

PHEASANT LAKE TOWNHOME ASSOCIATION

BOARD OF DIRECTORS MEETING

OCTOBER 13, 2014

I. Meeting called to order at 07:07 PM

II. Board Members Present:

President	Tom Krippel
Secretary	Jerry Spehar
Treasurer	Beth Murphy
Vice President	Deborah Gardner
Director	William Dziallo

EPI Area Manager: Scott Adler

III. Guests: None

IV. Unit Owners Present: Jim Gardner, Sherleen Karchut, Judy Glazewski, Kathlyn Petrie, John Sokol, Rita Davis.

V. Homeowner's forum: (Maximum time of 15 minutes)

- Sherleen Karchut is concerned about the tree at 18212 Mockingbird. The limbs are broken and hanging on the roof of the garage. Scott stated this tree is in the inspection report and is waiting for board action to go out for bids for trimming. She also stated concern about homeowner meeting notification. Sherleen suggested the notification be mailed or somehow attached to the unit. Beth mentioned that the Non-Profit Act was what was being used as a guide. Scott stated that the Palm review, being addressed by the attorneys, will address how homeowners can and cannot be notified. Jerry mentioned the security aspect of a public notification. Jerry also mentioned the date for the October meeting was discussed at the board meeting after the Annual meeting. Sherleen also wants the landscapers to cut the lawn at a different angle. She is also concerned about the pond. Scott suggested he contact Ken's Pond service to get a price on an additional pond treatment. Scott stated he will review the contract to see what is supposed to be treated.
- Judy Glazewski asked Scot about the sidewalk erosion. Scott stated he talked to Quinn. Either they do it or we get some other contractor. This problem was reported in June 2013.
- Kathryn Petrie, 18200 Pheasant Lake Drive asked if something is going to be done about wood rot above her garage door. There is an open work order and will be added to the wood repair to be done.
- Rita Davis has a problem with a grass cutter not picking up garbage. She also has a problem with leaf blowing and general lawn maintenance. Beth mentioned that unit owners should not approach landscaper.
- Jim Gardner has a question about tuck pointing at 8905 Bluebird. Scott stated that SMS was supposed to do it. Scott stated he will follow up. Beth stated tuck pointing is needed on her back two windows.

VI. Landscape Project Summary: Judy Glazewski

- a) Judy asked Scott if the contract has been sent to Quinn. Scott stated he has received Quinn's proposal and has drafted the contract for Quinn. Scott is waiting for the contract to come back for Tom Kripple's signature.
- b) She also stated she read the bush planting can be done in the fall.
- c) She also wants to focus on next spring to re-visit the bids for the re-planting around the bench. If funds are available to do bush replacement.
- d) Beth brought up the cost of tree replacement.
- e) Judy also stated that if homeowners are impatient about bush replacement, they might consider doing it on their own.

PHEASANT LAKE TOWNHOME ASSOCIATION
BOARD OF DIRECTORS MEETING
OCTOBER 13, 2014

- VII. Approval of the minutes:** (including discussion of officer positions)
- a) Tom made a **motion** to approve the September 29, 2014 board meeting minutes.
 - b) It was **seconded** by Beth.
 - c) The minutes were unanimously **approved**.
 - d) Jerry quoted a section of the by-laws pertaining to removal of an officer.

Article IV, Section 4 of the Pheasant Lake By-Laws states:

"Any officer may be removed with or without cause at any time by the Board at a regular or special meeting thereof."

- e) Jerry made a **motion** to remove Debbie from the position of Vice President.
- f) Beth **seconded** the motion.
- g) Bill had a question about the by-laws reference. Jerry re-stated it.
- h) A vote was taken and the motion **passed** by a majority.
- i) Beth **motioned** that Jerry be appointed Vice President.
- j) Tom **seconded** the motion.
- k) A vote was taken and the motion **passed** by a majority.
- l) Jerry will also continue as Secretary.
- m) Debbie will continue on the board as a director.

