

Stonewater Homeowners Association

Board of Directors Meeting

Monday, October 8, 2018

Call to Order and Roll Call

President Neilson called the meeting to order at 6:58 p.m. at the Northville Senior Center. Present were Directors Canzano, Hige, Neilson, Singh, and Westermann. Ms. Wright represented AMP and Ben Henry represented legal counsel. Also present were Mr. Arnold, Mr. Bojrab, Ms. Crawford, Mr. Jiddou, Mr. Khatiwala, Mr. Peterson, Mr. Sarin, Mr. Sharma, Mr. Sheenan, Ms. Tan, Ms. Westermann, and Mr. White.

Approval of Minutes

- Director Hige moved and Director Canzano seconded to approve the revised Minutes from the April, May, and June Board meetings. The motion was unanimously approved.
- Director Canzano moved and Director Westermann seconded to accept the Minutes from the annual meeting as presented with the deferment of amending the Documents. The motion was unanimously approved.

Confirmation of Agenda Items

The Agenda was accepted as presented.

Community Comments on Agenda Items

No comments were made.

Committee Updates

Common Ground

- Ms. Wright reported some fall plantings were recently done.
 - President Neilson inquired about fall flowers. Ms. Wright responded that summer annual flowers last well into October and the fall season was short and mums don't last long for the cost incurred.
- Replacement and repair Items will be identified by the Common Grounds Committee for 2019.
- Great Oaks Contract expires this year.
 - Management requested competitive bids. It was noted that Great Oaks is familiar with the property and their bids are generally lower because they know the scope of work, including lots of fall cleanup.
- Management will perform a fall inspection tomorrow.

Lakes – Mr. Peterson reported the Committee hasn't met.

- The water level of Mystic Lake is raised, primarily due to rain. The pump will be turned off soon.
- Ms. Wright reported Bluewater did a good job this year and noted algae grows more quickly on smaller lakes.

Signs and Safety – The two radar speed reminder signs were installed heading east and west on Clairmont Circle.

- It was reported that Wayne County won't post any additional signs.
- President Neilson reached out to a County Official regarding the possibility of the Association taking over the Roads and was informed that the County receives approximately \$40,000 per year, so it is not likely.

Governing Documents Review

Mr. Peterson advised there hasn't been a formal meeting. There has been discussion regarding hosting forums with homeowners.

- He noted that many of the provisions are already included in the existing Documents. Each Document will be cross-referenced with the non-controversial items set aside and focus given to the big items.
- The proposal to eliminate the percentage cap that dues may be increased will be removed.
- A side-by-side comparison will be created.
- The Committee plans to meet on Monday, October 22 and complete proposed revisions within 2-3 months.
 - Management will send emails when meetings are confirmed.
 - President Neilson advised the goal is to create a set of documents that are clearly defined and not depend on the Non-Profit Business Act. He noted the majority of comments received at the annual meeting related to the CCRs, which need to be thoroughly reviewed and revised.

Management Report

Financial Report

Director Hige reported the September financial report hasn't been completed yet.

- The annual operating budget is approximately \$510,000 in revenues. We have budgeted to transfer approximately \$60,000 of revenues to the Reserve Fund by the end of 2017.
- The Reserve Fund balance is \$180,000 which exceeds the State's minimum 10% reserve fund allocation for condo associations by a factor of 4 times (there is no state guideline for homeowner's associations).
 - President Neilson said he is not pleased with the auditor's timeliness as the audit was requested to be completed for the annual meeting.
 - President Neilson added that the total funds balance (operating and reserve funds) decreased from \$397,000 to \$257,000 from the end of 2016 to 2017 due to the completion of capital improvements. In 2017, \$43,370 was spent on the fountains to thoroughly inspect and replace parts to make sure they functioned properly, noting that they are 20 years old and replacing all the equipment would cost approximately \$250,000. In addition, \$24,306 (50% of total cost) was spent on the 7 mile road entrance east side landscaping; \$20,087 was spent on entrance sign and landscaping lights that needed to be replaced (safety and security) that were also converted to LED for energy savings; \$70,950 was spent on Teal Lake shore erosion control; \$43,390 was spent on asphalt paving of the path around Stoneridge Lake.
 - Director Westermann explained that 42 roadway light fixtures were converted to use LED lamps throughout the community (at a cost of approximately \$4,100), and will save the Association approximately \$4,150 per year in electricity costs, totaling approximately \$50,000 over the life of the lamps.

