

## ***BOARD OF DIRECTORS MINUTES***

The Villas at the River  
Homeowner's Association, Inc.  
2887 Villa Lane, Benton Harbor, MI 49022  
*April 15, 2014*

The following documents the April 15<sup>th</sup>, meeting of the 2014 Board. In attendance were Mike Cook, Jean Bloomquist, Tom Johns and Dave Kett with Mark Carlock absent due to an illness. The meeting was held in the Villa's Office, 2887 Villa Lane.

President Tom opened the meeting at 7:06 pm.

### **Presidents Report:**

The small pond fountain needs repairs. Estimates for repairs are about \$800 - \$900.00 plus dollars. Beaudoin Electric has a used (almost new) fountain for \$1,000.00. This is about the same cost as rebuilding the old fountain and is much bigger and better than the present one. We made the decision to purchase the used fountain while it was still available.

Large pond fountains will be re-installed next week with new led lights.

The Ponds have been already treated for weeds.

Sprinkler system is scheduled to be re-started soon.

The pool will be opened May 12, 2014.

Second Nature has started spring cleanup and is repairing lawns damaged from snow plowing. They have also agreed to keep prices the same for 2014 except for fertilizer, which has increased in price.

This winter one of our furnaces in the clubhouse broke down and had to be replaced. Mattawan Mechanical installed a new furnace and has agreed to accept payments over a three-month period to help with our cash flow.

The Lift Station requires that a new Flo Meter be installed. The township would like us to do this as soon as possible. They are having problems reading the meter. Dick will look into this issue.

We had some ice damage this winter. Dick will see to it these repairs are made.

One resident had a very unusual amount of ice buildup over his garage door this winter. Dick has been asked to see why this unusual problem occurred and how best to deal with it.

### **Developer's Report:**

Building 21 will be started as soon as weather permits.

### **Vice President's Report:**

- \* Members are encouraged to sign up to host a social for 2014.
- \* Pool will be opened May 12,
- \* New furnace is installed and working.

## Secretary's Report:

Minutes of the last meeting were approved.

## Treasurer's Report:

Taxes owed have been paid.

Jean will schedule the annual audit of the books.

## Financial report:

The record-setting winter weather conditions resulted in record-setting expenses for the Homeowner's Association. These expenses far exceeded anything that could have been expected, and wreaked havoc on the annual budget.

In setting our budgets for last year and this year, we had first looked at our average costs for winter services over all the past years. Seeing that this past winter had started early, we attempted to be conservative, and increased the 2014 winter services budgeted expenses by \$10,700! In spite of this large increase, this past winter was so unusually bad that total winter costs still exceeded our conservative budgets by a total of almost \$15,000!

After carefully reviewing everything, we feel the loss is too great to be absorbed, and that a special assessment is needed, so other basic services for the rest of the year can continue to be provided. In an effort to keep this one-time special assessment as low as possible, we have subtracted from the winter expenses the \$4,556 amount of net profit that had been built into the 2014 budget. However, the 2014 budget didn't have fat in it. There aren't places to cut many expenses, without harming the Association's ability to provide all the other expected services. To get to just a break-even budget, a one-time special assessment of \$154.00 is needed.

Here, for your full information, are all the numbers:

### Winter Service over budget amounts:

Actual 2013	\$ 24,380	
Less: Budget 2013	<u>(18,600)</u>	
Difference 2013		\$ 5,780

Actual through April 14, 2014	\$ 37,338	
Less: Budget 2014 (\$10,700 more than 2013)	<u>(29,300)</u>	
Difference 2014		\$ 8,038

**Total Winter Services over budget amounts** \$ 13,818

### Clubhouse over budget amount due to colder than normal winter:

Actual through March 2014	\$ 3,689	
Less: Budget through March 2014	<u>(2,934)</u>	
Difference 2014		\$ 755

**Total over budget amounts due to unusual winter activity** \$ 14,573

Less: Planned budget income amount\* (4,556)

**Target amount for Assessment** \$ 10,017

**Number of homes sold as of December 31, 2013**

65

**Assessment Amount per Home \$10,017/65 homes**

\$ 154

In order to keep all our members better informed, the board agreed to host a town-hall meeting at the April 27<sup>th</sup> social. The board will be present to answer any questions you may have.

Unfinished Business:

- \* Water Transmission Agreement - waiting for a response from Sodus Township.
- \* Amendment of the clubhouse rules remains tabled.

**New Business:**

Tom will volunteer to make a Private Party sign for the clubhouse as required by our by-laws.

Next Meeting to be held on an as-needed basis.

A motion was made by Tom and seconded by Dave to adjourn the meeting at 9:00 p.m. Motion passed.

Respectfully submitted,  
Tom Johns, Acting Secretary