VIII. Treasurer's Report – Beth Murphy

- a) Beth stated she will do the traditional treasurer report first and the budget after.
 - 1. Beth thanked Scott for the timely receipt of the bank rec's.
 - 2. Com Ed and Waste Management auto pays have been posted with the usual one-month lag; therefore, the income is overstated by \$920.
 - 3. There is no accounts payable.
 - 4. The October 15 ACH batch has been set.
 - 5. Beth emailed Scott and all board members her report that included the breakdown between regular and roof assessments that are prepaid and delinquent.
 - 6. Assessment income is correct on the EPI financials.
 - 7. The financials were emailed to Beth in advance and were very helpful to receive in advance this month.
 - 8. The auto transfer from the checking to the roofing account is back in place. Beth transferred \$60,000 from the roof money market to the checking account at Marquette. Beth asked for U.S. Bank (formerly Charter One) checks from EPI; Scott said he would check with Jan.
 - 9. Income is overstated by \$7,643 due to the reversal of the bad debt write-off in 2013, but it will get zeroed out by the end of the year.
 - 10. There are 3 units where different owner names are reflected. Scott says that has to be fixed by the Property Boss software personnel. If there are prepaids, they amount is applied to the address, not to the name.
 - 11. Tree costs total \$10,584.80; we voted at the August 2014 board meeting to have the tree costs covered by the mulch reserves. Beth provided suggested entries for this.
 - 12. Beth drafted a list in March 2013 of what to include in a reserve study. Beth outlined what has been assumed by owners versus the association being required or has the option to cover. Beth requested that bids be obtained for a reserve study and include

PHEASANT LAKE TOWNHOME ASSOCIATION
BOARD OF DIRECTORS MEETING
OCTOBER 13, 2014

what the association is responsible to cover and what is optional for the association to cover. Scott said reserve study would list out each item and what it would be cost and the estimated timing. Study will provide an executive summary and a detailed list of costs to be covered over a 30-year period. Bill questioned the wording in the declaration. Beth **motioned** that multiple bids be obtained for the cost to do a reserve study. The motion was **seconded** by Jerry. A vote was taken, with 4 yes and 1 against.

13. Jerry stated that things that were already approved by the board should not be brought up for another vote just because some of the current members were not on the board. Bill then said not to bring up the old issues. Jerry noted that he wasn't the one bringing up old issues.
14. Beth noted that she obtained roofer feedback and will now bring up the feedback that has financial implications. Beth noted that wood repairs to the soffit and fascia boards were not mentioned by any of the roofers doing bids, and we did not include these repairs as a contract extra. Thus, a separate contract will be set up for these wood repairs. That will affect the 2015 budget separate from the roof work. Beth raised the question about the # of squares of shingles quoted by different contractors; Beth was told that the number of squares noted will not affect the base bid provided. The Lang bid did not have any information in Section 12.4 regarding the gable vents; Beth asked Lang and they indicated that is part of the cost indicted in Section 12.3 for the work going up the walls. Beth asked about the possibility of deferring payments on the last buildings done since roof assessments are being collected through December 2015 and the roof work is expected to be done in September 2015; Lang agreed to deferring, if needed. There is no special treatment to the soffit/fascia before putting on the ice/water shield, only the usual paint and prime. Beth asked about the cost of replacing aluminum with aluminum siding since that would not require owner approval, and she was told that aluminum is no longer the industry standard and would cost more than twice than vinyl siding. Beth also asked the roofer about Tyvek being required per Tinley Park code, and it is required; Beth obtained confirmation on this from the Tinley Park building commissioner. The Tyvek would cost less than \$10,000 and the ice/water shield would cost less than \$10,000, and thus not require owner approval. Since it would make no sense to allow the board to vote on aluminum siding replacement when it costs more than twice the vinyl, the association attorney was given this additional information. With the additional information, the attorney reported that the replacement of the aluminum with vinyl siding would not require owner approval. This is part of clearing out all of the old builder problems, including replacing the step flashing where the vertical walls abut the roofs. Deborah claimed that the whole building would be required when a permit would be obtained. Deborah also claimed that we are short \$276 per owner. Beth disagreed and said that there should be enough funds, even with the worst case scenario with the wood repairs, to cover all of the roofing work except the siding of the soffit/fascia boards. Deborah claimed that owners would be upset about the board going against the homeowner vote and suggested another owner meeting to explain the issue. Beth pointed out that she found out the information about the aluminum siding cost being more than twice the cost the day after the annual meeting; if that information was known, it would have been presented to the owners. Deborah claimed that this does not look good to the owners.

