

**OAKLAND HILLS CONDOMINIUM ASSOCIATION**  
**Board Meeting Minutes**  
**February 22, 2017**

The Board Meeting of the Oakland Hills Condominium Association was called to order at approximately 4:00pm, February 22, 2017 at Gardner Management Group offices.

1. **Roll Call:**

- A. Board members in attendance: *Jack Gesmundo (AVB, Member at Large - arrived at 5:15pm), Joy McClendon (Secretary, Website Committee), Larry Smith (Vice President, Landscape Committee), Roger Stamper (Infrastructure Committee), Linda Teare (President, Finance Committee – participated by phone)*
- B. Gardner Management in attendance: *Ryan Gardner (arrived at 5pm), Calvin Johnson*
- C. Absent:
- D. Other Invited Attendees: *Carl Dyszkiewicz, Finance Committee*

2. **Record of Board work since previous meeting (on 12/14/2016):**

- A. Approved funding to create a community survey along with the survey format and contents. Survey was issued to the community in January.
- B. Carpet was replaced in the clubhouse and chairs were reupholstered. All furniture and equipment were returned in time for the Feb 4 Association Brunch. Good comments regarding the carpet and chair reupholstering.

**Approved via email:**

- A. **Decision:** A decision was made for the Association to take responsibility for light bulb replacement on the garage coach lights. This decision and process were communicated to the community in early January (and also included in the new Responsibilities document and handbook.) Roger reported that 48 bulbs were provided to committee members to perform replacements and they are now almost gone indicating a consistent demand.

3. **Reports from Individual Committees:**

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

- 1. **2017 Budget Statement:** Carl Dyszkiewicz discussed the 2017 Budget summary and pointed out that what appears as income at the end of 2017 (\$24,497) is actually already accounted for to address the previous funding gap (which was -\$27,603 as of 11/30/16). We would normally look to have income equal to expenses at the end of the year, but for 2017 we approved a portion of the dues increase (\$15 x 132units x 12months) to apply to the existing gap. Assuming a break-even (expenses and income) situation at the end of 2017, we could use the increase going forward in 2018 to offset previously planned increases for the Reserve fund.

2. **Operating Report:** Carl Dyszkiewicz reviewed the most recent OHC financials from the Month Ended January, 2017 Financial Report.

Summary:

Revenue: Actual \$36,480 Budget: \$37,552 (\$1,072) UnFav  
Expenses: Actual \$24,970 Budget: \$25,676 \$706 Fav

Comments:

- The revenue shortfall can be explained by the budget being spread evenly over 12 months and the anticipated closing of 4-5 units which are not yet reflected in the actuals. It is expected that buy-in fees for sales/resales will be current by the end of 1Q.

3. **Insurance:** The price for the Association's Insurance has gone up approximately \$2000 in 2017. Because of this, Gardner Management began looking into other insurance options to reduce costs. The Finance Committee along with Gardner Management met with and received quotes from two agencies representing three carriers. Their detailed analysis resulted in a proposal to move forward with Farm Bureau, represented by the Maris Brown agency. This proposed change in insurance will save the Association roughly \$7000 per year (with a slightly smaller savings in 2017 since we will have paid two months at the previous rate.) The total amount of coverage will change from \$27.8M to \$25M. The committee and Gardner Management felt comfortable with this adjustment to obtain the lower rate.

Additional Comments:

- The Maris Brown (MBR) agency is out of Rochester, MI. They have been specializing in insurance for community associations for some time.
- Ryan Gardner has worked extensively with MBR (Farm Bureau) and Keyser (Auto Owners) for a number of years and felt the service received from both agencies was quite good.
- Farm Bureau is a Michigan based company and their premiums will not be impacted by catastrophic losses outside of MI. As a result, hurricanes, tsunamis, etc. in other parts of the country will not affect our current or future premiums.
- There was a concern about the \$5,000 Auto Owners deductible which applies to each building. Farm Bureau's \$5,000 deductible applies once to each occurrence regardless of whether one or many buildings are involved.

**Decision:** The Board approved the proposal to change our insurance to Farm Bureau as outlined in the proposal from the Finance Committee and Gardner Management. (4-Yes, 0-No, 1-Absent)

**Action Item:** Gardner Management will make this transition as quickly as possible (March 1.)

The Board thanked Gardner and the Finance Committee who did a lot of work to bring these alternatives forward for significant savings.

