

# Cherry Hill Village Homeowners Association

## Board of Directors Meeting

Monday, June 3, 2013

Location: Canton Township Offices

### MEETING MINUTES

1. **Call to Order and Roll Call**

President Barb Babut called the meeting to order at 6:00 p.m.

Directors present: Ms. Barb Babut, Mr. Steve Jaskowski, Mr. Leland Ropp, Mr. Bruce Keener, Mr. Adam Lirette, Ms. Lisa Mesanza

Also present: Dan Herriman and Jeff McDuff from Herriman & Associates, Inc.

Directors Absent: Ms. Sarah Olson, Ms. Bridgette Cramton, Mr. Brett Fox, Mr. Cor VanSpronsen

Director Jaskowski moved and Director Ropp seconded to affirm the appointment of Ms. Lisa Mesanza and Mr. Bruce Keener as Directors to serve on the Board of Directors. The motion was unanimously approved.

2. **Approval of Agenda**

Director Ropp moved and Director Jaskowski seconded to approve the agenda as presented. The motion was unanimously approved.

3. **Co-owner Comments**

There were no non-director co-owners present.

4. **Approval of Minutes of Preceding Meeting**

Director Jaskowski moved and Director Ropp seconded to approve the minutes of the May 13, 2012 board meeting as published. The motion was unanimously approved.

5. **Review of Preceding Month Financial Report**

Dan Herriman provided an overview of operating results for both CHV I and CHV II for April 2013.

6. **Committee Reports**

There were no committee reports.

7. **Management Report**

Management reviewed highlights of its June 2013 report to the board.

Audit for 2012

Management met with auditors Mr. Szcypka and Ms. Myles in May to discuss known concerns and to turn over the 2012 books and records.

Myler & Szcypka, CPA prepared Confirmation forms for submission to Mutual of Omaha Bank and Fifth Third Bank to confirm the year end bank account balances (and loan balance). As an audit control, the forms, once completed by the banks, are returned by the banks directly to the CPA. The forms require the signature of an account signer. President Barb Babut is a signer on the Fifth Third accounts and on the Mutual of Omaha Bank accounts as well. The forms were submitted to Ms. Babut for her signature.

Financial Reports

The financial reports for April 2013, prepared by Herriman & Associates, Inc., were distributed to directors via email.

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#### Loan for CHV II

Mutual of Omaha Bank is the lender. The current rate is 5.0% and will remain at 5.0% until at least August 17, 2017. Amount available is up to \$1,000,000.

Enclosed is a document titled "Designation of Agent(s) for Loan Advances". Its purpose is to terminate the authority granted to Kenneth Schmaus (K.S. Management) to request the disbursement of loan proceeds and to grant such authority to Herriman. In addition to Herriman, the following individuals would have the same authority: President Barbara Babut, Vice President Steve Jaskowski and Treasurer Leland Ropp.

In a change to its predecessor document, the current "Designation of Agent(s) for Loan Advances" document states the following: "Loan advances and/or proceeds disbursed by Lender shall be paid to only "Cherry Hill Village Homeowners Association, dba Cherry Hill Village II". Such statement was added by Herriman.

#### Reserve Study

The Association commissioned a reserve study – a study of its long-term major maintenance, repairs and replacements, and the annual funding needed to fund such future expenses. Director Jaskowski provided management with a DVD copy of it.

### **ADMINISTRATIVE**

#### Community Development – Neighboring Development ("The Corners") to be Constructed

As you know, you engaged in a teleconference with Mr. John DePorre, President of Pinnacle Homes, during your May 13, 2013 board meeting. Notes regarding that conversation were captured in the minutes of that board meeting. Subsequent to the board meeting, Mr. Bill Anderson, PE, the engineer for Pinnacle Homes, sent me the following reply to the open question about the silt fence:

"The silt fence was staked along the rear of the future home sites and around proposed roadway connection to CHV. As shown on the plans, in phase one we are proposing a roadway connection to Harding Street. All the silt fence staked in the field is shown within our property limits, pursuant to the design layout/plans we sent you."

Pinnacle Homes, actually Pinnacle-Corners, LLC, ("P-C") has requested a temporary easement from CHV to enable P-C to install a sidewalk along our frontage on Denton Rd. They would install to industry standards and township code and would restore damaged turf as well. Apparently completing our sidewalk was a condition of township site plan approval. Supporting documents were provided to directors.

