

BOARD OF DIRECTORS MINUTES

The Villas at the River

Homeowner's Association, Inc.

c/o County Wide Property Management Inc., PO Box 127, St. Joseph, MI 49085

November 12, 2015

The following documents the November 12, 2015 meeting of the 2015-2016 Board. In attendance were Jean Bloomquist, Mark Carlock, Julie Crane, Mike Cook, Pam Fetke, and Mary Huber. The meeting was held at Jean Bloomquist's home and started at 6:56 p.m.

President's Report:

Discussion occurred regarding the water transmission agreement

Copies of Sodus paperwork and Developer paperwork on the initial water agreement have been requested. Mary will report back to the board in the next 7-10 days and may require a special meeting.

An initial contact email/ letter will go out to all co-owners from Pam Fetke, owner of County Wide Property Management Inc. and will include an attachment to be returned regarding communication preferences and emergency contact information.

Developer's Report: none

Vice President's Report: none

Secretary's Report: The minutes of the Sept 16th, 28th and Oct 22nd meetings were approved by the board by email response.

Treasurer's Report: The remaining meeting time was committed to the 2016 Budget. See the attached Financial Summary.

Committee Reports - none

Motion to adjourn by Jean and second by Mary, motion carried unanimously. Meeting closed at 10:00

Respectfully submitted,
Mark Carlock, Secretary

October 2015 Financials - Summary

Main Issues:

- On September 3rd Mary Huber, Jean Bloomquist and Tom Johns met with Dick Wales to forecast the expenses for the rest of the year. Jean revised the forecast based on actual expenses through 2015. Bottom line is - **We expect expenses to be greater than income by approximately \$2,710.** The tab "Oct15 YTD" of the October 2015 reports includes a column "2015 Forecast as of 9/3/2015 (adjusted)" shows the estimated projections for each line item.

On September 19th, the HOA had a fire at Vestus & Oretha Reed's residence. We have established an account to report all expenses and income items in Acct 623. The HOA has received two payments totaling \$3,502 from insurance to cover early expenses. Expenses through October expenses total \$1,740. *Note: Neither income or expenses from the fire have been included in the forecast.*

- Summary of the changes:
 - **Administration:**
 - **Insurance:** The largest change is the estimate for **Insurance**. We paid the final premium for the year. We had budgeted \$24,292 and the final amount is \$26,795. A significant number of properties transferred to the HOA's insurance policy in February 2015. The budget was based on the policy amount as of November 2014. The new forecast for the Administration accounts has increased from \$45,637 to \$47,933.
 - **Administration Account:** Effective November 1, Country Wide Property Management (Pam Fetke) became the Property Manager for Villas at the River HOA. We agreed to pay Pam \$825 per month. I assumed that we would continue to pay Villas at the River, LLC for the month of November.
 - **Clubhouse:** We are holding off on **equipment replacement** for another year. The forecast for the clubhouse accounts has decreased from \$14,725 budgeted amount to \$11,000.
 - **Ponds:** The total for these accounts **increased** from the \$5,125 budget to \$8,110 for the forecast. In June, we paid Beaudoin \$4,011 to install and repair the fountains – **Fountain Remove & Install**.
 - **Pool:** The **Pool Replacement Equipment** account includes the expense of a heater replacement in the amount of \$1,872. Overall the forecast amount increased from the \$7,525 budget to \$8,302 for the pool accounts.
 - **River Expenses:** The River Expense accounts are right on budget decreasing from \$1,200 for the budget amount to \$1,125 for the forecast.
 - **Winter Expenses:** Due to snow removal being isolated to the month of February, the Winter Expense accounts decreased from the \$30,750 budget to \$26,525 for the forecast.

