

Woodlands of Livonia Homeowners Association Minutes of Board of Directors Meeting 12.13.11

Location: Arlis Olson residence
Convened: 7:05 p.m.
Adjourned: 9:15 p.m.

Present: Kate Steffens (President), Jim Roberge (Vice President), Ken Grasso (Director), Arlis Olson (Secretary/Treasurer)

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, BMG- Board Member Grasso, BMR-Board Member Roberge, BMS- Board Member Steffens, TO-Treasurer Olson.

Review of Minutes

Decision

- Motion to approve minutes of the 09.12.11 Board meeting by BMR, second BMS, carried unanimously.

Treasurers Report

Information

- TO reviewed the January – November 2011 actual expenses and budget variances, status of checking and money market accounts and projections for cash flow through year end.
- TO reviewed aged receivables of \$27,375.25 noting that amount is considerably skewed as it includes the 1st Quarter 2012 dues that were just invoiced along with some credits for HOs that overpaid their dues. Therefore, the actual reoccurring past due receivable amount was \$3,726.25 which was primarily comprised of two HOs with outstanding dues and late fees.
- TO reviewed the aged payables of \$1,498.18 which was comprised of Ken Grasso - \$17.80 for materials to complete electrical repairs at the 5th Addition entrance building; Arlis Olson - \$647.72 (\$625 for 4th Quarter treasurer services, \$11.50 for gas for the HOA tractor & blower & \$11.22 for printing costs for the HOA notice included with the 1st Quarter dues invoices); Heriberto Torres - \$325 for the remaining segment of the holiday light fee that will not be paid until spring when the lights are removed and YTS- Yetzer Tree Service --\$507.66 (\$475 quoted fee for downed tree & brush pile removal plus \$32.66 tax).

Discussion

- Board members reviewed the status of the two HOs with the unpaid dues and late fees. One HO has been in the foreclosure process and the six month period for him to redeem the property and stop the foreclosure action expired; he has vacated the property – at some point the property will be sold by the bank and then we typically will be able to recover the past due amounts back to the date the bank acquired the property via the Sheriff's sale. The other HO is also in foreclosure as the Sheriff's sale has occurred – the

amounts due prior to the Sheriff's sale have been turned over to a collection agency and the amounts continuing to be incurred are expected to be recovered at a future date from the bank. The HO has vacated the property.

Decision

- Motion by BMS to approve payments to Ken Grasso - \$17.80; Arlis Olson - \$647.72; and YTS Companies - \$507.65; second by BMR, carried unanimously, however BMG abstained on the payable for himself

Additional Contribution to Trail Repair Reserve Fund

Information

- During review of the proposed year-end financial status TO indicated that in previous years, when financial conditions permitted, an additional \$5,000 contribution was made to the Trail Repair Reserve Fund. TO indicated that the current financial status of the HOA would allow such action again if the Board was so inclined.

Discussion

- Board members were receptive to an additional contribution and a motion was made and seconded to make another \$5,000 contribution. Additional discussion ensued regarding increasing the amount to \$6,000.

Decision

- Motion by BMR to make an additional contribution to the Trail Repair Reserve Fund in the amount of \$6,000 at year end; second by BMG, carried unanimously.

Review of Bids Received for 2012 Services

Information

- TO reported that bid documents for 2012 Gardening, Lawn Care and Irrigation services had been sent out – Gardening (3), Lawn Care (5) and Irrigation (5). Two bids were received for Gardening and three bids for Lawn Care / Irrigation.

Discussion

- Gardening—The two bids received were from Mulch Renew (\$10,940 for total specified services & \$1,022 alternate bid for plant materials—they also proposed a two year contract at the same price for both years) and Becker Greenhouse (\$9,000 for certain specified services & \$1,380 alternate bid for plants; however the bid documents indicated a separate unit cost was to be provided for the spring & fall pruning of the spirea plants. They provided a per plant cost of \$7.50/per time vs. a lump sum for each event.) TO subsequently counted the spirea plants in the common areas and arrived at a total count in excess of 230 plants, which would equate to an additional cost of \$3,450 that would need to be added to the \$9,000 (total of \$12,450) to compare to the Mulch ReNew bid of \$10,940.

Board members discussed the performance of Becker Greenhouse for the 2010 season compared to that of Mulch ReNew in 2011. While there were issues with the Mulch ReNew services that need to be addressed, the consensus was that the HOA received a higher level of service in 2011. Therefore, it was suggested that a two year contract be awarded to Mulch Renew with the condition that a representative of the company meet with the Board to discuss the Board's concerns.

- Lawn Care-- The three bids were from Advantage Lawn-\$10,046; Jeremy's Lawn - \$13,360; and Ultimate Lawn-\$12,504—all bids include tax or were adjusted to include tax for comparison purposes. There was considerable discussion regarding the spread in the bids, the qualifications of the firms and the performance of the current service provider. All of the lawn care bidders also submitted bids for the basic irrigation services and the benefits of having one firm provide both services was discussed and it was determined that the combined bids were the bids that would be given consideration.
- Irrigation—The three bids were Advantage Lawn-\$850; Jeremy's-\$250 per hour for spring installation and fall winterization \$250 lump sum and Ultimate-\$600.
- Lawn Care plus Irrigation—All of the three bidders were considered capable of providing the lawn care services, however, Jeremy's was felt to be the provider that likely had the more comprehensive qualifications. BMG felt that the irrigation services are the critical component of the package since the irrigation systems basically determine the quality of the common area turf that is maintained by the lawn care services. Therefore the experience and responsiveness of the irrigation systems service provider is critical to the success of the package provider. Advantage Lawn is a relatively new firm in Big Lake that is building their business—concern was expressed about their understanding and experience with our type of irrigation systems. Jeremy's did not supply proper information that would allow an accurate comparison of their irrigation bid. Ultimate is the vendor that has been providing the irrigation services the past few years. Advantage Lawn's combined bid does however reflect a considerable cost savings for the services. It was felt more information was required from Advantage, therefore the lawn care and irrigation bids were tabled pending additional information from Advantage. TO was instructed to contact them regarding lawn care references and irrigation experience.

