

Woodlands of Livonia Homeowners Association

Minutes of Board of Directors Meeting 01.22.09

Location: Arlis Olson residence
Convened: 7:35 p.m.
Adjourned: 10:51 p.m.

Present: Scott Fildes (President), Deb Anderson (Vice President),
Arlis Olson (Treasurer), Jim Katter (Director).

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, BMA- Board Member Anderson, BMF- Board Member Fildes, BMK- Board Member Katter, TO- Treasurer Olson.

Review of Minutes

Decision

- Motion to approve corrected minutes of 11.18.08 by BMF, second BMA, carried unanimously.

Treasurers Report

Information

- TO reviewed actual expenses for year end 2008 and through the first three weeks of January 2009 comparing to the budget.
- TO reviewed checking account and money market account balances for year end 2008 and January 2009 to date.
- TO reviewed current aged payables \$1654.64 including the remaining \$337.50 for holiday lights (which is not due for payment but is still a “payable”), CrystalTech (\$16.95 for Web site hosting fees), IDI (\$1092.00 for snow plowing) and Arlis Olson (\$208.19 for a printer cartridge and drum unit for the association printer).
- TO reviewed aged receivables of \$2760.00 noting that it included \$91.00 of dues overpayments by a HO and five HOs with unpaid dues and late fees. TO also reported that full payment of outstanding dues and late fees was received from a mortgage company for one of the foreclosure properties.
- TO reviewed the 2009 budget that was updated to include the changes suggested at the last Board meeting and possibly may need further adjustment based on action on items later in the agenda.

Discussion

- Board members reviewed the status of the five HOs with unpaid dues and late fees.
- After much discussion of the pros and cons of trying to recover late dues and fees in these cases, the board concluded that in one case our attorney should get involved (TO will contact and provide appropriate information), in the others the board will continue with the standard procedures, including sending a letter to a local attorney involved in a recent foreclosure action and BMF agreed to assist with telephone calls where necessary.

Decision

- Motion by BMF to pay aged payables totaling \$208.18 to Arlis Olson, second BMA, carried unanimously.
- Motion by BMA to authorize TO to pay all existing and future invoice amounts consistent with contracts and or agreements for fiscal year 2009, second BMF, carried unanimously.
- In consideration of the year end financial status of the association, the Board unanimously approved a \$5,000 transfer to the Trail Repair/Reconstruction Reserve in addition to the amounts included in the 2009 budget.
- Email motion by BMF 1.29.09 to accept the bid from Becker for the \$11,000 for gardening services for 2009 as reviewed at our last BOD meeting contingent upon receipt of proof of insurance (liability, work comp, etc) from them as our HOA usually requires (details are specified in our standard contract) and upon receipt of an appropriate signed contract for services. Second BMK, carried unanimously.
- Email motion by BMF 1.31.09 to pay the 2008 taxes, Federal (\$208) and State (\$68) Second BMA, carried unanimously.
- Email motion by BMA 3.13.09 to pay the following:
 - C.N.A. Surety--\$100 for the annual surety bond covering HOA officers
 - US Post Office--\$38 for annual P.O. Box rental
 - Arlis Olson--\$379.22 (\$350 for January & February treasurer services; \$27.22 for copying costs for annual meeting items & \$2.00 for ballot envelopes)Second, BMF, carried.
- Email motion by BMA 3.18.09 to allow Joel Rademacher to purchase needed supplies for mailbox repair. Second BMF, carried unanimously.

Update on 2007-2008 Audit

Information

- TO indicated that the audit of the association 2007 & 2008 fiscal years is nearing completion and hopefully the final report will be available by the annual meeting.
- TO also shared the following: The bylaws were changed a few years ago from requiring an audit every year to the current audit every two years for the two previous fiscal years. He recalled that the intent of the change was that it was felt our activity did not really require an annual audit and it was intended to save costs. Our current auditor indicates that an audit every two years does not really result in a cost savings as the same audit tests, etc. must be made on all records which now span two years. If the audit process were to find something that required attention in the older records it would be a more cumbersome process to resolve and may actually result in more effort to rectify. TO further stated that the association software functions more efficiently when the previous fiscal year can be “closed” within a couple of months of the actual end of the year.

Discussion

- Board members discussed the way the bylaws currently read, the option of alternating between an audit and a financial review for each fiscal year (which would require a bylaw change) and what level of assurance should be provided to the association that the financial transactions are in order. They concluded that inasmuch as the costs of an annual audit and an audit every two years of the previous two years would be virtually the same that the Board could direct the Treasurer to have an audit done each year as that is actually providing a higher level of review than required by the bylaws.

