

OAKLAND HILLS CONDOMINIUM ASSOCIATION
Board Meeting Minutes
April 12, 2017

The Board Meeting of the Oakland Hills Condominium Association was called to order at approximately 4:00pm, April 12, 2017 at Gardner Management Group offices.

1. **Roll Call:**

1. Board members in attendance: *Joy McClendon (Secretary, Website Committee), Larry Smith (Vice President, Landscape Committee), Roger Stamper (Infrastructure Committee), Linda Teare (President, Finance Committee)*
2. Gardner Management in attendance: *Ryan Gardner, Calvin Johnson*
3. Absent: *Jack Gesmundo (AVB, Member at Large) Jack's voting proxy was provided to Linda Teare prior to the meeting.*
4. Other Invited Attendees: *Ken Lamos, Raymond James Financial*

2. **Record of Board work since previous meeting (on 2/22/2017):**

1. **Decision:** The Board approved a three-year contract with Brightview to continue Landscape Management. Gardner Management received bids from three companies and after a number of meetings and a negotiated price reduction from Brightview, the Board approved their recommendation to award the contract to Brightview.
2. **Decision:** The Board approved modifying the Evergreen Management program to perform preventative fertilizing of most trees this year vs. the planned Needlecast spraying (which would have been for infected trees only.) The fertilizing will cost \$3,645 which is within the budgeted amount of \$5,000 for 2017.

3. **Reports from Individual Committees:**

Finance Committee – Linda Teare, Finance Committee Chair presented on behalf of the committee.

1. **Reserve Fund Investment:** Ken Lamos, Senior Vice President, Raymond James, attended the Board meeting to answer any remaining questions on investment of our funds. The goal of the investment is to modestly grow the account value over the long term to outpace savings rates and inflation.
The Board previously approved a strategy involving three different accounts. These Accounts will be invested as follows:
 - Account I (60% of the investable assets) will primarily consist of investment grade or guaranteed individual fixed income (i.e., Bonds), laddered over a period of time. We want to be sure we control this whole account to assure that money comes due when it is needed for planned expenses. Account I will be commission based because this will be cheaper for the Association. (We may switch to fee based if we choose. The Raymond James philosophy is to use the fee approach with the least cost for the client.)

- Account II (40% of investable assets) will use mutual funds as the product of choice with 60% equities and 40% fixed income providing broad diversification.
- Account III is the money market account currently at Mercantile and managed by Gardner. We will leave this account where it is and determine the amount to be transferred to the investment fund on a periodic basis. We want to be sure to leave adequate funds in the Mercantile Account to cover periodic shortages due to seasonal expenses and unexpected circumstances. **Decision:** The Board decided to start with an initial investment of \$300,000 and then review cash flows at 6 months to determine future transfers. Raymond James will provide Gardner and the Board President with monthly account and market recap statements. Their statements are prepared by the 8th of the month which should be adequate for Gardner to include with their statements which are prepared on the 15th.
Action Item: Linda will update the investment guidelines based on this discussion.

2. **Operating Report:** From the Three Months Ended March 31, 2017 Financial Report.

Summary:

Revenue:	Actual \$110,197	Budget: \$112,655	(\$2,485) UnFav
Expenses:	Actual \$ 73,474	Budget: \$ 74,727	\$1,253 Fav
Net Income:	Actual \$ 36,723	Budget: \$ 37,928	(\$1,205) UnFav

Comments:

- The revenue shortfall can be explained by the budget being spread evenly over 12 months and anticipated buy-in fees not yet received.
- Noted expense items:
 - \$2,393 EPS charges (for December) which will be reclassified back to 2016
 - \$1,395 year to date unfavorable Property Insurance Premiums will be offset by reduced Farm Bureau premiums in April – Dec. (thank you Gardner!)
- There remain outstanding questions regarding the insurance settlement for the Clubhouse re-carpeting project (specifically related to the use of PODs for the storage of the furniture). Gardner will prepare a financial summary for the carpet project once all expenses and insurance are reconciled.

