

Springmill Lakes at Tamarack Co-Owners Association

Annual Meeting
Monday, December 2, 2019 7 p.m.
St. Luke United Methodist Church Fellowship Hall
100 W. 86th Street
Indianapolis, IN 46260

1. Call to order:

President Max Oldham called the meeting to order at 7:07 p.m. He introduced the other Board members present: Jim Funk, Judy Palmer, Grace Worley, Martha Lamkin and Peggy Kitterman. Absent: Laurel Moses, Robert Lowe. Also attending: Sarah Leveridge, Ardsley property manager and Carolyn Magnes, SPLAT newsletter editor. He recognized past SPLAT presidents and retiring Board members, Peggy Kitterman and Ralph Fowler. Max also cited Gene Eddy and members of the SPLAT picnic committee, Carolyn Magnes, Martha Whiteman, Martha Harker and the Kitterman's. He thanked all for their service to the community.

Seventy-three (73) votes were available for the meeting.

Max thanked the Nature Preserve Board for their work on the recent capital campaign raising 89 contributions totaling \$23,112. Planned preserve improvements are already underway.

Max introduced the community's new manager from Ardsley, Sarah Leveridge. Sarah indicated she has 18 years in the industry and looks forward to working with the residents of SPLAT.

2. Approval of Minutes:

Secretary Grace Worley presented the minutes from the October 30, 2018 Annual Meeting. No corrections or additions were offered. Motion to approve the minutes: Alan Brown 1st, Jerry Collins 2nd. Motion approved: 63-0.

3. Treasurer's Report:

Treasurer Judy Palmer covered the 2018 Audited Financial Statement noting an operating deficit of \$104,780 and a reserve balance on 12/31/18 of \$111,785. To address this deficiency, the SPLAT Board adopted a balanced budget discipline in 2019. To that end, Judy noted the 2019 Operating expenses through October 31 was at \$350,176 versus a 12-month budget of \$474,456 or only 66.4% of the budget, indicating the budget is within acceptable parameters. 'In making spending decisions, if a repair is not an emergency, it may be deferred to stay within budget,' Judy explained. A Motion to approve the Treasurer's Report: Anne Chegar 1st, Dick Kitterman 2nd. Motion approved: 73-0.

4. President's Remarks:

Max Oldham presented the State of the Association Report. There have been 55 sales of units from October 2013-November 2019. Thirteen original owners still reside in the community. Max welcomed new co-owners:

- Barb Banner – 9327 Spring Lakes
- Steve/Donna Craycraft – 9458 Tamarack
- Victor Chen/Betty Yan – 9248 Spring Lakes
- Berkley/Nancy Duck – 9346 Spring Forest
- Bob/Linda Hewitt – 9539 Cedar Springs
- Peter/Jill Tuttle – 9406 Spring Lakes
- Albert/Rena Watson – 9261 Spring Lakes
- Ron/Kristie Watson – 9265 Tamarack
- Don/Kathy Willing – 9417 Spring Forest

There have been no assessments levied for many years. However, the community is over 30 years old which is presenting typical age problems evidenced by significant wood repairs, window issues and failing underground drainage systems. The Board initiated several methods to help address the increasing maintenance costs:

- **RE**Found a person who can repair window rot. But, this is only a Band-Aid approach.
- Solicited competitive bidding on wood repair.
- Used three different contractors for this year's painting and wood replacement and compared their work for future contracting consideration.

As a result, the Association ended up spending only \$105,000 instead of the \$175,000 budgeted on exterior maintenance (wood repair) which helped to meet the newly-established balanced budget discipline. This will help the Association rebuild its cash reserves as follows:

2013 -- \$454,061
2014 -- \$281,133
2015 -- \$225,856
2016 -- \$209,269
2017 -- \$169,932
2018 -- \$111,785
2019 – Projected \$196,146

In 2019, in addition to scheduled maintenance, the Board accomplished the following:

- Sealcoating other ½ of driveways
- Painted 16 units and did wood repair
- Responded to inspection reports to facilitate sales
- Revised Governing Documents, for approval tonight
- Passed Balanced Budget Discipline – cannot spend more than revenue for Operating Fund
- Changed management company from KMC to Ardsley

- Completed “Unit Description” project to update community records to guide maintenance in the future with 80 of 106 units verifying their unit description update.

