

# *BOARD OF DIRECTORS MINUTES*

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

October 6, 2016,

The following documents the October 6<sup>th</sup>, 2016 meeting of the 2016-2017 Board. In attendance were Jean Bloomquist, Mark Carlock, Julie Crane, Al Ernst and Mary Huber. The meeting was held in Mary's home and started at 6:00 p.m.

**President's Report:** see attached report

**Secretary's Report:** The minutes of the September 13<sup>th</sup> and September 21<sup>st</sup> meeting were approved

**Treasurer's Report:** see attached report

**Property Managers Report:** see attached report

## **Committee Reports**

**Capital Reserve Committee:** A presentation was made by the committee to the complete board regarding the recommendation for additional Capital Reserve Funding for the community. The full committee of Anne Brandt, Ron Barrick, Al Ernst, Mark Carlock, and John Huber were in attendance.

## **Old Business:**

Al Ernst updated the board regarding the status of his negotiations with Sodus Township and our water supply agreement.

The board discussed the Clubhouse Recurring Activities Agreement

## **New Business:**

The board discussed the future separation from the developer.

## **Board Actions:**

Motion by Jean, second by Mark, to accept the recommendation of the Capital Reserve Committee.

Motion carries unanimously

Motion by Jean, second by Julie, to raise Capital Reserve contribution \$67/month to \$100 a month total.

Motion carries unanimously

Motion by Mark, second by Mary, to accept the bid of Arnt Asphalt to hot fill cracks in drives and roads.

Motion carries unanimously

Motion by Al, second by Julie, to require \$50/year for an open rental on the main room. There will be no rental for smaller rooms although they must still be registered. Motion passes.

Board accepts the resignation of Mark Carlock to pursue serving the community off the board.

Resignation is to take effect in October 2016. Mark will remain chairman of the Capital Reserve committee.

Motion to adjourn by Jean and second by Mary, motion carried unanimously. Meeting closed at 8:30.

Respectfully submitted,  
Mark Carlock, Secretary

1. Pool shut down – Vliestra Bros. 9/23/16 - \$651.35; pool filters taken for cleaning  
Shoreline Plumbing disconnected outdoor shower & water fountain, drained  
water heater - \$80.00  
Baushke Construction to blow lines – mid October
2. Small pond pump motor repaired - Beaudoin Electric - \$1041.12
3. No updates on sale of Brockway unit # 3069 & McQuillan unit # 3143
4. Auto-Owners Insurance finalized; pending visit with Loss Prevention Specialist
5. Sprinkler system shutdown scheduled to commence 10/15/16
6. Sewer lift station alarm 9/23/16 - \$123.00
7. Vavra Painting @ Bldgs 1 & 2 on-going
8. New Owner @ 2783 Villa Lane – Patricia Zech
9. American Classic Construction completed Bldg 7 deficiency repairs – ridge vent, shingle replacement, nail head protection
10. Well pump surge protectors (4) on order with Beaudoin Electric
11. Mal-function in the well pit for the sprinkler system surrounding the large pond - valve is designed to fill the pond and shut down when sprinkler operation is called for; Baushke Construction will be working on repairs this week; possible valve replacement \$150-\$200  
Large pond well pump shut down.
12. 'Consider It Done' Maintenance to commence 10/17/16
13. Arnt Asphalt quote to crack fill roadways and drives (see 2<sup>nd</sup> attachment)

## President's Report

10/6/2016

Dick Wales has requested a list by 10/7/2016 of all items we wish to have the developer complete before his departure. Dick indicated that it is his understanding that Mike would prefer to contribute money to the uncompleted tasks and have the HOA contract for and oversee the work. That cost will be determined after he receives the list of requests that we have.

Dick stated that he plans to remove all sales items this month. I offered to assist him in this dismantling in case there are some items that would be of use to the HOA at a later time. I also asked if the developer plans to leave any office furniture or if is he gifting that to the HOA. Dick felt at the time of our meeting that all was being left for us and we may have any items left behind. He indicated that he would like a small office space for use while he completes warranty work. He does not know when Helen and Mike will be vacating the premises, but thinks November. He suggested we contact Mike for definitive information.

Dick and I discussed all vendors used in the development including the architect for the clubhouse. We began to compile a list of vendors that will still need some contact numbers and information after discussion with the Board and the Property Manager.

Work has begun on the driveway between buildings 22 and 23 at the expense of the LLC. Fences are being completed and warranty work is being addressed under Dick's supervision.

Survey results and recommendations from the outdoor landscaping committee are expected in the next 2 weeks. Over 50% of the co-owners completed the survey and made their observations and concerns known to the committee.

