

OAKLAND HILLS CONDOMINIUM ASSOCIATION
Board Meeting Minutes
December 14, 2016

The Board Meeting of the Oakland Hills Condominium Association was called to order at approximately 5:00pm, December 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)*
- D. Other Attendees: *Carl Dyszkiewicz, Finance Committee*

2. **Record of Board work since previous meeting (on 11/9/16):**

Approved via email:

- a) A decision was made for the Association to take responsibility for light bulb replacement on the garage coach lights. This decision and process still need to be communicated to the community.
- b) Resident Survey draft approved. (See Old Business below)
- c) Fabric approved for chair reupholstering.
- d) Modifications to the Responsibilities Guidelines completed. Final document approved and inserted in the new version of the handbook (Appendix A)
- e) Handbook revisions completed. Final document approved and placed on the Website.

3. **Old Business:**

- a) **Operating Report:** Carl Dyszkiewicz reviewed the most recent OHC financials from the Month Ended November 30, 2016 Financial Report.

Summary:

Revenue: Actual \$33,225	Budget: \$31,625	\$1,600 Fav
Expenses: Actual \$26,050	Budget: \$25,749	(\$265) UnFav

Comments:

- o The unbudgeted dues increase of \$15/month started at mid-year contributed to the favorable operating revenue by \$1725. However, there were no buy-in fees from new residents or resales which reduced the anticipated operating revenue by (\$125).
- o Operating expenses continue to be higher than budgeted in the Maintenance areas. Contributing to the increase were: Tunstin Street Patching (reclass from LT Reserve) (\$2,315) and other snow removal timing issue \$2,000.
- o 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 is **(\$27,603) Unfavorable**. (This translates to a potential \$210/Resident Special Assessment

or \$17/Month Dues Increase to balance the operating revenue and expenses for 2016 Operations.)

- b) **2017 Budget:** Linda Teare and Carl Dyszkiewicz reviewed highlights of the 2017 Budget.
- 1) **Process:** Gardner Management provided an initial budget based on 2016 actual expenses and known 2017 contracted expenses and estimates. This was reviewed line by line with the Finance committee and updates were made based on detailed discussions. The result was a proposed budget to be voted on by the OHC Board.
 - 2) **Dues:** The committee recommended a dues increase of \$30 per month made up of \$15 to cover 2017 expenses and \$15 to cover the 2016 shortfall. This decision was made in lieu of a separate special assessment to cover the shortfall; and because we do not want to take money from the Reserve Fund to manage the continued cash liquidity problem. The estimated revenue calculations were based on an assumption of 132 units for an entire year. (We are currently at 130 paying units. We have received buy-in fees for 4 units and anticipate construction on all 4 will be complete by July. Total units will be 136 when fully sold.)
 - 3) **GM Fee:** The Gardner Management Fee for 2017 will increase from \$18.50 to \$22 per unit. This is still well below the market average which is in the range of \$30-\$50 per unit. Fees were set artificially low during the development phases and we can expect some level of incremental increases to bring us closer to the average over time.
 - 4) **Expense Control:** Maintenance work orders from residents continue to increase. Gardner Management makes a determination if the work is an Association expense (based on the by-laws) or a co-owner expense and will bill accordingly. General guidance followed - Gardner will perform the work if there is fix required (i.e., something is broken), a safety concern or a security concern. Other requests involving cosmetic changes or personal preferences may be Association responsibility, but don't necessarily need to be completed immediately (e.g., exterior painting.) Controlling these somewhat discretionary requests will help us keep expenses down. Keeping ongoing programs in mind as work orders are initiated is another approach to manage costs (e.g., aligning painting requests with the ongoing siding cleaning schedule.)
Irrigation is also running over budget, likely due to increased costs and being underfunded in the 2016. Gardner has already restricted the open-ended monthly "full inspection and repair" that Brightview would previously perform which should result in some savings.
 - 5) **Maintenance Contingency:** An amount of \$7,500 was added to the budget to accommodate unforeseen extraordinary maintenance expenses (e.g., storm damage) without negatively impacting the normal budget line items. Use of these funds requires Board approval.
 - 6) **Committee Recommendations for 2017:** The Landscape and Infrastructure Committees recommended new services and items for 2017 which require additional funding in the budget; including a siding cleaning program, street cleaning, replacement and maintenance of signs, tree replacements, and additional cleaning of the water features. All items requested excluding blinds for the clubhouse were added to the budget. (Note: Inclusion in the budget does not imply these items have all been approved to proceed.) The expense associated with reupholstering the chairs in the clubhouse will be included in the 2017 operating expense budget.

- 7) **Funding the shortfall carried into 2016:** An amount of \$23,760 from the dues increase (132 units x \$15 x 12 months) will be shown on the budget statement following the “net income” line item (\$24,497) to reflect that this money is earmarked to address the 2016 operating deficit.
- c) **Master Deed and By-law changes:** Ryan Gardner reported that the proposed amendment change is currently in the hands of the lawyer who is reviewing the language for consistency and to determine which of the items must be sent out for a community vote vs those which can be decided by a Board vote. The next step will be for Gardner and the Board to review the draft when it is ready.
- d) **Resident Survey:** Roger Stamper reported on the status of the community survey. Due to limitations with the number of recipients, the survey was developed using an alternative survey tool (vs Survey Monkey.) Roger distributed a draft of the revised survey via email. Two people responded and Roger provided a printout of the results. **Action Item:** Joy will create a draft email to be distributed to the community along with the survey link. The email will include instructions to provide only one response per unit and a request to limit comments to 500 characters or less. **Decision:** The survey will be distributed via the Website on Sunday, January 15th with a due date of February 4th (approx. 3 weeks to complete the survey.) A reminder will be sent out about ½ through the allotted time.
4. **New Business:**
- a) **Curb Repairs:** The issue of deteriorating curbs was discussed along with a proposed communication to AVB. It is assumed that AVB will eventually make repairs to the curbs in the current construction areas where damage has occurred. However, repairs to existing curbs will likely not occur at the same time. It was agreed that a communication from Linda asking about having AVB’s contractor perform repairs to the existing deteriorating curbs when they are also working on the repairs and/or new curbs in Whisper rock.
- b) **AVB Office Area:** In anticipation of AVB exiting their office in the OHC Clubhouse, the Infrastructure Committee held their last meeting at the Walden Woods clubhouse to see how that is configured and used. The committee felt the Walden Woods room was very functional and agree that a single room would be the best option for our clubhouse as well. This would involve removing the existing wall, carpet, painting and furniture. The committee will work with AVB to develop a more detailed proposal for the Board’s approval.
5. **Next Meeting:** Wednesday, February 22, 2017 4:00pm Gardner Management Offices
6. **Resident Comments:**
Residents in attendance: None
7. **Adjournment:** The meeting was adjourned at approximately 6:45pm.

Minutes Submitted by Joy McClendon, OHC Board Secretary