

Woodlands of Livonia Homeowners Association Minutes of Board of Directors Meeting 04.26.14

Location: Arlis Olson Residence
Convened: 9:10 a.m.
Adjourned: 11:20 a.m.

Present: Joel Rademacher (President), Eric Lindell (Vice President), Paul Erickson (Director), Arlis Olson (Secretary/Treasurer), Jim Hall (Resident)

Notes: Agenda Items appear in large boldface type. Information, Discussion and Decisions sections appear in bold. Abbreviations are as follows: HOA- Homeowners Association, HO- Homeowner, BME-Board Member Erickson, BML- Board Member Lindell, BMR- Board Member Rademacher and TO-Treasurer Olson.

Review of Minutes

Decision

- Motion by BML to approve minutes of the 03-19-14 Board meeting; second BME, carried unanimously.
- Motion by BMR to approve minutes of the 03-27-14 HOA Annual Meeting; second by BML, carried unanimously.

Treasurers Report

Information

- TO gave a brief review of HOA expenses for January – April 2014 (to date) vs. budget; the status of checking and money market accounts and projections for cash flow through June 2014.
- TO reported that the current receivables totaled (\$4,133.00) but that was skewed due to several resident credits as they have paid ahead for certain upcoming quarterly dues. The actual receivable amount was \$487.00 which pertained to three residents that have not paid their 2nd Quarter dues and/or late fees.
- TO reported that the payables of record consisted of Connexus Energy - \$1,314.13 for monthly electrical costs (autopay item) and Melanie Scharpf dba Verde Plus Lawn Care - \$328.64 which is the remaining holiday lights fee. The lights, etc. have been removed; therefore this is the only payment requiring action at this time.

Decision

- Motion by BMR to approve payment to Melanie Scharpf dba Verde Plus Lawn Care - \$328.64; second by BME, carried unanimously.

Designation of Board President & Vice President

Decision

- The Board appointed Eric Lindell as President and Paul Erickson as Vice President for the upcoming year.

HOA Officers authorized to sign checks

Information

- TO indicated that currently the HOA officers authorized to sign HOA checks were he and Joel Rademacher. Inasmuch as Joel's term of office expires at the end of this meeting, a new authorization must be made. TO also outlined the procedures with the bank that would be necessary to make a change.

Decision

- Motion by BME that Eric Lindell and Arlis Olson be authorized to sign HOA checks effective as soon as the process can be completed at the bank; second by BMR, carried unanimously.

2014 Services

Information

- TO reported that a contract for the 2014 Irrigation services had yet to be finalized as bids for the work were very slow in coming in, but two bids now were in hand. One was from Great Northern Irrigation (the 2013 vendor) and the other was from Signature Sprinklers. The bid from Great Northern is approximately \$500 less than the other bid for the basic work elements (systems start-up and systems winterization). Other bid items (Irrigation heads/valve replacements, etc.) varied.

Discussion

- TO & BMR both indicated that Great Northern representatives were very knowledgeable and provided excellent service in 2013. In addition, they now have the experience of the past year's issues and should be able to diagnose any problems more quickly if they are awarded the work for 2014.

Decision

- Motion by BML to retain Great Northern Irrigation for the 2014 Irrigation services (excluding the optional system checks); second by BMR, carried unanimously.

Connexus Agreement/Potential Energy Savings Upgrades

Information

- TO recapped for the Board that every year at the annual meeting there is concern expressed about the annual electrical costs incurred by the HOA and isn't there something that can be done to reduce the costs. The HOA currently receives (9) separate invoices from Connexus each month—two invoices are for a combined (92) street/security light units which range in cost from \$7.76 to \$12.05 per unit (accounts for over 70% of annual electrical costs). The other seven invoices are strictly for electrical consumption at various common property locations throughout the development. Inquiries have been made to Connexus on various occasions to see if there is some way to reduce the street/security lighting costs but no viable options have been available. Following the last annual meeting, HOA resident Ken Grasso made contact with a Connexus

