I. Meeting called to order at 7:04 P.M.

II. Roll Call:

President: Judy Glazewski
Vice President: James Hansen
Treasurer: Beth Murphy
Secretary: Jerry Spehar
Director: Debbie Gardner
EPI Management: Scott Adler

Unit Owners Present: James Gardner

III. Guests – No guests scheduled

IV. Homeowners’ Forum
1. No issues were discussed

V. Approval of the minutes
1. Minutes were approved unanimously.

VI. Treasurer’s Report – Beth Murphy
1. Beth received the bank reconciliations from Scott at the meeting.
2. The Com Ed and Waste Management autopays were posted and have their usual one-month lag.
3. The accounts payable total on the financial statements matches the detailed list which has 2
   invoices on it. One is the Kramer tree removal invoice, and Scott confirmed that he wanted to do a
   walk through to make sure all of the trees in the contract were removed before issuing a check. No
   other board members had any problem with Beth signing that check.
4. Beth noted that the ACH for homeowner assessments is set up for processing on April 15, 2014.
5. Beth provided a breakout of the delinquents and the prepaids between roof and regular
   assessments.
6. Roof and regular assessment income is incorrect on the financials.
7. Beth noted that she did not get the financials emailed to her this past Saturday, but she would not
   have been able to work on them that day even if they were emailed.
8. The legal expense has a non-normal credit balance in due to the correction made in 2014 for a
   prior year (2012), charging $227.50 to an owner. Since we had already reported the expense in
   2012, now the reversal out of expense is providing the non-normal credit balance in legal expenses.
9. In terms of the 12/31/13 year end adjusting entries, both EPI and Beth recorded the accrual of one
   month for the Com Ed and the Waste Management bills (since they have a one-month lag).
   However, the Citizen’s Bank interest of $1.37 for 2013 was retroactively recorded in 2014 by EPI,
   but Beth did not include it in her adjusting entries for the financial statements that she prepared.
   Beth requested that if EPI is making retroactive entries, EPI should tell Beth and not have Beth
   finding this by checking the beginning balances in the financial statements each month. Scott noted
   this request by Beth.
10. Beth reported that the tax returns have been mailed and there were no federal or state income
    taxes paid.
11. Beth also noted that she recorded the estimated bad debt expense for a unit, and EPI recorded that
    entry reported to them by Beth (and discussed with the board at the March 2014 board meeting
    during executive session). Beth also noted that the write off of the receivable was reversed and that
    the full account balance is still reflected in the unit owner’s account until the delinquency is
    resolved.

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12. Beth asked about the $40 reversal in the scavenger expense. Scott noted that 2 owners were charged the $40 fee charged by Waste Management in August 2013, and only one owner should have been charged. The $40 reversal in 2014 is to reverse the fee incorrectly charged to the second owner. Thus, the owner accounts are no longer over-charged for the $40 and the problem has been resolved.

13. Beth asked if the year-end financials were mailed, and Scott said they were not mailed, but he wasn’t sure why. Scott confirmed that there was no problem with the write up on the EPI online system going with the financials. Based on board discussion later in the meeting, the next newsletter will be distributed by the volunteers, so the newsletter will not be mailed with the financials.

14. Beth confirmed with Scott that it is OK to put a link to EPI’s web portal on the Pheasant Lake Townhome Association website.

15. Beth requested that the account names for three of the bank accounts include whether they are for the regular or the roof reserves to make it clear to all board members which account is for each type of funds. Scott indicated that would not be a problem.

16. Beth noted that she transferred the January through March 2014 roof assessments ($57,132) from the checking account to the Marquette money market account. Beth also set up a monthly auto-transfer of $19,044 for April through December 2014 to be processed on the 15th of the month. Beth noted that the full amount assessed is being transferred, not the amounts actually collected from unit owners. Thus, in effect, delinquent roof assessments are being covered by the unassigned reserves.

17. After transferring the roof assessments out of checking, the checking account balance is about $30,000 to $35,000. Thus, when we pay Ammon for the chimney cap work, we may need to transfer funds from the regular money market account to the checking account (since the chimney cap work is being covered by regular reserves).

18. Beth requested that she receive a printout of the adjusted General Ledger for 12/31/13 with all of the year-end adjustments included. Beth noted that Scott can just bring the printout to the next board meeting to save on mailing costs.

19. Jim Hansen motioned to accept the financial report. Debbie seconded the motion. The motion was approved unanimously.

20. Jim Hansen motioned to accept the year-end financial report. Jerry seconded the motion. The motion was approved unanimously.

VII. Management Report – Scott Adler

Financial
A) Statements: Attached to May, 2014 Management Report

Miscellaneous Operation:
A) Siding Replacement
   1. Review siding replacement bids.

