PHEASANT LAKE TOWNHOME ASSOCIATION
December 9, 2013

BOARD MEETING MINUTES

I. Call to Order – 7:00:04 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: Jim Gardner and John Sokol.

III. Homeowners’ Forum (maximum time of 15 minutes)
   A. John Sokol had a question about tuck-pointing. He was concerned about leaking. Scott confirmed there were cracks and the board will have to take up the matter later.

IV. Guests – None scheduled

V. Approval of Minutes
   A. Jerry made a motion to approve the minutes. Debbie seconded the motion. The motion was approved unanimously.

VI. Treasurer’s Report
   Beth received the bank reconciliations with the director books, and no problems were identified.
   1. The Com Ed monthly autopsy was posted, and the total in the account has its usual one-month lag such that only 10 months of expense are included through 11/30/13.
   2. Accounts payable is zero on the ledgers and the financials and is correct.
   3. The ACH batch for December is being processed on Dec. 16th since Dec. 15th is a Sunday.
   4. The receivables and the prepaids were separated out for roof and regular assessments; EPI just gives a combined list and totals.
   5. The total of the receivables from the detailed list matches the total on the financial statements, but Beth noted that she received 2 receivables list and only one of them had the right total. Beth ignored the list with the incorrect total.
   6. Beth noted that the Prepaid list came up to $33,000 but the financials show a total of $33,165. Scott noted that the $33,000 list is the correct one. Scott thinks it related to the yearend adjusting entries. Scott mentioned the problems Beth identified with the beginning balances in the ledgers may be related to this $165 difference in the prepaid. Scott does not have the answer yet but will check into it.
   7. Two board members mentioned that they are not really delinquent with their accounts; they mailed in their checks, but they did not arrive at EPI and also did not get returned to them in the mail. Beth noted that she did not bring up this issue about any individuals in the public portion of the meeting.
8. Beth noted that assessment income is correct for both the roofs and regular assessments as of 11/30/13.
9. Beth did get the financials emailed to her in advance.
10. Beth noted that the detailed ledgers’ beginning balances (1/1/13) for the balance sheet accounts did not match Beth’s year-end balances on her financials for 12/31/12. Scott said EPI’s accounting person was not able to figure out the reason for the differences for the accounts receivable and equity account. Beth noted that it sounded like the total difference of $227.50 represented one $165 assessment plus a legal fee of $62.50. Scott agreed and said he would check with EPI personnel the next day and get back to Beth whenever it is figured out.
11. Once the final interest amount on the CD’s is determined, the interest will be transferred to the reserve accounts.
12. Beth noted that the CD’s mature Dec. 29, 2013. Beth noted that interest was posted for the CD’s during November and wondered how EPI knew the amount; Scott assumed a statement was received.
13. Wood repairs were charged to reserves and should have been charged to general repairs and maintenance. Scott indicated that would get corrected.
14. Options for the CD’s when they mature were presented. Beth noted that she checked for interest rates on bankrate.com. Internet banks have better rates, but when Beth checked previously, the internet banks did not allow townhome associations to set up CD’s, only individuals. Beth noted that Marquette Bank’s CD rates are very low, with the highest being 0.3% for an 18-month CD; Beth noted the money market rate for Marquette accounts with over $100,000 is .2%, for accounts with between $50,000 and $99,999 the rate is .1%, and below $50,000 is .05%. A minimum balance of $2,500 is required. However, Beth contacted United Trust which has the Pheasant Lake CD’s, and their rate is .65% for an 18-month CD. When doing a search on bankrate.com for local banks, the best rate Beth found was .55%. Beth noted that United Trust’s rate mentioned is only for current customers. Beth asked for something less than 18 months, but a special rate is not available for a 12-month CD. Beth suggests that when the CD’s mature, $25,000 should be left in the checking account, $75,000 in the regular money market account, and $2,500 in the roof money market account since that will build up during 2014 and 2015; thus, the rest should be put into two CD’s … one for the regular assessment reserves and the other for the roof reserves. United Trust said that Beth can just bring checks to their bank to increase the CD amounts when they mature. Beth mentioned that Jerry would have to come with Beth to open the renewed CD’s. Beth has the money market checks to bring to the bank with Jerry. Beth mentioned that a signed resolution might be needed, so she requested that the board approve the approach. Jerry motioned that the board approve Beth’s strategy for bank accounts and CD’s, and Judy seconded. All board members approved.
15. Beth noted that the account labeling on EPI’s financials for the CD’s are incorrect and should be switched for the roof CD versus the regular CD.
16. Beth noted that EPI should not put any amounts through their contingency reserve accounts unless they are told to do so by the board.
17. Jerry motioned to approve the Treasurer’s Report, Jim seconded. All board members approved.
VII. Management Report

Financial:
A. Statements: Attached to Management Report for board review
B. Delinquency Status: Attached to Management Report for board review.