5. Approval of 2020 Budgets for Operating and Reserves:

Judy Palmer, Treasurer, presented the 2020 Budget. The allocation of expenses is:

Building Maintenance	39.69%
Grounds	15.97%
Lawn Care	13.29%
Insurance	12.48%
Professional Services	8.00%
Utilities	5.82%
Security	<u>5.05%</u>
	100.30% (rounding errors)

The biggest drivers of the SPLAT budget are:

- Wood Repair
- Chimney Caps & Tuck pointing
- Interior Repairs
- Drainage Issues
- Lawn care and Maintenance to Grounds
- Inspection Report Remediation Due to Unit Sales. These have included:
 - Wood repair and window repair which may be deferred to next painting cycle unless there is active water intrusion
 - Firewall has come down
 - Moisture in crawl space; mold remediation
 - Structural support problems in crawl space
 - Chimney cap, tuck pointing
 - Negative grade causing water intrusion into crawl space

The total proposed budget is \$629,640 with \$629,640 in expected revenue (HOA Dues) with \$480,816 allocated to the Operating Budget and \$148,824 to the Reserve Budget. There are \$148,824 in Reserve Projects in the budget and no planned transfers to the Operating Budget. Reserve projects for 2020 are:

- Asphalt Crack Sealing -- \$6,000
- Replace Walkways -- \$15,000
- Utility Box Landscaping -- \$2,000
- Foundation, Moisture, Drainage -- \$30,000
- Repave Tamarack -- \$48,000 + Curbs (\$6,300) **Note:** Tamarack 17 will share 13.6% of this cost
- 6th Year of Pear Tree Project -- \$25,000
- Mailbox Replacement -- \$6,600
- Chimney Caps & Tuck pointing -- \$9,924

Motion to approve the Operating and Reserve Budgets: Skip Kappes 1st, Gayle Foy 2nd.
Motion approved: 73-0.

Motion to increase HOA monthly fees to \$495 as of January 2020 as planned with \$378
allocated to Operating and \$117 to Reserves: Don Willing 1st; Skip Kappes 2nd. Motion
approved: 73-0.

6. **General Q & A Session:**

Q: What is the \$25,000 for trees? What is the pear tree replacement project?

A: It covers the final year of a six-year project to replace aging Bradford trees with a more diverse tree population per the recommendation of an arborist.

Q: Does the budget assume the \$495 HOA fee in 2020?

A: Yes.

Q: What is the relationship between SPLAT and the Nature Preserve?

A: (Max Oldham) The Nature Preserve has a separate Board and \$3/mo of your HOA fee goes to the support of the Preserve and its maintenance.

Q: Is gutter and irrigation maintenance part of the Ken-Cut contract?

A: (Max Oldham) It was in 2019, but in 2020 gutter maintenance will be separate contract and we are currently getting bids.

Q: When will Cedar Springs be repaved?

A: (Max Oldham) This is scheduled for 2021.

Q: Which mailboxes will be replaced?

A: The plan is to replace all mailboxes except for any that have already been recently placed as part of normal maintenance.

Q: When was the last Reserve study done?

A: (Judy Palmer) One was completed a couple of years ago.

Q: What's included in the category Interior Repairs?

A: Damages resulting from exterior causes (such as chimney leaks).

Q: Explain about window maintenance responsibility?

A: (Max Oldham) The co-owner is currently responsible for the window glass and the hardware. If the seal has broken and a window is fogged up, replacement of the window pane is the responsibility of the co-owner. The HOA is currently responsible for the window frame and sash. The Association repairs and replaces, if necessary, the window sash and frame. The window frame includes the sill. We found a person this year who will repair windows, meaning he will chisel out the rotten wood (generally a sill) and put in new wood. Sometimes we have to

replace a sash (around \$750). The cost of a four-window unit (like in your den) is \$5,000-\$6,500. Replacement necessitates a new window. The Board favors wood repair which is a band-aid because of the high expense of window replacement and would create a significant budget item. We should note that surveying other nearby communities which includes Olde Mill, Roundtree, and Overlook, which in some cases have higher HOA fees, SPLAT is the only community responsible for windows.

Q: Please explain Reserve Expenses.

A: Judy Palmer covered these items.

7. Election of New Members of Board of Directors:

Max Oldham presented the slate of nominees to the Board of Directors: Chuck Rutledge, Courtney Weldon, and Grace Worley. No additional nominations were offered. He made a Motion to approve by acclamation: Skip Kappes 1st; Steve Zimmerman 2nd. Motion approved: 73-0.

8. New Business-Updating SPLAT Declarations & By-Laws:

Judy Palmer covered the necessity of updating the community's governing documents, the SPLAT Declarations and By-Laws, which had not been comprehensively reviewed in over 30 years. Following 18 months of committee work, amended documents were submitted for community approval. She introduced legal counsel, Steve Buschmann, who covered a Summary of Substantive Changes (29 amendments). (This document is attached to these minutes.) Mr. Buschmann indicated that amendment #14 addressing insurance coverage specifications had very recently been found in conflict with other provisions of the documents so the Board was requesting co-owners not approve this specific amendment until these issues could be resolved. Motion to approve all amendments except #14: Don Willing 1st, Gene Eddy 2nd. All amendments were approved by the necessary quorum.

Max moved to adjourn the meeting at 9:05 p.m. Motion to approve: Jerry Collins 1st; Charlie Culp 2nd. Motion passed: 73-0.

Respectfully submitted,
Grace Worley, Secretary