Unfinished Business

Beck and 7 Mile Roads entrances – President Neilson reported costs are being obtained to repair both the Beck road entrance and the 7 mile road west entrance water features. There was a complete failure of the liner at the Beck road entrance waterfall that required it to be shut down since May. The 7 Mile road west entrance pond liner is also leaking, however, the pond water level has been kept low to keep this waterfall in service.

- Director Canzano advised that Director Westermann spent a lot of time researching and meeting with contractors.
 - Director Westermann said six months was spent researching and interviewing the limited number of contractors in southeast Michigan who have the expertise building waterfalls and ponds, including their past experience performing projects of similar size and complexity; and their workers' compensation history. Detailed specifications were created, including a new skimmer system and a bio-filter (which should eliminate the need for chemical treatment), to make sure proposals received were based on the same scope of work. Bid packages were distributed in September with 30 days to be submitted. Funding and phasing of the two entrances will be discussed with the community, once the proposals evaluations are completed. The Beck Road waterfall needs to be completely replaced, due to the failure of the ledge rock material that was used in the original construction. The waterfalls were constructed with "grindstone" ledge rock, which doesn't have the strength of "limestone" ledge rock, and when subjected to contact with water, and our winter freeze/thaw cycles, has significantly deteriorated (delaminated and cracked) over time, and there is no way to repair it. Director Westermann conducted a comprehensive research on suitable waterfall materials that would last 20-25 years.
 - Mr. Peterson inquired about previous discussions of moving the Beck Road waterfall structure closer to the road, and increasing the height of the waterfall to provide a more dramatic waterfall effect. Director Westermann confirmed one of the options that was bid is to level the existing waterfall and build a new taller waterfall on top of and in front of the existing waterfall (to save the demolition costs of removing and disposal of the existing waterfall grindstone ledge rock), and to shrink the size of the pond, to decrease the total replacement cost.

Holiday Decorations – **Director Canzano moved and Director Hige seconded to authorize Management, on behalf of Stonewater, to award a contract to Express Holiday to purchase, in addition to lighting and decorating materials the Association already owns, and install holiday decorations at all the entrances and other prominent areas within the community at a total cost not to exceed \$15,000.00 (approximately one-half for the purchase of materials and one-half for labor) with the Association retaining the decorations at the end of the season. There were four (4) yes votes and one (1) no vote by Director Westermann. The motion was approved.**

- The lights will be warm LED.
- Management will work with contractor to verify electricity is available. Director Westermann noted that the cost of installing electrical receptacles at five of the nine proposed new Christmas lighting locations needs to be determined.

New Business

Budget - Management is working on the budget to be presented for approval at the November Board meeting.

- Director Hige advised no significant or major changes are planned.

Sidewalks – Director Canzano said many concrete sidewalk slabs throughout the community are lifted or cracked, causing safety and hazard concerns, and suggested establishing a committee of volunteers to walk the community to identify necessary repairs and organize a group project to complete the work at a better cost to the homeowners. Volunteers were requested to contact Management Professionals to help organize this effort.

- Management alerts homeowners when they are aware of trip hazards and advises of necessary replacement.
- The Township’s standards will be adhered to.
- Messrs. Bojrab, Sheeran, and Peterson volunteered to serve on a committee.
-Ms. Crawford will report necessary repairs on 6 Mile Road to Management.
- Director Canzano recommended establishing a regular roadway maintenance program for crack-filling. Ms. Wright advised it’s not necessary every year and pathways need to be included.

