

Woodlands of Livonia Homeowners Association Minutes of Board of Directors Meeting 01.17.16

Location: Arlis Olson Residence
Convened: 7:05 p.m.
Adjourned: 8:30 p.m.

Present: Paul Erickson (President), Ken Grasso (Vice President), Doug Charron (Director), and Arlis Olson (Secretary).

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, BMC-Board Member Charron, BME-Board Member Erickson, BMG-Board Member Grasso, TF-Treasurer Fildes and SO-Secretary Olson.

Review of Minutes

Decision

- Motion by BME to approve minutes of the 11-03-15 Board meeting; second BMC, carried unanimously.

Treasurers Report

Information

- TF was on vacation, therefore SO gave a brief review of HOA expenses for January – December 2015 vs. budget (we ended 2015 approximately \$16,220 under budget); the status of checking and money market accounts and projections for cash flow through the upcoming months. The HOA is well situated at this time to handle anticipated expenditures.
- SO reported that the current receivables totaled \$2,259.75 that relates to (9) residents that have outstanding dues (1st Quarter of 2016) and/or late fees. Once TF returns, late fees will be assessed on the outstanding amounts and past due notices sent out.
- SO reported that the payables of record as of 2015 year end were \$1,463.65 consisting of ACE Solid Waste - \$710.24 and Verde Plus Lawn Care - \$753.41 for the remaining portion of the holiday lighting fee. The ACE invoice is an autopay and the Verde Plus amount will not be paid until the lights are removed in the spring.
- SO also presented an invoice for him in the amount of \$10.70 for 500 envelopes purchased for HOA mailings.

Decision

- Motion by BMG to approve payment to Arlis Olson - \$10.70; seconded by BMC, carried unanimously.

Financial Review of HOA Activity

Information

- SO reported that the audit firm that has completed the annual audit of the HOA's activity recently notified him that the firm is discontinuing its Generally Accepted Accounting Principles (GAAP) audit and review services provided to homeowners' associations. They indicated it is no longer feasible for a firm of their size to provide such services due to the limited number of organizations requesting that service from them along with the amount of continuing education requirements and constantly increasing auditing standard requirements. In effect, they could not continue to provide a certified audit for the costs they have been charging. They are, however, providing a different level of service for homeowners' associations – a compilation service, which entails recapping every transaction for deposits and expenses and allocating to the correct account, preparing a bank reconciliation, and issuing a compilation report, balance sheet and income statement.

Discussion

- Board members reviewed the pertinent sections of the HOA Covenants & Bylaws concerning the requirement for an audit and the authority of the Board to interpret the intent of the documents. The Bylaws state one of the duties of the Treasurer is to cause an audit of the Association books to be made by a public accountant. It does not state that the audit has to be done to GAAP standards. Discussion ensued regarding the scope of the annual HOA financial activities, the need for the Board to have the activities reviewed by an independent source, and that an independent review report made available to the HOA membership. Board members determined that a compilation service as outlined would meet the intent of the HOA Bylaws regarding an audit.

Decision

- Motion by BMG to accept a compilation services review of HOA annual financial activity (recapping every transaction for deposits and expenses and allocating to the correct account, preparing a bank reconciliation, and issuing a compilation report, balance sheet and income statement) as meeting the intent of the Bylaws regarding audits; second by BME, carried unanimously.

2016 Annual Meeting Items

Information

- SO indicated that the HOA 2016 Annual Meeting is scheduled for March 22, 2016 at the American Legion downstairs meeting room and that the room has been reserved. He provided the Board members with a draft of the letter to be sent to all HOA members which will be the official announcement of the meeting, a draft agenda and a draft of the Annual Report that will be presented at the meeting.

Discussion

- Board members reviewed the material and had suggestions for additions to the agenda. It was indicated that a reminder of the meeting date, etc. will be included with the 2nd Quarter dues invoices that will likely be mailed in early March. It was also suggested that an email reminder be sent out a week or so prior to the meeting.

HOA Street Signs

Information

- BME has reviewed the MN DOT handbook regarding the modifications that are required to bring our regulatory sign posts into compliance and feels the work will have to wait until spring as holes have to be drilled in the wood posts to make them break-away. He has had a preliminary conversation with Livonia Township regarding options are available for bringing the street identification/directional signs into compliance but further discussions are required. The issue is on the agenda for the HOA Annual Meeting.

Connexus Agreement—Street Light Maintenance

Information

- SO provided the Board with copies of an email from a Connexus Outdoor Lighting Administrator regarding the various 25 year contracts between Connexus and the HOA pertaining to the maintenance of the street & other lighting installed throughout the development. At this point Connexus takes care of all of the required maintenance and repair/replacement of the lighting under the terms of the agreements. However, upon expiration of the 25 year terms the HOA will become responsible for some of the costs. The first agreement will not expire until October 2020. The matter was brought to the Board for review and further discussion to determine the potential financial impact on the HOA for budgeting purposes or for further discussion with Connexus regarding any options for extension of the agreements.

Miscellaneous/Informational Items

- Architectural Committee Review – BME reported the Architectural Committee reviewed and approved a submittal from James & Barbara Cooper for the planting of a significant number of trees & shrubs on the property in the spring. The approval was conditioned on the coordination of the work with their neighbors and that the proper notices be given regarding digging.

Email Motions

- Motion by BMG on 01-25-16 to accept the Compilation Engagement Letter from Johnson, Bruns & Co. to conduct a review of the HOA 2015 financial activity and authorize Treasurer Fildes to sign the letter; second by BME, carried unanimously.
- Motion by BMC on 01-25-16 to approve payment to IDI Bobcat - \$1,267.00 for February snow removal services; second by BME, carried unanimously.
- Motion by BMG on 01-26-16 to approve payment to Scott Fildes - \$90.12 for a replacement toner cartridge for the HOA printer; second by BME, carried unanimously.
- Motion by BMG on 02-16-16 to accept a proposal from Allied Blacktop in the amount of \$2,120.00 for the 2016 spring street sweeping; second by BME, carried unanimously.
- Motion by BMG on 02-23-16 to approve the purchase of (3) rolls of stamps - \$147.00 - from the US Post Office by Treasurer Fildes; second by BMC, carried unanimously.
- Motion by BMG on 02-23-16 to approve payment to IDI Bobcat - \$1,267.00 for March snow plowing services; second by BMC, carried unanimously.

- Motion by BMC on 03-01-16 to accept the proposal from Lake Restoration to apply (5) weed control, etc. treatments to (4) HOA ponds in 2016 at the rate of \$446 per treatment; second by BMG, carried unanimously.
- Motion by BMG on 03-09-16 to approve payment to the U.S. Post Office - \$50.00 for annual rental fee for the HOA P.O. Box; second by BME, carried unanimously.
- Motion by BME on 03-09-16 to approve payment to CNA Surety - \$100.00 for the annual surety bond covering HOA officers; second by BMG, carried unanimously.

Meeting Adjourned at 8:30 p.m. 01-17-16

Minutes prepared by Arlis Olson, approved on March 17, 2016 by:

Paul Erickson
Ken Grasso
Doug Charron