Decision

- Motion by BMR to award the 2012 & 2013 Gardening services contract to Mulch Renew conditioned upon a representative of the company meet with the Board to discuss the Board's concerns and that the Board be satisfied that service improvements will be realized; second by BMS, carried unanimously.

Review of Preliminary 2012 Budget

Information

- TO distributed a preliminary draft of the 2012 HOA budget for further review and discussion by the Board. It was distributed to initiate the process and establish a platform from which to proceed as the services bids (yet to be awarded) are a significant portion of the budget.

Discussion

- Board members reviewed each line item and made some suggestions for modifications. No decision was made however on the final budget amount as the services bids have to be resolved first. The matter was carried forward until the next meeting or email motions. It was recognized that the final budget amount will exceed anticipated annual revenues by a modest amount, however, the HOA currently has sufficient funds in reserve to handle that and no dues increase will be required at this time. In addition, in the last few years, the year end expenses vs. budget has reflected an “under budget” position as the budget tends to lean towards a worst-case scenario.

Review of 2012 Annual meeting items

Information

- TO indicated that the date & location for the 2012 annual meeting needed to be set, an agenda prepared and a number of reports, etc. needed to be prepared.

Discussion

- After review of individual schedules it was determined the best dates for the meeting would be March 15th with March 22nd as the fall back date and the American Legion in Zimmerman seemed to be the best option for the location. TO volunteered to contact the Legion to see if a room would be available for either of those dates. Various items were suggested for the agenda; TO will develop a draft agenda and email it to Board members for review.
- TO briefly reviewed the other material that is needed for the meeting and will distribute draft copies for Board member review and comment.

Informational / Miscellaneous items

Information/Discussion

a. Resident inquiries

- i. Downed tree removal—TO indicated a resident had contact him regarding the number of downed trees in the development and suggested a volunteer effort be organized to clean them up before the foliage is established next spring. Board members acknowledged that the number of downed trees has increased significantly in the last couple of years and that the suggestion was appropriate. There was discussion on when the effort should be made and how to dispose of the debris—burn or haul away. It was determined that the matter be revisited at the next meeting in order to give Board members a chance to review the actual conditions.
- ii. 5th Addition new construction listings—a resident in the 5th Addition noticed that a builder has listed new home construction on certain open lots at a total cost that is considerably less than the median cost of existing homes. The resident is concerned that if the proposed new construction becomes a reality it will negatively impact the value of the existing homes. Board members reviewed the existing covenant requirements regarding new home construction cost which were adopted in 1995 when construction costs were considerably different than now. Any change to the covenants requires a 75% approval vote of lot owners and the Board questioned whether that would occur if presented. At this point the Board felt the resident's concerns can be addressed through architectural committee review of the plans when/if submitted by the builder.
- iii. Private garden maintenance—a resident inquired if their garden along Woodlands Parkway could be included in the HOA common area gardening services contract as it becoming too much for the resident to handle. Currently there is one private garden included in the gardening services contract, however, it is a small garden in a highly visible location to all entering the development from the County Road entrance and was not being maintained in a proper fashion. In addition, several years ago a previous Board set a precedent for that location by extending a private

irrigation system to the area in an attempt to improve the visual image of the development. While the resident's garden is in close proximity to the area included in the contract, it is a larger area and not affected by previous actions. The consensus of the Board was that the residents request could not be approved. Board members suggested that the resident could contract separately with the service provider to maintain the garden or possibly remove the plantings and convert the area to grass or mulch. BMG offered to respond to the resident.

Confidential session regarding ongoing lawsuit

- Motion by BMS to approve payment to Black Moore Magnussen for November & early December legal services; second by BMR, carried unanimously – upon advice of legal counsel any lawsuit discussions are to be declared confidential at this time and the details will be maintained in a confidential minutes document.
- BMG apprised the Board of the mediation session that occurred on December 12th – upon advice of legal counsel any lawsuit discussions are to be declared confidential at this time and the details will be maintained in a confidential minutes document.

Email Motions

- Motion by BMR on 12-27-11 to approve payments to IDI Bobcat - \$1,182 for January snow plowing services and Joel Rademacher - \$130 for mailbox repairs; second by BMS, carried unanimously.
- Motion by BMG on 01-24-12 to approve payments to IDI Bobcat - \$1,182 for February snow plowing services and American Legion Post 560 - \$50 for room rental for the HOA 2012 Annual Meeting; second by BMR, carried unanimously.
- Motion by BMG on 01-24-12 to approve payment to Black Moore Magnussen for the remaining December legal services; second by BMR, carried unanimously – upon advice of legal counsel any lawsuit discussions are to be declared confidential at this time and the details will be maintained in a confidential minutes document.
- Motion by BMS on 01-28-12 to approve payment to Ziebarth Vinyl Graphics - \$272.53 for three replacement street signs; second by BMG, carried unanimously.

Meeting Adjourned 9:15 p.m. 12-13-11

Minutes prepared by Arlis Olson, approved on February 6, 2012 by:

Kate Steffens
Jim Roberge
Ken Grasso