representative that provided a wealth of information. There is an Energy & Maintenance agreement with Connexus apparently initiated by the WOL developer that states Connexus will maintain the street/security lights for 25 years from the date of installation, but the agreement doesn't automatically end at that time. Connexus will continue to provide simple maintenance (i.e. lamp and photo eye changes) but after 25 years, if the lights need to be replaced, it would be the association's responsibility to either pay for the replacement, or opt to have the lights removed. Additionally, the monthly rates are reviewed by the Connexus Board of Directors every year and are subject to change at any time. Connexus indicates they have LED replacements for a majority of the lights and the cost to upgrade the fixtures is approximately \$800 each which the HOA would be responsible for covering. There are (6) fixtures that are custom lights and they would have to contact the manufacturer for pricing for those. The monthly rate for an upgraded fixture would decrease to \$6.76 per fixture. Using that information, the cost to upgrade the fixtures would be approximately \$70,000 (which the HOA does not have on hand) and the payback would be from 12.6 to 22.2 years depending on the type of fixture. Additionally, the 25 year timeline on the Maintenance Agreement will begin expiring on 18 fixtures in 2020 and each year thereafter additional units will drop off and become the HOA's responsibility for major repair costs.

Discussion/Decision

- Discussion ensued regarding the likelihood of additional technological improvements in the coming years that hopefully will provide less costly upgrade options or possibly make the upgrades more attractive for Connexus to pursue on its own. It was felt that any upgrade option beyond a 10 year payback was not worth pursuing. The consensus was that we should periodically check with Connexus to see if upgrade options have improved and also inquire about renewing the Maintenance Agreement as we get closer to the end of the initial 25 year period.

Miscellaneous / Informational Items

Information/Decision

- a) Pavilion Reroofing—TO reported that at the annual meeting HO Nick VanDeusen indicated he may be able to get the shingles for the project at a discount. Recently, he also offered to do the work with additional volunteer assistance. The Board was very appreciative of the offer as any work done by volunteers does reduce overall costs to the HOA. However, any volunteer work effort must also be evaluated against potential liability exposure to the HOA. In this particular instance, the Board is of the opinion the liability exposure is too great to consider allowing the work to be done by anyone other than an insured contractor. Sherburne County also requires a building permit for that type of work, and one of their concerns is to ensure proper insurance coverage is in effect. Therefore, it was determined the Board will obtain contractor bids for the work in the coming weeks and award a contract for the work shortly thereafter. TO will respond to Nick thanking him for his offer and relaying the Board's decision.
- b) 5th Addition Bridge Walls—TO reported that estimates for various fencing options to replace the deteriorating bridge walls have been received. Discussion ensued regarding the height of the fence, extent of the fence i.e. extending the fence down the side slopes on the east side and regular vs. heavy duty fence materials. It was determined that a 4' height heavy-duty fence would be preferable. It was also decided that an on-site meeting should be held with the vendor

to discuss extending the fence down the side slope and have another cost estimate done for the more definitive project scope. Jim Hall will coordinate the meeting.