Community Forum

- Ms. Westermann said the community is 20 years old and asked why funds were not set aside for the waterfalls. Director Hige advised waterfall replacements were not included in the Reserves Study. The Board budgeted \$70,000 in 2017, not realizing how much they would cost.
-Director Westermann added that apparently it was missed by previous boards; however, failure of the ledge rock may not have been anticipated. It is reasonable to expect that funds should have been allocated for electrical and mechanical equipment replacements, but not totally replacing the waterfalls and ledge rock material around the ponds.
-Ms. Westermann expressed great concern regarding communications, especially on Nextdoor, that were circulated after the annual meeting. She noted Nextdoor is a great communication tool; however, negativity affects the entire community, including potential purchasers. She stressed the importance of the Association establishing a website, portal, or Facebook page to provide a means for Members to communicate that is limited to their viewing and kept within the community. Director Hige and Ms. Wright advised that the Association nor Management should never post on Nextdoor and existing HOA email is effective. Director Canzano added that Ms. Mishra still volunteered to set up the private portal communication.
-Mr. Arnold said shortcomings such as these are good learning lessons for future planning.
-Director Hige said the Board is putting forth tremendous effort researching waterfall materials for the entrance ponds that will last a long time.
- Ms. Crawford advised the condition of the waterfalls was not known a few years ago when landscaping improvements were done.
-Ms. Crawford asked if electricity is available in the areas for holiday lights and if the Association will have to pay to store the materials. Ms. Wright advised electrical issues were resolved previously and new materials will be stored with the existing materials.
- Mr. White asked if the east side of the 7 Mile Road entrance needed to be done last year or could it have been deferred. President Neilson responded that it was in bad condition, and the Board worked out a compromise because some previous Directors were in favor shutting down the waterfalls and ponds and filling the ponds in with landscaping on both the east and west sides.

-Director Hige added that make up water to the waterfalls was being pumped a significant distance from Spring Hill Lake with substantial evaporation, costing lots for electricity; and the equipment that was salvageable will be available for use on the west side waterfalls.

-Mr. White said in the past, a second meeting was scheduled when a quorum was not obtained. President Neilson advised arrangements have been made for another annual meeting though not provided for in our current bylaws, citing this as just one example of why the bylaws need to be amended.

- Mr. Bojrab asked why Reserve contributions for the year aren't transferred in January. Director Hige explained that quarterly transfers of \$15K are made to better balance working capital and unexpected expenses.

-Mr. Bojrab suggested permitting electronic communication and voting with the amended Documents. President Neilson advised those provisions are included, but must be approved. He added amending the CCRs will be less challenging once the Articles of Incorporation and Bylaws are amended and explained a special meeting of the Membership will be scheduled for the purpose of amending the Documents and election of directors, most likely in January. He noted 35% of the Membership is required to constitute a quorum and an annual meeting is required to be held each year; however, having a quorum is not, and the ballots and proxies don't carryover because they are for a designated date. He added the Membership may petition the Board with one-third of the Membership's signatures to call special meetings.

-Ms. Wright confirmed that all proxies and ballots were accounted for at the annual meeting, including ones that were submitted via U.S. mail, fax, and email. She added 20 were lacking to obtain quorum.

- Ms. Tan inquired about the current Board of Directors. President Neilson advised Director Hige, and he were elected two years ago; Directors Canzano, Mishra and Director Singh were elected last year, and each term is for 2 years. Director Mishra had great input, but conflict with meetings and work that challenged her involvement and submitted her resignation. The Board has the authority to fill vacancies until the next annual election. Director Westermann was the first homeowner to submit a nomination, he has been very involved, consistently attended meetings, is retired and put forth lots of time for the betterment of the Association. He noted for many years, there was no interest, which changed with the last election and suggested considering increasing the board to 7 directors.

-Ms. Tan said homeowners have been alerted that they are responsible to make sure roadway storm drains are clear and requested that the snow removal crew be directed to not pile snow on the drains, at the end of driveways, and near mailboxes. She noted the crew has damaged their mailbox and needs to be accountable for damages. President Neilson advised damages need to be reported to Management to follow through with assessing responsibility for completing repairs. Director Westermann suggested placing tall orange/red sticks this winter near the storm drains to flag their location to snow removal personnel.

- Mrs. Tan suggested revising communications to homeowners to be less threatening and encourage cooperation in a softer tone. Ms. Wright advised that is the intent and appreciate the homeowners who resolve issues and communicate because many don't respond or acknowledge, which is when language becomes more severe. Director Hige added Management acts at the direction of the Board and homeowners need to reach out to a Director if they aren't satisfied

- Mr. Peterson advised that a sewer grate is broken.