Beth suggests that we follow up with the 21 owners who were not represented at the meeting and ask for their opinion about siding the soffit/fascia boards since there was already 50 owners who supported the idea. If there would be enough additional votes, then it would make senses to hold another owner meeting about voting for this

PHEASANT LAKE TOWNHOME ASSOCIATION

BOARD OF DIRECTORS MEETING

OCTOBER 13, 2014

improvement. Deborah claimed that an increase in roof assessments would be needed to cover the roofing costs. She made this claim based on her quick assessment and without providing anything in writing to the rest of the board and claimed that her assessment was based only on using roof reserves, not any of the non-roof reserves. Deborah then asked about the amounts of roof assessments that are not being collected that will have to be covered; Beth pointed out that information was given to all board members and Scott as part of her Treasurer's Report and has been provided every month.

William then claimed that we were spending over \$900,000 for roofs and asked why we were not having experts give us information. Beth pointed out that 3 roofers were interviewed from January to March 2014. William interrupted and said not roofers quoting us on bids, but instead a roofing consultant. Beth pointed out that we had an expert recommended to us by owners in the construction business who reviewed the bid specifications and recommended absolutely no changes in the roofing bid specifications. Bill then said he wanted an outsider rather than an owner do that review. Beth reiterated that the board came up with a list of 54 questions asked of the 3 roofers that came to separate board meetings to give their feedback. Those questions and responses led to numerous edits and improvements to the roofing bid specifications.

Deborah again questioned whether the board should hold another meeting with owners and asked Scott for his opinion. Scott indicated that the board ultimately votes on what is needed and noted that the attorney did not believe an owner vote was needed for the siding of the vertical walls. Scott pointed out to Deborah the place in her Director book (received the Saturday prior to the board meeting) where the attorney opinion was provided. Deborah questioned why another legal opinion was obtained. Beth pointed out that it would be horrible to allow a board to approve aluminum for aluminum that costs more than twice the cost of vinyl without owner approval. Beth **motioned** that the board approve the siding of the vertical walls with the Tyvek and ice/water shield. Tom **seconded**. The vote was taken: 3 approved, 2 were against.

Deborah claimed that 3 of the board members are doing this and shocking them and have no respect for the board. Deborah claimed we were trying to find a loophole to get this done. Deborah claimed that the Village will require that all siding would have to be replaced. Beth indicated she would follow up with the Village to find out if this was true. Deborah said to check when the permits are obtained; Beth indicated she will find out right away and have that information asap and before the next board meeting. Beth asked Scott if any other association experienced this issue; none of his have aluminum.

For the 2015 budget, the regular budget was drafted by EPI and given to Beth Friday night. Beth provided a document in advance to all with EPI's and Beth's numbers compared. Beth agreed with Scott that roof repair costs will decrease significantly. Driveway maintenance will increase significantly because no repairs were done this year and the year for sealcoating (which is done every other year) is 2015. Sprinkler maintenance costs should stay at the amount that would be needed for paid professionals to do the work; while Tom and Len have agreed to help out now that Jerry is no longer doing sprinkler repairs, they could bow out at any time. The lake maintenance bid increased significantly and the aerator work. General maintenance will increase due to wood repairs for soffit/fascia boards before the roof work is done. Landscape maintenance is going up by \$8,000 due to the lowest bid obtained in 2014

PHEASANT LAKE TOWNHOME ASSOCIATION
BOARD OF DIRECTORS MEETING
OCTOBER 13, 2014

indicating a need for an increase, even though those bids were for an extra month of landscaping work. The legal/audit fee line won't have the reserve study in it, but there may be more legal fees associated with what the board will/will not approve as an association cost. Beth removed the bad debt expense and the reversal of the legal fee in the year-to-date 9/30/14 costs, making Beth's numbers different than EPI's. With those budget line item changes, Beth suggests keeping the regular 2015 assessment at \$165 per month.

Beth put the roof calculations in a separate document provided to the Board and the Scott in advance of the meeting. She compared the costs included in the 2 roofer bids obtained and included contract extras at \$500 per unit (or a total of \$46,000) and the \$75,000 for the siding of the vertical walls. Beth had a range of costs for the contract extras that went over \$100,000. Beth walked the board through the detailed amounts.

