Lights:** The recent installation of the replacement carriage lights for units 1-54 was discussed. This process went very smoothly even with a few unanticipated adjustments required. The total amount to be charged to the Long-term Capital Reserve fund will be \$15,099 (compared to a planned amount of \$21,500 spread over 2016-2018.)

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

Website Old Business

1. **Document Archiving:** The website committee continues to refine requirements for a document archiving enhancement. The goal of this enhancement is to simplify and declutter the current Association Documents page while maintaining all documents/information. As the neighborhood grows and website use increases, it's important to assure that documents remain secure and easily accessible.

Key Requirements:

- Archived documents are easily accessible.
- Archived documents are available via a screen that is the same or very similar to the existing page with no additional user training required.
- Document formats do not need to be modified prior to archiving.

- Current documents are kept on the main page for 24 months.
- Documents are moved to the Archive page on a periodic basis by committee members (developer intervention not required.)
- Archived documents are searchable by keyword.

A meeting with the developer is scheduled for early December to finalize a proposal for Board review, and to also discuss the ongoing email rejections. Costs associated with both the enhancement and potentially the email rejection fix are covered in the existing budget so no additional budget is requested for 2017.

Infrastructure Committee – Roger Stamper and Linda Teare presented on behalf of the committee.

Infrastructure Old Business

1. **Carriage Lights:** Installation for units 1-54 was successfully completed. (See Finance Report above.) Questions on installation were directed to the Infrastructure committee. The committee has a recommendation on which light bulbs should be used to maintain a consistent appearance.
2. **Clubhouse Carpet:** Linda Teare shared a sample of the carpet recommended to be installed. Robin, AVB Designer, met with Linda to develop this recommendation. Carpet is from Migala and the color is “Time Out” #00204. This is a nylon commercial-grade carpet with a 10 year warranty (padding included.)

Decision: Carpet selection recommendation was approved. (5-Yes)

The clubhouse has been reserved (blocked off) for January 14 through February 3rd for the carpet installation. Small items will need to be removed from inside and on top of the cabinets and boxed up by volunteers. The cabinets and other furniture will then be moved out and stored while carpet installation occurs. Since we have no additional funding or time for design changes, the clubhouse furniture and other items will need to be returned to their original locations. To facilitate this process, it is recommended that we take pictures of and inventory the existing clubhouse interior prior to the process beginning.

Chair Recovering: Robin, AVB Designer, is willing to work with us to find fabric to have the clubhouse chairs recovered. If we proceed, we may be able to have the chairs recovered during the carpeting process and avoid having to store the chairs. We would need to assure that the chairs could be completed and returned in time for the next community social event scheduled for February 4th.

Action Item: Linda and the Committee members should pursue developing a recommendation with Robin regarding the chair recovering and bring this back to the Board for a vote so that we may proceed in conjunction with the re-carpeting if approved.

AVB Offices: An estimate of \$500 was received to also carpet the existing AVB office area. This amount would be slightly increased if we choose to remove the existing wall and make this one large area. Migala is willing to store the extra carpet for this area for up to a year to allow us time to decide what to do with the office and make any required changes. Jack Gesmundo discussed what other Associations have done with their clubhouses and suggested we consider making this one larger room, leaving the French doors to provide separation and possibly using this as a second reserved space, meeting space, and/or staging area for large

parties. Walden Woods has something similar and he offered to allow us to take a look at that before making a decision.

Infrastructure New Business:

1. **LT Capital Plan:** The committee had a planning meeting regarding how to update and maintain the Long-term Capital Plan. It was determined that roofing estimates will need to occur more often than other items since it is such a large investment and significant portion of the plan.

4. **Old Business:**

1. **Master Deed and By-law changes:** Linda Teare passed out copies of a proposed By-Law Amendment as developed by the legal team.

Mailboxes and Carriage Lights: The changes approved by the Board to have the Association responsible for the Carriage Lights and the Mailboxes require changes to the By-Laws. This will also require a community vote since this is considered a material change to each owner's real-estate holdings. The process will involve having residents return their votes to the legal team (vs. Gardner Management.) A recommendation was made to change the term "Carriage Lights" to "Coach Lights" and to change "Street-Side" to "Driveway Side." *Note:* Subsequent discussions on terminology are ongoing via email and final wording decisions will be agreed to via email prior to submitting the final version for a vote. **Action Items:** The final wording needs to be reflected in the Responsibilities document as well as the Amendment. AVB will also add language from the Michigan Condo Act about electronic voting.

ARC: Larry Smith passed out a copy of the wording describing ARC (Architectural Review Committee) found in the Master Deed ("Article II, Architectural Control"). This section describes who is responsible for ARC and how the members are appointed. AVB as the "Declarant" has power to indefinitely appoint the members of ARC, unless they give up this right to the ARC members. The terms for the membership currently named have all expired and this needs to be updated. **Action Item:** Jack Gesmundo agreed to make the needed updates to reflect the current membership.

5. **New Business:**

1. **2017 Budget:**

Process to be followed:

1. Gardner Management will complete the year-to-date financials and prepare 12 month estimated actuals by account. Effort will be placed on assuring all invoices are received and paid as of October 31 to allow for more accurate estimates.
2. Gardner Management will prepare the base budget for 2017 using existing services provided (estimated operating expenses) and Association Dues for 132 units (estimated operating revenue).
3. The OHC Finance Committee:
 - a. Meet with Gardner Management to review the base budget (December 12, 5:00pm).
 - b. Determine potential for additional revenue from new residents.
 - c. Make recommendations to Gardner regarding approved and proposed additions.