Anderson asked for a letter in support of the installation of the sidewalk along our frontage on Denton Rd., acknowledging and approving the temporary grading associated with the sidewalk work. Enclosed is a draft of such letter for your review and approval.

#### Legal Counsel

Currently there is no general counsel to represent the Association. Herriman is prepared to provide proposals from law firms so that we have someone on board who is familiar with your Documents, should something arise that needs urgent attention.

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#### MAINTENANCE

##### Irrigation

The irrigation system is fully operable for CHV II. We are watering M-W-S for ten minutes per zone. Irrigation in parks and common areas is also operating. Jeff McDuff mapped all 26 clocks.

##### Landscape Maintenance

Emerald Rich provides landscape maintenance services, including lawn mowing and related services, lawn fertilization and weed control and irrigation system services.

Pursuant to our requests, Emerald Rich has provided quotes for the following additional services:

Edge the lawn every other week: On May 29, Emerald Rich quoted \$375.09 to do this. This additional cost is a per-month additional cost, since Emerald Rich currently edges the lawn once each month per the terms of their original contract terms and price.

Mulch: On May 28, Emerald Rich fulfilled our April 11 request for a quote to mulch the common beds throughout the community. Initially ER provided a cubic yard price (\$46). Subsequently we asked for their quote based upon their estimate of the number of cubic yards required to achieve a depth of 3". On May 28, ER replied with a quote for 746 cubic yards. At \$46 per cubic yard, the price is \$34,316. This price includes no preparatory work.

Preparatory work would include cutting the bed edges to crisply define the beds and the removal of weeds and grass inside the newly defined bed edges. ER's price to do this is \$8,206. The combined price (preparatory work and mulch) is \$42,522.

ER said that if awarded a contract to do this work, they would commence work on July 1 and complete the work by July 10.

Management has previously opined that ER's price per cubic yard for installed hardwood mulch is competitive. Not being so certain about ER's price to cut bed edges and remove weeds and grass, Dan talked with Brian Fraser who owns Greenlawn Landscaping, a large and trusted service provider. Fraser quickly estimated at least \$6,000. Dan asked Fraser his timeline for installing the mulch. Fraser replied that it would be three weeks before they could start such a large job.

##### Mailboxes

We will administer the installation of new standard mailboxes for newly constructed homes. Jeff has ascertained locations for 12 new mailboxes, plus replacements of existing non-standard ones. He took delivery of the new mailboxes. It is our plan to eliminate the temporary mailbox structure on Constitution at the west end of the park.

The board advised management to not install mailboxes for new homeowners until their finish grading and irrigation systems have been completed.

##### Parks

Fountain Park: Canton Township's Brad Sharp said he would tell us what the Township intends to do with respect to maintaining Fountain Park. They cannot, he said, implement all of our requests due to budgetary constraints. Annual flowers were installed by the Association. Jeff McDuff worked on the irrigation for the flowers. It appears that if we want to refurbish the park benches, we will need to do it ourselves.

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Other desired improvements: reset heaved pavers, mulch trees, replace turf and ensure the turf will get irrigated.

#### Pond Fountains

Jeff picked up the three fountains from K. S. the week of April 20, 2013. They were installed later that week by Jason Zimmerman of Water Landscapes, LLC.

#### Pond Water Quality Treatments

We contracted Clean Lake Improvement, Inc. (Gwen Sovlansky) for water quality treatments for 2013. This contractor will remove and store the fountains in the fall and re-install them in the spring of 2014.

#### Street Signs

Previously, Jeff confirmed that the sign manufacturer was, in fact, under contract to produce certain street signs. We took delivery of such signs on May 8. Jeff has devised an installation plan – with respect to regulations, location and process.

Enclosed please find two related documents. The document titled “Inventory of Street Signs” demonstrates that we need to order 30 more street signs. The document titled “Street Sign Project” corresponds to a site map that depicts the 74 sign locations in the community. This document depicts sign and sign post installation requirements at each location.

We are requesting authorization to purchase 30 more signs at an approximate cost of \$6,660 (same per sign cost as the larger purchase; \$222 each).

