

VILLAS AT THE RIVER HOME OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
OCTOBER 24, 2017

The meeting was called to order at 6:30 PM.

In attendance were Mary Huber, Jean Bloomquist, Julie Crane, Al Ernst, Earl Misch and Pam Fetke, Site Manager. The meeting was held in the Community Clubhouse. Quorum determined.

Guest Dave Chandler, Sodus Township Supervisor:

- He spoke about Sodus Township receiving grants from Homeland Security and Michigan Gas Utilities. The Homeland Security grant of \$18,000 will be used to purchase emergency radios for first responders. A \$2,000 grant from Michigan Gas Utilities will be used to purchase a generator and lights to be used in water rescues.
- Also, a new fire truck will soon be delivered to Sodus Township.
- A chili cook-off will be held at the Sodus Township Fire Department November 4th to benefit River School of Sodus. The hours of the cook-off will be from 2:00-6:00 PM.
- The sale or manufacture of marijuana in Sodus Township will not be allowed.
- SKT Accounting of Lansing, Michigan performed an audit of Sodus Township financial status and gave high marks.
- Sodus Township failed the August water test conducted by the DEQ. The problem is being addressed by Benton Charter Township and the Michigan DEQ. Benton Charter now plans to flush its water lines monthly.

President's Report:

- The Villas Board approved an increase for the umbrella insurance to \$3,000,000 per occurrence. Our deductible will remain the same. We will revisit the umbrella insurance costs again next year.
- A map of the Conservation Area Boundaries was distributed showing our property lines. No refuse of leaves, clippings, or wood may be dumped within these areas.
- It has become necessary to formalize a written enforcement policy of the Community Policies and Guidelines. The purpose of our guidelines is to provide an attractive and harmonious place to live. All residents are asked to support these guidelines and are reminded they agreed to comply with all governing documents upon purchase of a home in the Villas.
- All Board members organized their Master Deed and By-Laws notebooks to include all current and proper documents. We will have a day in which homeowners can bring their books to the Clubhouse for an 'organization day'.

Vice President's Report:

- Construction season is over.
- The Capital Reserve Committee continues to meet during the calendar year.

- As a Board, we must be cautious of where expenditures are allocated, whether the expense is a capital reserve expense or an HOA expense.

Member at Large Report:

- Several co-owners have requested a small rolling stool be purchased for the library. This would aid in placing or retrieving books.
- We may be painting the Great room in the Clubhouse. A quote of \$1100 was reviewed.
- Library rules have been written and will be posted.
- We are looking for a back-up librarian as both our librarians are snow birds.

Treasurer's Report – See attached.

Property Manager's Report:

- The dysfunctional hour meters on the sewer lift station have been replaced.
- Indiana Michigan Power repaired a street light @ 3090 Riverview Lane.
- A quote from CID Maintenance was approved for the replacement fence @ 2900 Villa Lane.
- CID Maintenance will be removing clubhouse bathroom wallpaper and painting.
- 2837 Villa Lane is under contract for sale, closing is pending.
- Overhead Garage Door warranties their doors for rust and/or deterioration. They reserve the right to repair or replace.
- 2929 Villa Lane & 3098 Riverview Lane had sidewalk pad sinking, areas have been ground-down to eliminate tripping hazards.
- Evelyn Redfern has moved from her condo @ 2802 Villa Lane to assisted living.
- 2894 Villa Lane has fence posts stabilizing a tree which was torn out by winds last April. These posts must be maintained for a minimum of one-year to assure the tree remains viable.
- Mulching in 2018 was discussed. There will need be removal of some areas due to buildup of decomposing mulch to accommodate new material.
- The Board is very dissatisfied with the new sign at our East entrance. Revolution Design was paid \$900 as a down payment. The sign was delivered long after the promised date and is of poor quality. We will not be paying the balance due and are demanding the return of our down payment.
- The large pond requires continued maintenance and an annual permit. The Board approved a \$936 expenditure for a maintenance agreement and permits.
- Mark Carlock will be paid \$25 per hour beginning January 1, 2018 for work performed for the HOA. Because CID currently bills for time and materials and does not include equipment purchase and depreciation when billing, CID will now be paid an additional amount to account for this cost as would be included if this were a total bid job.

Next Board meeting date – November 15, 2017

Adjournment 8:38 PM

Villas at the River Homeowners Association
Treasurer's Report
September 2017

Highlights as of September 30, 2017

After adjusting for Prepaid Dues, dues are \$201,259 and \$55 over budget for the year through September. Adjusted net income (loss) is (\$14) and is \$11,336 over budget year-to-date. (The budget anticipated being in a negative position at this time of the year.)