4. Board Meeting on December 14, 4:00pm to approve the 2017 budget.

Potential Additions to the 2017 Budget:

Approved:

a. Siding Cleaning Program \$8,500 (Ongoing)

Proposed:

b. Clubhouse chair reupholster \$2500 (Reserve Fund)
c. Pool Resurfacing \$ 675 (Sections only, Full is in LTCP)
d. Tree Removal/Replacement Program \$2800* (Ongoing)
(*1000 already in 2016 actuals)
e. Pond Maintenance \$3390 (In addition to existing Contract)
f. Street Cleaning \$ 500
g. Signs for Entrance \$1000 (e.g., No Soliciting)
h. Sidewalk Stain Removal \$ 200 (Clubhouse Area Supplies only)
i. Signage Maintenance \$1600 (Posts and Signs)
j. Sign Cleaning \$ 100 (Supplies)
k. Garage Doors \$ 100 (Supplies only, e.g., grease)
l. Exercise Room Blinds \$3000

Reserve Fund (Approved):

m. Clubhouse Carpet Co-Pay \$5500

Other:

n. Contingency Fund
o. Account for ongoing unfavorable expense situation (estimated approx. \$30,000)

2. **Future Utilization of the AVB Office Area:** (See Infrastructure Old Business above for additional information.) AVB will do the demolition for us if we decide to remove the existing wall and make this one large area. **Action Item:** Infrastructure Committee will perform an analysis and come back to the Board with recommendations on how to configure this space.
3. **Board Elections for 2017:** (See Board Vacancy above for additional information.) Joy suggested adding 2 members to the Board for a total of 7 vs 5 members. The reason for bringing this up now was to include it in the By-Laws Amendment if necessary to do so and avoid any additional legal costs if approved. Discussions followed regarding what the appropriate terms would be with a 7 member board and whether there would be adequate resident interest in filling this many positions. Ryan commented that changing the number of Board seats could be done without modifying the By-Laws and therefore the suggestion was tabled for later discussion.
4. **Survey:** Linda presented a resident survey draft that would be distributed electronically to residents. Suggestions on wording were made and an updated draft was distributed via email following the meeting. **Action Item:** Resident Mary McLean will pursue having the updated survey entered into Survey Monkey.
5. **Pool Visitors:** A resident requested that relatives of residents be allowed to use the pool without the resident present. **Decision:** The Board decided this would not be appropriate for a variety of reasons including increased pool use and rejected this proposal. Existing rules for pool usage remain in effect. (5-Yes)
6. **Fee for Clubhouse Use:** A suggestion was made to begin charging for clubhouse use by residents. The reason for this is to have funding available for any additional cleaning required and to cover

the cost of usage and potential damage. Gardner Management indicated that this is a common approach at other Associations with a clubhouse. Gardner Management collects a deposit for each use (\$150) of which a portion (\$50) is retained. The retained portion covers the cost for Gardner to check the clubhouse after use and assure cleanliness and no damage. It was agreed that a question on this topic will be added to the survey. The survey results will be evaluated and the topic discussed at a future meeting.

7. **Pet Waste:** A suggestion was received to track neighborhood pets using a DNA process to determine which pets are not being properly managed by their owners relative to waste disposal.
Decision: This suggestion was rejected due to the potential flaws with the process/science.

6. **Next Meeting:**

December 12, 5:00pm - Finance Committee & Gardner Management to prepare draft 2017 Budget
December 14, 4:00pm – Board Budget Approval
February 2017 – Next Regular Board Meeting Date/Time TBD

7. **Resident Comments:**

Residents in attendance: Jacque Jennings-Carter 8800 Oakland Hills Circle, Carl Dyszkiewicz 8888 Oakland Hills Circle, Dianna Hoogerheide 8865 Oak Meadow Cove, Jeff Lee 8892 Oakland Hills Circle, Mary McLean 2392 Tangley Oak Court, Heather Parsons 8861 Oak Meadow Cove, Arles Stern 8671 Oakland Hills Circle

1. There continues to be water over the sidewalk along Oakland Drive just off Hollow Creek trail after sprinkling and/or heavy rains. **Action Item:** Roger will send a picture to Jack Gesmundo for him to review.
2. Residents indicated that there is likely enough interest for additional board seats.
3. Residents expressed concern that we may not be spending enough money to assure that the quality of the common areas is maintained at the expected level; and that current dues were likely too low for the type of neighborhood we have.
4. Residents commented about over-watering of flower beds on Oak Meadow Cove and eliminating this to reduce irrigation costs. Residents should contact Gardner Management next spring to have any unneeded sprinkler heads capped off.
5. Residents reminded us of the \$30,000 funding gap we will have this year and to assure that is accounted for in next year's budget both by scrutinizing any additions and potentially increasing specific line items which appear to have been underfunded in the past.

8. **Adjournment:** The meeting was adjourned at approximately 6:55pm.

Minutes Submitted by Joy McClendon, OHC Board Secretary