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

1. **Office Area:** No new update from the committee at this point as they anticipate AVB will be using the office area for a while. Linda Teare reported that the carpet purchased for the office area is currently being stored by Migala, but only until the end of the year. **Action Item:** Linda Teare will check with Migala regarding any additional costs that may be incurred if installation of this carpet goes beyond the end of the year.
2. **Siding Cleaning:** The Infrastructure Committee recommended using Patriots Power Washing as the vendor to power wash the siding according to the previously agreed upon plan (which covers the entire community over a 4 year rotating cycle.) The bid from Patriots was well below the approved budget. **Decision:** The Board approved proceeding as per the committee recommendation via email after the Board Meeting. A communication has been distributed to the community indicating that units 8650-8794 on Oakland Hills Circle, the Clubhouse, all units on Gray Oak, and select other units which require spot cleaning will be washed in May, 2017. It

was recommended that mulching be done prior to the power washing. **Action Item:** Calvin Johnson agreed to contact Brinkman about starting the mulching as soon as possible. However, it was also noted that for the most part, the units scheduled to receive mulch this year are not the units scheduled for power washing. The power washing does not include also washing windows. Co-owners who wish to also have their windows washed will need to pay for it themselves.

3. **Clubhouse Lighting:** It was recently discovered that there are 8 outlets but only 4 bulbs in the existing lights in the clubhouse. If we add the remaining bulbs it will be important to be sure we get the right color so they match and aren't too bright. **Action Item:** The Infrastructure Committee will follow up.
4. **Volunteer Day:** (See last Board Minutes) The committee is still determining possible projects and expects to discuss at the May meeting.
5. **Carpet Replacement Report:** Will be ready for the May Meeting.
6. **Carriage Light Bulb Replacement:** The volunteers have replaced 55 bulbs to date with 29 bulbs still in inventory. During a recent bulb replacement on a carriage light a bulb blew out when screwed into the socket. This situation raised the question of Association Liability for the volunteers. (See New Business below.)

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

1. **Evergreen Tree Replacement:** Two evergreen trees have been ordered (combined with an AVB order.) One for Oak Meadow Cove that died in late 2016 and one by the walkway along Oakland Drive that was blown down during a recent wind storm. Each tree cost approximately \$375. The trees will be delivered at the end of April or early May. The Landscape committee will do the mulching for the new trees.
2. **Evergreen Management Program:** (See Record of Board work since previous meeting above.) BrightView Landscaping will proceed with the injection-type fertilizing around most trees as previously approved by the Board. Mature trees that do not require fertilizing will be excluded. The ongoing plan will be to alternate each year between spraying and fertilizing.

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

1. **Archive Capability:** The archiving capability request has been reviewed with the developer. Features include:
 - a. Documents older than 24 months will be archived.
 - b. There will be one archive page per year and users will be able to link back to the main Association Documents page from any archive.
 - c. A search tool will be installed as part of this enhancement which will also allow searching by keyword across current documents.

- d. The archive process itself will be performed manually each year by a member of the website committee. (The developer could do this for us if necessary at an hourly rate, currently \$70/hour.) The first archive (for 2014 and older) will be performed by the developer who will document the process and work with the committee to perform the 2015 archive.
 - e. An estimate of \$300 or less was provided to implement the archive capability along with a search tool. **Decision:** The Board approved proceeding with this development which was previously included in the 2017 Website budget.
2. **Email Rejections:** The developer is working on correcting the problem where 10 residents cannot receive email messages sent from the Website. The email IDs for those who cannot receive website emails belong to users of msn, live, Hotmail and icloud email systems. The testing is still in progress but it appears that the issue is largely resolved. The committee is asking users to include the Website email address in their safe senders address list.
 3. **Directory Download:** The process for downloading a resident directory from the website is cumbersome (i.e., involves printing to a pdf file) and does not work with all browsers. The developer is investigating options. However, the Website Committee encourages users not to download the directory unless absolutely necessary due to the frequency of changes and the fact that a downloaded directory will likely be out of date shortly after it is created.
4. **Old Business:**
 - a) **Master Deed and By-law changes:** Wording changes to the Master Deed from the legal firm (driven by the changes voted on while developing the Responsibilities document) were reviewed. The wording and changes proposed in the letter from the legal firm were reviewed and endorsed by the Board. The legal team has indicated that the changes being proposed will require a community vote with 60% of the population approving. Because of this, it will be important that residents have preliminary information regarding the vote including: why it is being done, what will be included and the need for them to respond by the due date. The vote will be done via a paper mailed ballot to each unit from the legal team and will ask for one vote covering all items (vs an individual vote per item.) **Action Item:** Linda Teare will cover the Master Deed changes and the upcoming vote at the May meeting.
 4. **Resident Survey:** Linda Teare began reviewing the survey results and categorizing the information received. Joy and Linda were unable to meet prior to the Board meeting so will follow up with the Board via email. **Action Item:** Joy McClendon will present a summary of the survey results at the May meeting highlighting the highest and lowest rated items, key themes identified across the comments received and planned next steps.
5. **May 10th Annual Meeting:**