We have been refurbishing and refreshing the clubhouse. We did not budget appropriately for the work to be performed and are over budget for the year in the Clubhouse Maintenance account by \$5,902. In February three offices and the exercise room were painted for \$1,900. We also incurred costs for deep cleaning the clubhouse in Feb-Apr with amounts totaling \$2,854. During May, we paid CID an additional \$567 to build a shelf, clear drains, repair a toilet seat, grout, clean and organize the utility room, spray for bugs, etc. We have had carpets cleaned for \$449 and the maintenance of the furnace for \$220. The front door has also been repainted with new locks added. In the clubhouse equipment account, we've purchased two new chairs, two lamps, two rugs, chair & table carts, bookcases and a library side table for approximately \$2,200. Sales of furnishings have netted us \$260. We also paid \$265 for an amplifier and \$316 for a bulletin board in May plus an additional \$200 for the wireless system in June. We had budgeted \$2,200 for new furnishings for the year and are over budget \$810 for the year after netting the expenses with the furniture sales.

On April 14, 2017, we paid \$357 in income taxes for the year 2016. We owe taxes on the AT&T commissions received at a rate of 30% as they are not considered "exempt function income."

In January we paid \$451 for the removal and storage of the fountains that was performed before last winter. In May, we paid \$2,544 to install three fountains, repairing one of them. We are over budget \$1,935 in this account. As of the end of September, all Pond accounts were under budget for a net of \$272.50.

Pool accounts are \$1,018 over budget as of the end of September. We paid CID to power wash the pool area and to do some stenciling for a total cost of \$930. We had not budgeted for these needed chores. Equipment purchased for the pool thus far includes a new clock, an umbrella with stand, pool signs and pool chaise lounge chairs. We are still \$949.92 under budget for the year. Since the end of September, we have paid Vliestra Bros \$538 to close the pool and \$75 to the Berrien County Health Dept for pool inspection. There were also payments for utilities allocated to the pool for the month of September.

Our final winter expenses total was \$21,071 with the last payment made on April 15th. The category is \$11,278 under budget for the year.

For Building and Exterior Maintenance items:

- The fence behind Bldg 17 is complete for a total of \$4,818. Another section may be built next year.

- One of CID's main projects for this year has been to clean gutters and install gutter screens. We have paid \$5,361 for labor and approx. \$3,080 for materials.
- Through September 2017, we have paid Midwest Roofing \$4,610 for roof repairs, plus an additional \$1,533 was paid to ALC Maintenance for interiors damaged due to a roof leaks.
- Paid a deposit of \$900 to refurbish the entrance sign. Total expense is expected to be \$1,805.
- Storage fees for our rental space have been paid in full for 2017.
- We are over budget \$1,561 for the year for Building & Exterior Maintenance items

Landscaping items show:

- We have paid \$7,640 for sprinkler and well repairs through September and are currently over budget for the year by \$1,640.
- We are under budget for the Landscaping accounts overall by \$8,725 through September.

Sewer, Water and Trash Items are over budget by \$1,989 as of the end of September. As reported in our April 17, 2017 minutes, we began receiving the assessment from Sodus Township in June for \$436.80 (\$18.20 per meter for 24 meters) per month to cover water usage, maintenance and replacement of the water line and Miss Dig Fees. We also paid Miss Dig fees for issues prior to June which total \$2,101. We have not included the fee or the one-time charge in our budget.

After adjusting for Prepaid Dues, Capital Reserve dues received through September are \$73,163 and \$437 under budget. Here are the Capital Reserve Expenditures totaling \$99,627 thus far:

- Paid \$15,944 to complete the curbing project on East Villa Ln and Riverview Ln.
- Paid \$600 to Wightman & Associates for cost estimates on driveways
- Paid \$37,555 to Arndt Asphalt for driveways and additional patching to Buildings 6&7
- Paid \$1,500 to Arndt Asphalt for sealing clubhouse parking lot
- Paid \$1,875 to Second Nature for installation of Building 6&7 drainage and pit.
- Paid \$18,270 for the down payment on Bldg 2 shingles
- Paid \$9,797 for a new pond fountain including installation.
- Paid \$5,506 to Hart Well Drilling for their work on the well by the pond.
- Paid \$8,580 to ALC Maintenance for sealing siding and trim junctures where needed on all buildings.

As of the end of September, our balance sheet shows:

- General Account: \$ 62,054
- Capital Reserve Account: \$ 57,306

Note: Capital Reserve dues of \$7,900 received in September 2017 were transferred from the General Account to the Capital Reserve account on October 18, 2017.