- **Building Exterior Maintenance:** The total for the accounts increased from \$16,010 for the budget to \$20,950 for the forecast. The main reasons for the increase include the painting projects of the doors, fences and touch-ups plus a window replacement.
- **Landscaping:** Total budget was \$66,770 vs \$70,601 for the forecast. Most of the differences include higher expenses for mulching, tree trimming and sprinkler repairs. This is netted against savings realized in utilities.
- **Equipment:** We are postponing the \$1,000 in equipment purchases for the year. The budget amount was \$1,750 vs \$740 for the forecast.

General Budget

Total Income October YTD was \$157,592 vs \$158,196 budgeted income - for a difference of \$605. However, after adjusting for prepaid dues (net adjustment of +\$1,419), we are \$2,025 over budget.

- **Percent of Ownership** – As agreed, we are currently receiving \$179 per unit from Villas at the River LLC for each unit which has gone vertical. We have received payments for January through September. Even though this is not a percent of ownership calculation, we have left it in the same account for comparison purposes for future years. We also received the December percentage of ownership amount of \$1,387 determined based the previous rules. In October, we are under budget by \$1526, due to the Villa’s LLC payment for less than the 8 homes budgeted and with the October 2015 due and payable.
- **Dues:** After adjusting for prepaid dues (net adjustment of +\$1,419) we are over budget by \$100. All dues are up to date through October as of the first week of November.
- The rest of the items total \$2,240 over budget – chiefly due to AT&T commissions received of \$1,850 and working capital over budget amount of \$239.

Total Expenses for October YTD actual were \$160,828 vs \$164,897 budget and under budget by \$4,069. This is chiefly due to timing issues. Even though we are under budget now, the forecast shows that expenses will be about \$4,000 higher than budget. See above and the detail in the Budget vs. Actual tab for the October monthly report.

Net Income after adjusting for net prepaid income of +\$1,419 is -\$4,655 and \$3,464 under budget.

Sewer Water & Trash

Sewer Water & Trash Dues are \$36,077 YTD vs Budget of \$37,044 and under budget by \$967. If we adjust for prepaid dues (+\$441), we are under budget by \$526 YTD.

Total Expenses YTD were \$26,621 vs. budget of \$27,116 or \$495 under budget.

- **Lift Station Repairs** – Paid only \$117 and to date and we are now under budget \$3,217 in this account.
- **Waste Removal** is over budget by \$1,398. Expenses have been paid for:
 - July – December 2014 equal to \$1,055
 - \$268 for the period 12/17/2014 through 1/16/2015,

- \$577 for the period 1/17/2015 through 4/16/2015
 - \$472 for the period 4/17/2015 through 6/16/2015
 - \$245 for the period 6/17/2015 through 7/15/2015
 - 7/16/15 - 9/15/15 \$595
 - MISS DIG - \$1169 - NOT MAILED YET – still investigating
- **Water expenses** have been paid for nine months - 11/11/2014 through mid October. The amount paid in 2015 for 2014 expenses was \$1,620 which will be a permanent difference for the year. This account is over budget by \$2,662. We saw higher water bills due to the lack of sprinklers in the summer.
 - **Trash removal** is \$537 under budget for eight months of payments.
 - **New Bill Received** – The Board has received invoices from Sodus Township via David Peterson, an attorney with Straub, Seaman & Allen totaling \$3,482.52 – part of this was the MISS Dig bill of \$1169 noted above. These will be reviewed by the board before payment, but if paid, would come from the SWT funds.

Sewer Water & Trash Net Income: YTD net income is \$1,960 after adjusting for prepaid income of +\$441 and is under budget by \$1,246.

Capital Development

Dues received are under budget by \$65 after adjusting for prepaid dues of \$297. \$1599 will be transferred from the Capital Development account to the checking account to cover the expense incurred for driveways in 2015.

Balance Sheet

The Balance Sheet shows Checking of \$23,236 plus Reserve of \$35,193 (includes prepaid dues of \$7,866) for a **total Cash amount of \$58,428 as of 10/31/2015 compared to \$40,364 (included prepaid dues of \$7,072) as of 12/31/2014**. A total of \$2,669 is due to be transferred from the checking account to the reserve account for dues collected in October.