

BOARD OF DIRECTORS
Town Hall Meeting Minutes

The Villas at the River

Homeowner's Association, Inc.

2887 Villa Lane, Benton Harbor, MI 49022

September 19, 2011

The following documents the first Town Hall Meeting of the Board of Directors for The Villas at the River. The meeting was held in the Clubhouse at the Villas and started at 6:55 p.m.

Tom Johns, president, opened the meeting by introducing the Board members. He then briefly spoke on the following:

- This being the first Board of Directors, arriving at a balanced budget was a difficult challenge and required several meetings but it was accomplished. Of great assistance was the sharing of expenses with Mike Cook for the management team of Dick Wales and Helen Tanner.
- In addition, he mentioned that a good working relationship between the residents, Mike and the management team has been established.
- Tom further stated that Dick Wales will be the first point of contact for all warranty and maintenance issues.
- Tom asked for a Flower Planting Committee to be formed for 2012 which would make selections of flowers, find a source and arrange for delivery. The following volunteered: Mary Ellen Mammina, Carol Pelan, Cheryl Knuth and Teri Baker. They will organize the actual planting. In the spring of 2011 this community effort of planting flowers saved us money.
- The house number plaques were installed due to a Berrien County ordinance. They needed to be large enough to read and be reflective. Another community effort which saved us money.

Mike Cook, developer, then spoke. He expressed very positive thoughts about the residents and the community as a whole. He agreed that his relationship with the Board has been good.

Dave Kett, vice president, is in charge of the Clubhouse and pool. He discussed the following:

- In regards to the pool, there have been no significant problems. The chaise lounges were reworked and new cushions purchased.
- The Clubhouse is an expensive facility and we are trying to keep expenses down by carefully monitoring the use of lights and temperature settings.
- A Clubhouse Committee was formed consisting of Gloria Kett, Lois Wallace and Bonnie Porter. Their role is to handle supplies for the Clubhouse and establish a check list of items for use of the Clubhouse.
- Gloria reminded the residents to leave utensils in the kitchen and if you wash the towels please return them in a reasonable time.

Jean Bloomquist, treasurer, reviewed highlights of our current financial status and stressed we are trying to be good stewards of the Association's money.

- We have \$2,400 in cash and a reserve of \$12,500 at the end of August. So far this year cash flow has not been a problem and we are under budget \$13,000.
- This summer we paid \$2,000 each month to mow.
- An Audit Committee was formed consisting of Al Robertson and Rae Holman. An audit of the 2010 books was performed satisfactorily. Jean is following up on the recommendations.
- Once a week she meets with Helen Tanner on procedures and to write checks.
- The signatures on checks have been changed so that any two (2) Board member can sign.

Gary Coate, secretary, reviewed our plans for the next election of the Board of Directors.

- Voting is to take place during March, 2012 and the new Board of Directors will take office in April, 2012.
- The procedure will closely follow what was done when the 2011 Board was selected and he briefly reviewed those procedures.

- He reminded the residents there is only one (1) voting member per unit. The voting member may run for election to the Board or serve on the Election Committee but not do both. There is no limit on the number of people who would like to run for office and the top four (4) vote getters win.

The following are questions personally asked during the meeting or written on index cards. Responses follow:

- Q. Should the rental rates on the Clubhouse be changed?
 R. We charge a flat \$25 yet some usages last 8-9 hours. Graduated charges have not yet been considered but will be looked into in 2012.
- Q. What is the legal capacity of the Clubhouse?
 R. Unknown. This would have to be taken up with Sodus Township as to whether or not they have any regulations on this issue.
- Q. Why would we need to borrow from our \$12,500 reserve?
 R. If cash reserves at a point would be exhausted, we would have no choice but to temporarily tap reserves. The only alternative would be to borrow from the outside. Every effort would be made to repay the reserve when the cash balance permits.
- Q. What can be done about gutter debris?
 R. Rick will be taking care of this yet this fall. Dave Kett mentioned a permanent solution is an aluminum screen that can be placed on the gutters. So far the one on his unit is working well. This would be done at the resident's expense and estimated cost is \$100.
- Q. What is the status of resealing the driveways?
 R. This is a line item with a budget of \$1,500. There is \$1,000 remaining so more driveways may be done yet this fall. Older units will be given priority Jim and Sons is doing the work.
- Q. What is to be done about the dead tree on Lot #23?
 R. This will be removed. Dick Wales is getting estimates. In 2012 Tree Trimming will become a line item in the budget.
- Q. What can be done about the rust stains on mailboxes, posts, fences, sides of buildings and sidewalks?
 R. We have hard water (high content of iron so rust results) in our wells used for sprinkling and this will be an ongoing problem. Filters will not remove the iron from the water. Rick is applying Rid O Rust which is the only product that removes the stain. It also harms the paint so it has to be done carefully. We need to inquire if the angle of the sprinklers can be readjusted to NOT hit mailboxes and fences.
- Q. Do we need to water the lawns daily and for long periods of time?
 R. We have five (5) wells that service our sprinkler system so we are not buying the water. The only expense is for the electricity to run the pumps. Setting and resetting the timers for sprinklers requires a level of expertise we do not have yet and is done by our outside firm Second Nature. One suggestion came from a resident that he would be willing to do this, if trained. Dave Kett suggested that residents notify the Board if certain areas are receiving too much water.
- Q. Would you explain the \$358 new owner's fee?
 R. This one-time fee continues to go to the Working Capital Preserve and is collected from new buyers. It is **NOT** part of the \$12,500 reserve. On a resale, the \$358 should be charged and Helen Tanner will remind the seller by letter of this. Again, in both instances the \$358 goes to the Association.
- Q. What is the status of the bulletin board for the Clubhouse?

- R. This has been a tabled item on the Board's agenda and has not been a high priority item.
- Q. What are the plans for new construction?
- R. Mike Cook responded to this. Building #11 will be built next and he wants to put in footers as soon as he can.
- Q. What can be done about snow plowing?
- R. This past winter (2010) we were aware that piles of snow were left too close to building. This has been discussed with Dick Wales and he will talk to Second Nature about placement of the piles.
- Q. Will shrubs be trimmed?
- R. Yes, it will be done yet this fall. Rick and Jeff will handle this.
- Q. Will there be term limits for Board members?
- R. Our By-Laws state a certain percentage of units need to be sold before we can establish our own term limits. Until then we are bound by a 1-year term. A recommendation was made that there be six (6) Board members and their term be 3 years, but each year rotate with two (2) going off. That way you always have experienced people on the Board as well as new members. Increasing term limits is in the future when our complex is more fully occupied.
- Q. Can the same Board be re-elected?
- R. Yes, incumbents can run if they so choose.
- Q. Is it possible to have a directory of residents with pictures?
- R. This would be helpful and can be looked at; possibly form a committee to look into this.
- Q. Could there be a fund raising event (such as a rummage sale) with proceeds going to the Association?
- R. This is possible but with a great deal of caution as to how it is to be done.

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,
Gary Coate, Secretary