Howard Homes Dues Proposal

Information

- BMF recapped his discussion with Howard Homes regarding the current economic conditions, the extreme down turn in new home sales, the affect of those conditions on home builders and their request that a credit for the garbage portion of the monthly association dues be given for the non-mowing months. For the record, a previous Board action stated that builder lots would be charged the full monthly association dues and that the garbage portion of the dues (established at \$12/month) was to be in exchange for the association mowing the boulevards during the mowing season.

Discussion

- There was much discussion by the Board members about the fact that Howard Homes did come forward with issues as the Board had previously requested rather than doing nothing and letting a situation deteriorate, that all builders in the development needed to be treated the same, that a reduced payment would be better than no payment and incurring legal costs pursuing outstanding amounts. Further that if anything is done it would only be for 2009, it would be contingent on accounts being kept current, and an agreement would have to be signed outlining the terms.

Decision

- Motion by BMF that in recognition of the current hardship home builders are experiencing, any builder with an inventory of multiple lots in the development will be granted a one time, six-month, 2009 garbage credit per lot. Further that the credit will remain in effect only as long as accounts are kept current and if a delinquency should occur, the credit will be rescinded and all appropriate action to collect association dues will be taken. Second BMK, carried unanimously.

BIDS

Information

- Two bids were received from ACE Waste Removal and Randy's Environmental Services for Garbage & Recycling services for a two year period.
- One bid was received from Becker Greenhouse & Nursery for Gardening Services for 2009. At the November Board meeting the bids received for this service were tabled as the board felt additional information was needed.

Discussion

- Board members reviewed the Garbage & Recycling bids, compared prices, types & sizes of containers, past service and also checked both companies record at the MN Better Business Bureau. Board members concluded that while both bids were virtually the same in cost (ACE, however, was marginally lower on unit costs) we should stay with ACE as they have provided good service for several years and their record at the BBB is more positive. We will realize an approximate \$400-500 monthly savings due to the bidding process.
- Board members discussed the Gardening Services issue at length. The bid that was considered at the November meeting has been withdrawn by the bidder, therefore the only bid is the current one from Becker Greenhouse. Board members continued to be concerned about the total cost and discussed how the list of services could be revised to result in cost savings. It was felt the service period could be adjusted to May 1st to September 30th and that soil replacement in certain annual planting beds be deleted. It was felt, however, that costs in the \$10,000-15,000 range is the going rate.

Decision

- Motion by BMF to accept bid from ACE Waste Removal for Garbage & Recycling services for a two year period, second BMA, carried unanimously.
- BMA will contact Becker Greenhouse to discuss the service reduction issues with them and negotiate a new cost which will be reviewed via email by the Board.

2009 Annual Meeting

Information

- TO indicated a meeting location, date and time needed to be set and also reviewed all of the material that needs to be prepared for the meeting. He reminded the Board that he will be out-of-the-state from late February through early March.
- BMF indicated that to date only one HO has indicated interest in running for the open Board position.

Discussion

- Board members discussed various dates and possible locations before settling on March 19th at the American Legion in Zimmerman. BMA volunteered to call the Legion to see if that date is available.
- TO will work on the materials needed for the meeting for review by the Board. Notification of the meeting date, time and location must be sent out at least 30 days prior to the meeting. In order to save on postage, a majority of the meeting material will be posted on the association web site.

Miscellaneous

Information

- TO shared a conversation he had with IDI regarding his potential purchase of new equipment for future snow plowing services for the association. The purchase will depend on how the economic conditions play out and he is looking at a four year pay out period. The purchase would likely not occur if he didn't have our contract as it is basically the only snow plowing he does. Therefore he would like to know if we would be agreeable to considering a contract extension if he were to purchase the new equipment.
- TO indicated that a HO had to remove certain landscaping from their boulevard due to conflicts with township requirements and that several large landscaping boulders are available. There is a need for boulders at the pavilion area as, over the years, numerous boulders have been pushed into the water by vandals.
- TO indicated that currently BMK and TO are authorized to sign association checks and that BMK's term is nearing an end. The bank requires evidence of Board action authorizing who can sign checks (meeting minutes) and personal appearance to sign bank forms.
- TO indicated he has prepared the 2008 Federal & State Income tax forms versus paying the auditor \$125 for the service.
- TO indicated that 2nd Quarter dues invoices will be prepared before he leaves in February and given to BMA for mailing in early March.

Discussion

- Board members indicated they are very pleased with the services, and corresponding costs, IDI has provided over the past several years and would consider a contract extension. TO will contact IDI.
- Board members asked TO to contact the HO with the available boulders and indicate we would like to relocate them to the pavilion area. TO will also get a quote for the work closer to spring.

Decision

- Motion by BMF to authorize BMA and TO to sign association checks as of March 15th, second BMK, carried unanimously.

Meeting Adjourned 10:51 p.m. 01.22.09

Minutes prepared by Arlis Olson and Jan Hewitt, approved on 03.26.09 by:

Scott Fildes

Deb Anderson

Ken Grasso