If the roof assessment is kept at \$195 per month and still continued to assign the \$12 per month from the regular assessments toward the roofs, then up to \$177,000 non-roof reserves would be needed to cover the roofing project cost. The \$177,000 is equivalent to \$161 per owner per month for a year. The roofing bills must be paid by September 1 (if the work is done by then); however, the roof assessments are being collected through December 2015. Therefore, we may need non-roof reserves to cover this difference (if the roofer is not willing to defer payments). This would be another \$76,000. Thus, a total of \$253,000 of non-roof reserves might be needed versus the \$283,000 available now. Beth has taken the worst case scenario with the contract extras, and she believes that as long as we stay within budget for the next year, she believes that we should be able to leave roof assessments at \$195 in 2015. Beth discussed Scott's differences in the budget he prepared. Beth noted that the non-roof reserves would be covering the uncollected roof assessments, the contract extras, and the \$75,000 for the siding of the vertical walls. Beth indicated that when the reserve study is done, the board will have plenty of time to include that information in the 2016 budget (when the \$195 added roof assessment no longer exists). Scott pointed out that we will have to accrue the reserve study cost in 2014 since the bill for the study will probably not get paid until 2015.

Bill then asked if the \$75,000 for the siding of the vertical walls was included. The board explained to Bill that this issue was just approved by the board.

Beth pointed out that the purpose of discussing the budget was to get the board to approve the proposed budget to put in the newsletter for approval at the November 2014 board meeting. Beth asked Scott if he saw any problems with Beth's numbers, but he didn't see anything that stood out.

Deborah is confused about keeping the \$195 as is. Deborah said she added up the roof reserve bank accounts and added 15 months. Beth noted that the most relevant information is to add up all of the bank accounts, but also add in all of the roof assessments amounts expected to be collected going forward and the \$12 per month from the regular assessments, and then back out the prepaids, there is adequate funds to cover the roofing project when both roof and regular reserve bank accounts are used. Deborah then said we might have an unforeseen emergency and need to have a special assessment in 2015. Deborah did not provide any written documentation of the numbers she was reciting. Beth asked for that information, but Deborah said she didn't have any. Beth noted the total of the roof and non-roof reserves plus future

PHEASANT LAKE TOWNHOME ASSOCIATION

BOARD OF DIRECTORS MEETING

OCTOBER 13, 2014

assessments through 2015 is greater than the roofing costs (except for the siding of the soffit/fascia boards); in addition, Beth was able to get banks to agree that they would lend Pheasant Lake money in 2015. Rather than scaring owners with the threat of potential special assessments and possibly a large special assessment all at one time, the possibility of getting a loan does exist. However, Beth does not anticipate the need for any loan unless completely unforeseen circumstances arise (over and above excessive contract extra costs). Beth repeated that she wanted to follow up with the 21 owners regarding the siding of the soffit/fascia boards; if enough owners support it, then Scott confirmed that another owner meeting would be need to conduct another vote.

Beth **motioned** that we keep assessments as is in the budget for the newsletter.

Tom mentioned that he and Len Wiencek and John Supple agreed to help with sprinkler repairs.

Beth noted she would be preparing the newsletter with the budget, information about the volunteers' work, future meetings (Nov. 10 and Dec. 8) but no January and February meetings, and the feedback about the roof improvements 3 and 4.

All board members were asked to provide newsletter input to Beth. Beth **motioned** that she put the newsletter together without board member email approval; the board **unanimously** approved.

IX. Management Report – Scott Adler

Miscellaneous Operating -

B) Rotted Wood Replacement:

1. Scott asked if only the locations bid should be taken care or should we take care of only the critical ones. Tom suggested only the bad ones be done. Scott will review the list and inform the board via e-mail for approval. Scott will try to move the process forward with SMS without having to call special meeting.

C) Tuck Pointing -

1. Beth asked Scott about tuck pointing and should she take pictures of the affected areas. Scott said it would be a good idea and make it easier for SMS. Scott also stated the Palm review will state what authority can be given to management.

Exterior Modification Requests: -

- B) Beissel:** The tree trimming request did not mention digging up the roots. Therefore the bill from Aces Irrigation for the severed water line will go to the unit owner. Also the tree trimming request was not approved. The association will pay the bill and EPI will generate a letter stating that he will be assessed the cost.

X, New Business –

1. Beth mentioned the homeowners will wonder why the other requests haven't been looked at. They will be told we didn't get to them today, but we will get to them next month.

XI. Old Business -

1. None discussed

XII. Meeting Adjourned: 09:00 PM

1. Jerry **motioned** to adjourn the board meeting.
2. Tom **seconded** and the meeting was adjourned without an executive session.