4. **Reserve Fund Investment:** There are outstanding questions regarding how the reserve fund will be invested. Ken Lamos, Senior Vice President, Raymond James (who was approved as the investment advisor for the fund at the 11/09/2016 Board Meeting) will be invited to the April Board meeting to answer any remaining questions.
- Action Item:** The Guidelines developed by the Finance Committee should be reissued prior to the April meeting.

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

1. **Office Area:** Roger reported that the committee is working on proposals for the use of the office area to be vacated by AVB. They will be contacting Jack to see if we can use some of the same contractors that AVB uses to obtain lower costs.
2. **Siding Cleaning Contract Bids:** The committee continues to make progress on previously approved items. Calvin will be working with Mike McLean to obtain bids for cleaning the siding. The cleaning process needs to begin before the perennial flowers bloom. It would be good to mulch first if possible as well. **Action Item:** Calvin will request that we be put on the mulch list earlier than last year. **Action Item:** Once the dates are established for the siding cleaning, we should notify residents so that they know not to have windows cleaned beforehand.
3. **Clubhouse Carpet:** Positive comments have been received regarding the new carpet in the clubhouse. **Action Item:** The Board asked Gardner to draft an email regarding the carpet and the need to properly maintain it and the clubhouse as a whole. There have been concerns expressed regarding the cleanliness of the clubhouse and the exercise room in particular. **Action Item:** Ryan will review the existing contract for clubhouse cleaning and see if it needs to be expanded or if the cleaners are falling short of their current responsibilities.
4. **Garage Door Spring:** Roger reported that his garage door spring had broken and was told that this spring had a 5-7 year life. Trying to plan and budget for these failures would be difficult. They are currently covered under the general maintenance budget. It was agreed that we would track these failures for now and later look at making a separate line item if we find this becomes a significant expense.

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

- a) **Landscape Bids:** We are at the end of our 3 year contract with Brightview. Calvin is currently obtaining quotes from Maintenance Masters and DJs Landscaping in addition to Brightview. The bids cover the same scope of services that we have currently. The goal is to have a contract signed by March 15.
- b) **Tree Lost:** A large evergreen tree along Oakland Dr. (behind Oak Meadow Cove) blew over during the recent high winds. Gardner Management was called and the tree was removed that day. Larry commented that calling Gardner was faster and less costly than had we contacted Brightview for this service.

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

- a) No Update. (The developer was unable to attend the meeting held in early December. A follow up meeting has not yet been scheduled.)

4. **Old Business:**

- a) **Master Deed and By-law changes:** Some money has been spent to cover legal fees, but no additional information was shared at this time.
- b) **Resident Survey:** Roger Stamper reported on the status of the community survey. We had a good response rate with over 90 units responding. There appeared to be a small glitch with one question which corrupted that data, but the remainder of the data, including comments was provided to the Board via email.

**Action Items:**

- 1. **Roger** will draft an email to send to those who expressed an interest in working on a committee asking them to contact the appropriate Chair for the committee they are interested in joining.
- 2. **Ryan** will send the Board guidelines from other Associations who charge for their clubhouse use for the Board to review.
- 3. **Joy and Linda** will work on organizing the information to be able to provide summary feedback to the community at the annual meeting.

5. **New Business:**

- a) **Election of Officers:** The three Board candidates who receive the most votes will be selected for seats on the Board. The non-voting member (pending AVBs departure) will be the one with the least votes.
- b) **Annual Meeting:** Scheduled for Wednesday, May 10, 2017 at 5:30pm. **Action Item:** Ryan will look into reserving the Realtor Auditorium since we assume the clubhouse will not be big enough with the number of new residents in the community.
- c) **Volunteer Day:** Linda brought up the idea of having a community volunteer day where community members participate in small projects to assist other residents (e.g., weeding, changing bulbs) and/or community items such as greasing garage door springs. **Action Item:** Board members should email ideas to Roger so we can discuss at the next meeting.

6. **Next Meeting:** Tuesday, April 12, 2017 4:00pm Gardner Management Offices

7. **Resident Comments:**

**Residents in attendance:** Jeff Lee, 8892 Oakland Hills Circle. Jeff asked about next steps for changing our insurance (this will be done by Gardner.)

8. **Adjournment:** The meeting was adjourned at approximately 5:30pm.

*Minutes Submitted by Joy McClendon, OHC Board Secretary*