#### Tree Replacements

Jeff has inventoried dead and “presumed missing” street trees in common areas.

The list is enclosed. It includes 85 trees. Minimum 2.5 inch caliper trees, installed, will cost \$300 to \$350 each. Such estimate results in a total price of \$25,500 to \$29,750.

I believe we previously informed the board that Canton Township reported that township tree voucher applications were due by December 31 and there are no more vouchers for 2013.

#### Tree Removals

We are quoting the removal of dead and fallen trees in the following wooded areas, but only within 25' of the edge of such wooded areas:

1. Jackson Lane - north side of Jackson Lane upon entry from Denton Rd., to Buchanan Street
2. Taft Lane – east side of eastern part of Taft Lane, to first lot #216
3. Buchanan Street – east side of Buchanan north of Jackson Lane to Hancock Street

The first quote we received on the above work provided a \$7,000 price reduction to do the work in the winter months.

We hope we have made a proper judgment call by making this project a lower priority, until fall. As an alternate spec, we requested prices to lower to the ground all leaning trees beyond 25' into the wooded areas.

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#### Turf and Landscape Restoration

We believe the following areas ought to be maintained to higher standards.

Initial List (it appears these areas lack irrigation):

1. Jackson Lane – parts of north side of Jackson Lane upon entry from Denton Rd., to Taft Lane
2. Taft Lane – east side of eastern part of Taft Lane, to first lot #216
3. Buchanan Street – east side of Buchanan north of Jackson Lane to Hancock Street

#### CHV II Renovations

We have completed inspections of CHV II buildings. A building priority schedule was presented and approved at the May 13, 2013 board meeting.

CHV II building renovations include the following:

- Replacement of concrete and wood porch steps with concrete
- Replacement of railing systems – emphasis on porch step railings and other railings continuously exposed to the elements
- Replacement of rotted/compromise building trim
- Painting of siding and trim
- Possible installation of limestone to replace rowlock brick (deferred till later in year)

Work on those buildings designated for work in 2013 is expected to take four months and to commence by June 20 and be completed by October 21.

#### Concrete Steps

Concrete steps installed by Ed Millross of Pro Finish Cement look good.

Twenty sets of steps at 15 buildings need to be replaced with concrete ones. We have competitively bid this project, together with the replacement of many front step approach walks where steps are to be replaced.

Bidders are:

- DCAM, Inc. (Tom Baker)
- Michigan Concrete (Tom Cox)
- Pro Finish Cement (Ed Millross)

This matter appears on the agenda this evening.

We will apply a square foot quote from the successful concrete bidder to determine the approximate cost to do the following:

- Install short walk to connect the foot path from the alley behind Lot 473 (50050 Harding Street) to the “power line sidewalk” east of the terminus of the alley
- Install a new walk, where none exists, on the north side of Jackson – the east side of the western part of Taft Lane (maybe 80’). There will be additional costs for preparation of the base.

#### Painting and Caulking

We have competitively bid exterior painting for the units to be painted in 2013, per the now board-approved work schedule. Contract specifications were distributed to directors.

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Bidders are:

- Four Seasons Painting & Drywall, LLC, Clarkson, MI
- J & B Painting, Inc., Livonia, MI
- Perkins Painting, Inc., Novi, MI

This matter appears on the agenda this evening.

#### Patios Over Garages and Balconies

We inspected a patio over the garage at 50041 Monroe. Part of the garage ceiling drywall had been cut out to view water damages in the joist system. This patio needs to be renovated. Work, including replacement of the vinyl membrane, is currently underway.

At the board meeting on May 13, 2013, directors resolved to permit management to spec a solid panel vinyl 6' white privacy fence instead of the massive framed structures used to replace original privacy screening at some locations.

We are currently inspecting patios over garages and balconies as the reports of defects come in.

The material used to waterproof the "patio-over-garage" areas is under warranty, however, thus far none have been replaced under warranty. The manufacturer has apparently inspected those that have been replaced, in advance of replacement, but has, in every case, concluded that the defects were the result of improper installation and not in the material.

#### Porch Step Railings

In 2012, certain wood porch step railings were replaced with Trex Transcends. Replacements installed in 2012 were done by Shawn Michael McMaster. They look very nice and appear to have been done properly.