Miscellaneous Operating
A. Chimney Cap Inspection
   1. Scott mentioned the Lang chimney cap summary with photos.

B. Metal Chimney Caps:
   1. Five vendors were asked for bids. Only two responded. Safeway gave three bids covering three metal types. $12,705 for galvanized, $13,365 for aluminum and $14,850 for stainless steel. Valley Chimney gave a verbal quote of $11,550 - $13,280. There was a discussion about longevity of the different types of metals. Stainless steel the longest. There was a discussion about price. Jerry made a motion to go with Safeway and using stainless steel. Debbie seconded the motion. The motioned was approved by a unanimous vote. Debbie suggested Scott ask for a discount.
   2. 8825 Bluebird: The cap is missing. Safeway will be contracted to do the repair.
   3. Payment options were discussed.

C. Concrete Chimney Cap Replacement:
   1. There were two bidders. Soumar Masonry @ $53,690 and Ammom Enterprises @ $46,205.
   2. Beth mentioned that these chimney cap projects will be funded from the general reserve
   3. Beth made a motion to contract Ammon Enterprises. (no vote was taken) The discussion continued.
   4. Debbie suggested that pictures be taken at the completion of the job to verify the work. These pictures could be compared to the pictures taken by Lang Home Enterprises.
   5. There was a discussion about payment. Jim recommended we offer 25% down, 25% at one-half of the project completion and 50% at the completion of the project and an inspection, with pictures, is completed.
   6. Beth restated her motion, but not with the total of $46,205 shown but with Scott’s $40,440. Jerry seconded, as long as it included the previously mentioned conditions. The board unanimously approved.

D. Siding Replacement:
   1. Scott described the procedure of doing the roofing and siding.
   2. Jerry brought up the subject of damage done to the new singles when the contractor is installing the siding. Scott explained that is covered in the contract.
   3. Debbie questioned the need to install ice shields when there has been no history of damage and the extra cost. She suggested the ice shields could be installed at a later date as needed.
   4. Beth stated the extra cost is undetermined and $500.00 per unit has been allocated. There was a discussion as to when to do the ice shields and the consensus was to do it in conjunction with the roofing.
5. Jim questioned the selection of material. Scott described the differences.
6. A decision was made to request more information from the contractors and that they have it for the next meeting.

E. Roofing Project:
1. Scott stated that all the roofers are scheduled for future meetings:
   a) Byrne Johnson – January 13, 2014
   b) Aurora Roofing has not confirmed February 10, 2014
   c) Lang Home Exteriors – Lang Home Exterior – March 10, 2014
2. Scott spoke with a GAF representative who stated that to get a 100% replacement warranty on the GAF Roofing System a GAF certified contractor must be used.
3. At this time Lang is not GAF certified but would apply.
4. Jerry has put together a composite of the roofer questions submitted by the board members and distributed it to the board. Scott will also be sent a copy.

F. Rotted Wood Replacement:
1. The entire gutter span between 8931 and 8933 Bluebird needs replacement at a cost of $700.00 from Lang Home Exteriors. Beth requested Scott get bids from other contractors. Scott stated he will contact SMS and another contractor.
2. Debbie will submit an exterior modification request, to EPI, for similar work at 8905 Bluebird.
3. Scott will submit a list of needed rotten wood locations, compiled from the painters, and submit it to the board.

G. Lake Maintenance:
1. EPI provided contract with Ken’s Pond and Lake Management was sent to the Board President for signature. It was signed.

H. Reserve Study:
1. Beth’s reserve study list was brought up for board review.
2. Beth suggested, and the board agreed, this discussion be deferred.
3. Beth brought up the subject of chimney cap replacement. Lang has suggested that all chimney caps need not be replaced.

VIII. New Business
A. Inspection Report
1. 18132 Pheasant Lake Drive Re: WO 9160. Decision to be addressed regarding drop-off in landscaping around unit’s sidewalk, with a revised bid, in the spring.
2. Scott brought up the garbage can near the pump house. Tom Kripple usually takes care of it when it gets full.
3. 8833 Pheasant Lake Drive electrical wire across the sidewalk. The board decided this was a safety hazard and a letter has to be sent to the home-owner to have the wires removed.
4. Debbie **motioned** that a change should be made to the association’s rules-and-regulations to address this as a safety hazard. Scott described the procedure for making changes and suggested that this rule change be grouped with other future changes. (No vote was taken).
B. Question for the roofing contractors:
   1. The questions were reviewed and edited by the board.
   2. It was agreed that the questions should be provided to the contractors prior to their attending our meeting.
   3. Beth volunteered to finalize the contractor questions and related roofing spec changes raised and distribute them to all board members and EPI manager.

IX. Old Business
   A. Landscape Report:
      1. Judy inquired about the bushes that were supposed to be taken care of. There has been no action to date.

   Judy motioned the meeting be adjourn to executive session. All board members seconded and the motion was approved unanimously.

X. Adjournment to Executive Session 08:56 PM