B) Roof Replacement Project -
   1. Scott displayed and explained the shingle types, color and thickness. He also had a visual aid of a roof section showing base construction along the side. He explained the pros and cons of the different types of construction techniques regarding the area around the gutter. The board members discussed the various installation techniques.
   2. Scott also summarized the question/answer sessions the board had with the three contractors.
      a) Byrne Johnson:
      b) Aurora Roofing:
c) Lang Home Exteriors:
3. There was a lengthy discussion, among the board members, regarding the contractors' input. There was discussion regarding the pro/cons regarding the use of and warranties for GAF Timberline, GAF Natural Shadow and Owens Corning Duration shingles.
4. The board discussed gutter replacement.
5. It was suggested that the gutters and siding be replaced. The cost was estimated at $100,000. The best application of the water shield for the gutter/fascia was discussed. It was mentioned that siding replacement is estimated at $75,000. That would raise the overall project cost to an estimated $1,000,000. Beth estimated that these extra costs would put the roof assessments approximately $200,000 short. Beth emphasized that these numbers are only estimates and can/will probably change with more future information. The monthly assessment increases were discussed and estimated at approximately $100.00 per month. There was a discussion on the source of the extra money. Again, Beth emphasized this is only an estimate.
6. It was also suggested that the general reserve be used to offset some of the funding.
7. There was discussion regarding selecting a contractor and getting proposals that will be used to determine year 2015 budget.
8. Beth provided some details regarding the cost associated with the proposed addition of gutters, water shields and siding to the project.
9. The board agreed that the project will include replacing both the gutters and siding/ice shields.
10. The board also agreed to use the general reserve, when needed, to offset costs.
11. This will require updating the bid specifications. This will provide a cost for extras – like gutters, sun tunnels, sky light flashings and siding. Jim provided a current count of the units with sky lights at 23 and 1 sun tunnel – excluding Jim’s. Scott will get an accurate count.
12. The performance bond issue was discussed. Beth itemized the differences, in the current bids, regarding the contractor including or not including the performance bond cost.
13. It was decided that separate tables be added, to the bid specification, for cost of siding and gutters. Scott indicated he would do the bid specifications update.

C) Roof Repairs –
1. There is a reported roof leak at 8937 Pheasant Lake Drive that Lang has bid at $1,850.00. Jerry motioned to accept the Lang bid of $1,850.00. Beth seconded the motion. The motion was carried by a majority vote.

D) Exterior Painting -
1. Scott will provide the board members with a corrected copy of an incorrectly signed contract.

E) Snow Removal –
1. Included in the management report is a signed contract with SMS for snow removal through 2016.

F) Concrete Chimney Crown Replacement -
1. Ammon Enterprises began replacement of the concrete chimney caps March 18. Weather conditions will determine a completion date.

G) Metal Chimney Cap Replacements -
1. The contractor reports that the metal chimney caps are fabricated and will install them weather permitting.
2. A board member requested that copies of signed contracts be sent to all board members. Scott indicated this has already been done.
H) Tree Care –
1. A contract from Quinn and Sons Landscaping for $2,100.00 to replace the 5 trees removed from the bench area was reviewed.
2. Because the remaining trees are Ash they may not have survived. It was suggested that we wait until we see if the remaining trees start to blossom. If not, the rest of the trees should be removed before we plant new trees.
3. Scott will check, with the contractors Kramer and Quinn, to see what the cost would be to remove the remaining trees and plant all new and more strategically placed.
4. The board reviewed a proposal for $395.00, from 4 Seasons Arbor Service, for the removal of a Pear tree at 18212 Mockingbird damaged in the March storm. A branch had broken off requiring SMS to move it and 4 Seasons had to remove it for $125.00, approved via e-mail. Scott will review the damage to the tree and report on it at the next meeting. The board decided to wait until the next meeting to make a decision.

I) Management Agreement -
1. The attached signed EPI Management contract was discussed.

J) Landscape Preference Requests -
1. There was a discussion regarding the Landscape Preference Forms. The property map has been updated to reflect the changes.

**Exterior Modifications Requests:**
1. 8832 Bluebird chimney cap: Scott presented a picture showing significant deterioration to the brick. Ammon will submit an invoice for the additional cost.
2. 18221 Hummingbird clogged drain tile: No decision was reached.

**NOTE:** At 01:28:30 the audio recording, of the minutes, stopped.

**Miscellaneous Correspondence:**
A) None

**Sales Summary:**
A) None

**Work Order Printouts:**
A) None

VIII. **New Business**
1. None discussed

IX. **Old Business**
1. None discussed

X. **Adjourn to Executive Session**