- c) 5th Addition Pond Liner—Jim Hall reported he knows where the major failures are in the liner and has located a pump at no charge to pump the pond down so repairs can be made. The major expense will be for a 3M adhesive necessary to make the repairs to the liner—it is a very costly product. He asked if anyone knew of a 3M employee that might be able to get the product at a reduced rate—BMR indicated he may have a contact and will explore that possibility. Jim felt that once the repairs are made the water levels should be able to be maintained at their intended levels without any further action. The Board was appreciative of Jim’s extensive research and offered any assistance he may need in getting the liner repaired.
- d) Street Curb Damage—TO indicated he has noticed several areas throughout the development where it appears snow plows have damaged the bituminous curbs for the streets. BMR agreed that he has noticed the same thing. The township typically does take responsibility for repairs to the curbs and he will contact them to make them aware of the situation.
- e) Clean-up Day/Mulch Treatment—Now that the snow has melted, the common areas will be surveyed (by BME & Jim Hall) to review the condition of existing mulched sections to decide whether additional new mulch needs to be applied, the existing mulch treated to restore the color or the existing mulch rearranged. Once a determination is made on which method to pursue a clean-up day can be scheduled. In addition to the mulch issue, the brush/tree trimmings left adjacent to the trail system needs to be picked up.
- f) HOA Trail Inspection—TO reported he has been trying to schedule a trail inspection with one asphalt contractor but so far has been unable to get anything set up—he will continue his efforts. The intent is to have a review done of the entire trail system and get recommendations & costs for any repairs needed now and a maintenance plan for future budgeting/reserve fund levels. Additional contractors will also be contacted for a similar review/recommendation.
- g) Mailbox Deer Head Component—TO indicated he has been in touch with a woodworking vendor in Elk River that has 3D computer controlled routing & engraving equipment to see if he can provide the deer head component for the HOA mailbox assemblies. There are different options—there are existing computer design programs that have “deer scene” themes available for purchase that could possibly be adapted to our situation or a good digital picture of the existing component can be sent in and a computer program can be developed to replicate our scene (which would be more costly than an existing program). BMR also indicated he has been exploring another possible source and has provided a sample deer head for their review. Board members indicated a desire to be able to replace the existing components in-kind.
- h) HOA Garbage & Recycling services – TO provided a copy of an email from Randy’s Environmental Services indicating that ACE Solid Waste (our existing vendor) had been sold to a company based out of Texas and offered that Randy’s is a locally owned hauler who is available to handle our needs. Upon receipt of the email from Randy’s, TO contacted ACE and inquired if there would be any effect on the HOA’s existing contract/service resulting from the sale. A copy of an email from ACE was also provided that acknowledged a change in ownership but was emphatic that there would be no change in service. Board members commented they were very satisfied with the service from ACE, their equipment appears to be of good quality and their drivers are quite accommodating & friendly. Our existing contract is valid through the end of the year; therefore, Board members felt there is no reason to consider a change at this time.

HOA Director Appointment

Information

- The Woodlands of Livonia annual HOA meeting was held on March 27, 2014 at 7:00PM at the American Legion – Downstairs in Zimmerman. Typically the election of a new Director is held at the meeting. However, no one had come forward prior to the meeting to place their name on the ballot (two printed announcements/requests were distributed to HOA members, an announcement of the opening posted on the HOA website and several personal contacts made) and no one volunteered at the meeting; therefore there was no election process held. Subsequent to the meeting, two candidates came forward but one has subsequently withdrawn. An election could be held by mail, however, the Board previously considered the time, effort, cost and the probable result of that process and has determined it would be in the best interest of the HOA to simply appoint the single candidate, Jim Hall, to the three-year term of the open Director position.

Decision

- Motion by BML to appoint Jim Hall to the open three year Director position; second by BMR, carried unanimously.

Email Motions

- Motion by BML on 05-08-14 to approve payments to Brian Humphrey Construction - \$457.47 (\$250 labor costs for repairing two snow plow damaged mailboxes, fabricating replacement components for future use, installation of new box assembly at one resident location and \$207.47 for materials) and Lake Restoration - \$442.00 for the first chemical treatment of HOA ponds; second by BMH, carried unanimously.
- Motion by BME on 05-24-14 to approve payments to Allied Blacktop - \$2,065.00 for the annual street sweeping; Brueske's Lawn & Landscape - \$1,675.00 for 4/15—5/15/14 lawn care services per contract and Accurate Electric - \$257.00 for electrical troubleshooting and repairs at the 5th Addition bridge culvert light unit; second by BMH, carried unanimously.
- Motion by BME on 06-04-11 to approve payment to Jim Hall - \$489.55 (\$456.58 for 3M adhesive, etc. for 5th Addition pond liner repairs, \$16.79 for gas for pump to reduce pond water level and \$16.18 for replacement sign posts in the 5th Addition); second by BML, motion carried with BMH abstaining.
- Motion by BMH on 06-11-14 to approve payments to Johnson & Bruns & Co. - \$1,050.00 for the audit of 2013 HOA financial statements and Laurie Grasso - \$3,400.00 (\$2,300 for April/May garden maintenance/cleanup, \$900.00 for furnishing annual plants and \$200.00 for adding compost to garden beds); second by BML, carried unanimously.

Meeting Adjourned at 11:20 a.m. 04-26-14

Minutes prepared by Arlis Olson, approved on June 26, 2014 by:

Eric Lindell
Paul Erickson
Jim Hall