The Villas Homeowners Association								8:49 AM
Budget vs Actuals Summary YTD								11/02/2017
January through September 2017								
			Jan - Sep 17	Jan - Sep 17 Budget	Jan - Sep 17 \$ Over Budget			
						Year 2017 Budget	Year 2017 \$ Over Budget	
		Income						
		305 · Association Dues Received	201,259.00	201,204.00	55.00	268,272.00	-268,217.00	
		308 · Clubhouse Rental Acct	400.00	900.00	-500.00	1,200.00	-1,700.00	
		309 · AT&T Commissions	925.00					
		312 · Dividend-Business Growth Acct	53.51	45.00	8.51	60.00	-51.49	
		321 · Insurance Receipts - Misc.	900.72					
		350 · Miscellaneous Income	260.00					
		Total Income	203,798.23	202,149.00	1,649.23	269,532.00	-267,882.77	
		Expense						
		400 · Administrative Expenses	35,546.79	40,350.00	-4,803.21	54,130.00	-58,933.21	
		455 · Clubhouse	16,701.80	10,649.00	6,052.80	13,125.00	-7,072.20	
		500 · Ponds	5,467.50	5,740.00	-272.50	6,400.00	-6,672.50	
		540 · Pool	6,971.08	5,953.50	1,017.58	7,891.00	-6,873.42	
		575 · River Expenses	94.33	250.00	-155.67	250.00	-405.67	
		600 · Winter Services	21,071.42	32,350.00	-11,278.58	32,350.00	-43,628.58	
		620 · Building Exterior Maintenance	24,810.50	18,450.00	6,360.50	23,250.00	-16,889.50	
		630 · Landscaping	55,364.57	64,090.00	-8,725.43	84,175.00	-92,900.43	
		660 · Equipment	128.26					
		700 · Sewer, Water, & Trash	37,656.16	35,667.00	1,989.16	47,375.00	-45,385.84	
		Total Expense	203,812.41	213,499.50	-9,687.09	268,946.00	-278,633.09	
		Net Income	-14.18	-11,350.50	11,336.32	586.00	10,750.32	
		Prepaid Dues as of Dec 31, 2016	7,533.00	-	7,533.00			
		Prepaid Dues as of September 30, 2017	(7,533.00)	-	-7,533.00			
		Adjusted Net Income	11,336.32	586.00	-			
		Dues Adjusted						
		305 · Association Dues Received	201,259.00	201,204.00	55.00			
		Total Dues	201,259.00	201,204.00	55.00			
		Prepaid Dues as of Dec 31, 2016	7,533.00	-	7,533.00			
		Prepaid Dues as of September 30, 2017	(7,533.00)	-	-7,533.00			
		Adjusted Dues	201,259.00	201,204.00	55.00			

The Villas Homeowners Association				6:58 AM		6:59 AM		
Budget vs Actuals Summary YTD Cap Reserve				10/17/2017		10/17/2017		
January through September 2017								
Income								
302 · Capital Reserves Monthly Contr				82,631.00	82,800.00	-169.00	110,400.00	-27,769.00
313 · Dividend-Money Market Acct				148.93		148.93		148.93
Total Income				82,779.93	82,800.00	-20.07	110,400.00	-27,620.07
Expense								
800 · Capital Reserve Expense								
802 · Capital Reserve - Driveways				57,474.00		57,474.00		57,474.00
803 · Capital Reserve - Roof				18,270.00		18,270.00		18,270.00
804 · Capital Reserves - Lift Station				0.00	5,000.00	-5,000.00	5,000.00	-5,000.00
805 · Capital Reserve - Ponds				15,302.80		15,302.80		15,302.80
806 · Capital Res- Bldg (Non-Roof)				8,580.00		8,580.00		8,580.00
Total 800 · Capital Reserve Expense				99,626.80	5,000.00	94,626.80	5,000.00	94,626.80
Total Expense				99,626.80	5,000.00	94,626.80	5,000.00	94,626.80
Net Income				-16,846.87	77,800.00	-94,646.87	105,400.00	-122,246.87
Prepaid Dues as of Dec 31, 2016				2,832.00	-	2,832.00		
Prepaid Dues as of September 30, 2017				(3,100.00)	-	-3,100.00		
Adjusted Net Income				(17,114.87)	77,800.00	77,800.00		
Dues Adjusted								
302 · Capital Reserves Monthly Contr				82,631.00	82,800.00	-169.00		
Total Dues				82,631.00	82,800.00	-169.00		
Prepaid Dues as of Dec 31, 2016				2,832.00	-	2,832.00		
Prepaid Dues as of September 30, 2017				(3,100.00)	-	-3,100.00		
Adjusted Dues				82,363.00	82,800.00	(437.00)		

The Villas Homeowners Association		7:08 AM				
Balance Sheet		10/17/2017				
As of September 30, 2017		Accrual Basis				
		Sep 30, 17				
ASSETS						
Current Assets						
Checking/Savings						
111 - United Federal Credit Union		62,053.88				
114 - UFCU MM (Capital Reserve Acct)		57,305.91				
Total Checking/Savings		119,359.79				
Total Current Assets		119,359.79				
TOTAL ASSETS		119,359.79				
LIABILITIES & EQUITY						
Equity						
280 - Retained Earnings		101,220.84				
Net Income		18,138.95				
Total Equity		119,359.79				
TOTAL LIABILITIES & EQUITY		119,359.79				
September 2017 Capital Reserve Dues of \$7,900 were transferred from the General Account to the Reserve Account on Oct. 18th						