#### Replacement Trim

At its meeting on May 13, 2013, the board resolved to use wood to replace wood trim.

We have competitively bid wood replacement for the units to be painted in 2013, per the now board-approved work schedule.

This matter appears on the agenda this evening.

#### 8. **Unfinished Business**

None.

#### 9. **New Business**

9.1 Collections Service Provider – Discussion About Management was authorized to solicit proposals from law firms.

9.2 Designation of Agent(s) for (CHV II) Loan Advances

Directors reviewed a document titled "Designation of Agent(s) for Loan Advances". Its purpose is to terminate the authority granted to Kenneth Schmaus (K.S. Management) to request the disbursement of loan proceeds from Mutual of Omaha Bank and to grant such authority to Herriman.

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In addition to Herriman, the following individuals would have the same authority: President Barbara Babut, Vice President Steve Jaskowski and Treasurer Leland Ropp. It was moved by Director Ropp and seconded by Director Jaskowski to authorize any TWO of the following persons to request the disbursement of loan proceeds from Mutual of Omaha Bank: Dan Herriman, President Barbara Babut, Vice President Steve Jaskowski and Treasurer Leland Ropp. The motion was unanimously approved.

#### 9.3 Grant Temporary Easement to Pinnacle Homes for Sidewalk Construction

Pinnacle-Corners, LLC, ("P-C") has requested a temporary easement from CHV to enable P-C to install a sidewalk along our frontage on Denton Rd. They would install to industry standards and township code and would restore damaged turf as well. Apparently completing our sidewalk was a condition of township site plan approval. Supporting documents were provided to directors. P-C's engineer, Bill Anderson, asked for a letter in support of the installation of the sidewalk along our frontage on Denton Rd., acknowledging and approving the temporary grading associated with the sidewalk work. Management drafted such a letter for board review and approval. It was moved by Director Ropp and seconded by Director Keener to approve the request of Pinnacle-Corners, LLC and the letter drafted by Herriman. The motion was unanimously approved.

#### 9.4 Award Contract to Cut Bed Edges and Install Hardwood Mulch

It was moved by Director Jaskowski and seconded by Director Keener to authorize Emerald Rich to perform lawn edging every other week in parks only. Management is authorized to accept a reasonable quote to do this. In addition, management is authorized to approve the installation of 100 cubic yards of mulch, as bid by Emerald Rich, which is to be installed in common areas first, with the remainder to be installed around street trees for CHV II. The motion was unanimously approved.

#### 9.5 Award Contract to Produce 30 Street Signs

Management was authorized to negotiate with the sign maker to obtain the best terms on both the replacement of signs for which replacements have not yet been purchased and for inconsistencies in the design of signs already produced by the sign maker.

#### 9.6 Award Contract to Replace Trees

It was moved by Director Jaskowski and seconded by Director Ropp to authorize management to replace ten trees at Association expense and at a fair price – six on Jackson Lane and four on Hancock and Roosevelt. The motion was unanimously approved.

#### 9.7 Award Contract to Construct Concrete Porches & Replace Step Approaches (CHV II)

Contract specification and bid information was presented. The bid from Pro Finish has not yet been received. Management was authorized to award the contract to the lowest bidder. So moved by Director Ropp and seconded by Director Jaskowski. The motion was unanimously approved.

#### 9.8 Award Contract for Exterior Painting (CHV II)

It was moved by Director Jaskowski and seconded by Director Keener to award the CHV II 2013 painting contract to Four Seasons Painting Co. Sto is to be used on the siding; Sherwin Williams is to be used on the wood and metal. The motion was unanimously approved.

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9. **New Business (continued)**

9.9 Award Contract for Replacement Building Trim (CHV II)

It was moved by Director Ropp and seconded by Director Jaskowski to authorize management award the contract for replacement building trim to the lowest bidder. The motion was unanimously approved.

10. **Directors' Remarks**

There was discussion about improving the lot behind Roosevelt Street.

11. **Next Meeting**

The next Board meeting shall be Monday, July 17, 2013 beginning at 6:00 p.m. at (location to be determined)

12. **Executive Session** (non-directors to be excused)

12.1 Delinquency

12.2 Alleged Violations

12.3 Other Confidential Matters

13. **Adjournment**

There being no further business, President Babut adjourned the meeting at 9:15 p.m.