Agenda: Linda reviewed a draft agenda she had prepared. The agenda will include:

 - a. the survey results (Joy),
 - b. a summary of the upcoming community vote on the Master Deed changes (Linda),

- c. a report from each committee (max 10 minutes each, Linda, Roger, Larry, Joy),
- d. an AVB update (Jack),
- e. a thank you to residents who have contributed significantly to the community (Linda),
- f. resident's questions (Linda/All), and
- g. election results (Gardner).

Sign In: Having multiple sign-in sheets (one for OHC and one for Gardner) at the last annual meeting created some confusion so we will have only one sign in managed by Gardner. This will be an opportunity for residents to update their information with Gardner and it will provide meeting attendance information. Residents will be reminded during the Website presentation that they are responsible for updating their OHC contact information via the Website.

Location: It was agreed that the meeting will be held in the OHC Clubhouse. We anticipate that the number of attendees may cause a very crowded room due to the number of new residents.

Action Item: Linda will ask residents if using the clubhouse for future meetings will be acceptable or if they prefer another location with a larger room.

Presentation Equipment: Board members agreed it would be preferable to use PowerPoint for speaking at the meeting. **Action Items:** **Roger Stamper** will obtain a portable projector to use at the meeting. **Calvin Johnson** will bring a projection screen to the meeting.

5. New Business:

- a) **Clubhouse Usage:** The survey results indicated a majority of the residents endorse charging a fee for the use of the clubhouse to offset maintenance costs. **Action Item:** A committee will be launched to develop the appropriate processes and fees. **Action Item:** Joy McClendon agreed to write a draft plan for how this might work with input from Gardner and AVB (as they have experience in this area) which can be used as a starting point for the committee.
- b) **Liability Concerns:** During a recent bulb replacement on a carriage light a bulb blew out when screwed into the socket. This situation raised the question of Association Liability for the volunteers if they are injured while performing tasks on behalf of the Association. Ryan Gardner indicated that we have a separate Workman's Compensation insurance policy to cover contractors hired who may be uninsured, which *may* cover volunteers if they choose to hold the Association liable for any injury. The limit on this policy is \$1M. There was additional concern expressed regarding co-owner liability if a volunteer is injured while working on their specific unit. **Action Item:** Ryan Gardner will follow up with Farm Bureau and the Attorney to receive an opinion on liability exposure and whether our existing policy would cover volunteers. He will also ask about the possibility of having volunteers sign a waiver document and whether that would provide any relief. If it is determined that we have a liability exposure we may need to rethink what work is performed by the volunteers and allow co-owners to opt out if they so desire.
- c) **Unit Insurance:** There are outstanding questions regarding co-owner insurance coverage specifically regarding the amount of coverage purchased by Co-owners vs. the Association (i.e., % of total value covered by the Association vs the Co-owner.) Select wording in the Master Deed

regarding “neglect” which could be interpreted as resulting in a lack of coverage has generated concerns. **Action Item:** Gardner will follow up with the Insurance Agent and the Lawyer for clarification.

6. **Next Meeting:** Community Annual Meeting will be held **Wednesday, May 10, 2017 at 5:30pm** in the **Clubhouse**. A Board organizational meeting will be held immediately following.

7. **Resident Comments:**
Residents in attendance: Jeff Lee, 8892 Oakland Hills Circle.

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

Minutes Submitted by Joy McClendon, OHC Board Secretary