**Villas at the River Homeowner's Association  
Financial Summary  
September 2016 YTD**

September 2016 YTD Summary	General	SWT	Capital Reserves	Fire	Total
<b>Total Income</b>	\$165,119	\$37,737	\$ 25,251	\$ 708	\$ 228,815
<b>Total Expense</b>	\$148,232	\$31,281	\$ 20,322	\$ 147,893	\$ 347,728
<b>Net Income</b>	\$ 16,887	\$ 6,455	\$ 4,929	\$(147,185)	\$ (118,913)
<b>Prepaid Dues as of Dec 31, 2015</b>	\$ 5,628	\$ 1,421	\$ 957	\$ -	\$ 8,006
<b>Prepaid Dues as of Sept 30, 2016</b>	\$(10,282)	\$(2,597)	\$ (1,749)	\$ -	\$ (14,628)
<b>Adjusted Net Income</b>	\$ 12,233	\$ 5,279	\$ 4,137	\$(147,185)	\$ (125,535)

**GENERAL ACCOUNTS** – As of the end of September, net income is \$12,233 after adjusting for prepaid dues.

**Percent of Ownership** accounts have been caught up to date and are now based on a percentage of the buildings owned by the developer vs. the HOA. The account is under budget \$4,417 due to lower expenses.

**Association Dues** are \$2,613 under budget YTD after adjusting for prepaid dues.

**Miscellaneous Income** (new account) includes three payments from the LLC:

1. To reimburse the HOA for payments to Sharon Ellmer (\$89), amount paid to Sharon appears on the Labor Exterior Maintenance line.
2. To cover the bills received from Sodus Township (\$3,358), paid to Sodus Township in September and has been subtracted from this account.
3. For sale of the tractor \$200

**Tax Payments** has a payment of \$748 in March – required due to the AT&T payments we receive.

**Accounting Services** has a payment of \$550 in March.

**Legal Services** totals \$5,433 for payments thus far in 2016.

**Clubhouse Accounts** are in good shape. We are over budget by \$693 for cleaning, but under budget \$1,508.50 for Clubhouse Maintenance. In the past, we tended to charge Rick's time to Clubhouse Maintenance. It makes sense that our numbers would appear this way since Rick no longer works for us.

**CLH Equipment Replacement** includes a TV purchase in the amount of \$862.02. In September, we paid \$1,308 to replace the elliptical.

**Winter Services** accounts total \$23,170 and are under budget \$9,180 for the year.

**Ponds** accounts are under budget by \$3,437 YTD – a good sign that things are going well with start-ups etc. We received charges for fencing materials in March of \$949 and received a bill for labor in April the amount of \$460.

Hopefully this will correct our geese problem. We will be spending approximately \$1,000 on replacement equipment before the end of the year.

**Pool** accounts are under budget overall by \$1,462 YTD. We spent \$1,082 on pool supplies, but only budgeted \$500 for the year. Some of these will be used in 2017. In September we paid \$731 to close the pool and \$575 for pool maintenance.

**Boat Dock** accounts show expenses of \$341 for modifications to the boat dock so that we no longer have to pay fees of approx. \$800 annually to install and remove it each year. Thank you, John Huber!

**Sidewalk/Patio Slab** maintenance shows an amount of \$2,302 to replace three sections at 2892 Villa Ln.

**Spring Clean-up** costs of \$1,667 were paid in April & May which is over twice the amount we had in the budget for 2016. Last year we paid \$1,881 for Spring Clean-up. At budget time we thought part of this was for flowers so we did not change the budget. Looking back, this was an incorrect assumption and we should have budgeted more for spring clean-up.

**Mulch & Labor** – received charges of \$9,221 from Second Nature for labor and Adent for the mulch which is \$2,121 over budget for the year. We intend to mulch every other year.

**Tree Trimming** – in September we have payments of \$8,000 to A&A Tree Service for the removal of trees around the Villas. The Board approved this expenditure which is \$3,000 over budget.

**SEWER, WATER & TRASH** – Net income for these accounts is \$5,279 after adjusting for prepaid dues. SWT dues are over budget by \$17 through September. In August we paid \$949 for the rental of a generator during the power outage and \$1575 for fire hydrant maintenance for the years 2014-2016.

**CAPITAL RESERVES** – We have taken in dues and interest of \$25,251 through the end of September after adjusting for prepaid dues. In August, we show a payment of \$18,625 to replace ½ of Building 7's roof. The board decided to accept a reduced price to do this since the other part of the roof was going to be replaced by insurance.

**FIRE ACCOUNT** – We have paid out \$147,893 YTD. The payments for the former office are finalized. We are still waiting for the final accounting on the 2889 property.

**BALANCE SHEET** – As of September 30, 2016.

<b>General Account</b>	\$45,103
<b>Capital Reserve Account</b>	59,473
<b>Fire Account</b>	<u>4,920</u>
	<u>\$109,496</u>

To be transferred: \$6,492.49 from the General Account to the Capital Reserve Account for Capital Reserve dues received in August & September. Also, the roof replacement was paid from the General Account. Therefore, \$18,625 needs to be transferred from the Capital Reserve Account to the General Account. Both transfers will be made in October.