

MORGAN CREEK OF CANTON CONDOMINIUM ASSOCIATION

ANNUAL MEETING 2019

JUNE 20, 2019

The 2019 Annual Meeting of the Morgan Creek of Canton Condominium Association was held at the Canton Township City Hall, 1150 S. Canton Center Road, Canton, MI 48188 in the Freedom Room.

Board Members Present: Dawn Chandler, Shelly Frances, Kris Darby, Patricia Kuberski, Sushant Bhasin (appointed since the last election period).

Board Members Absent/Excused: All present

Recording Secretary: Rachel LeVeille, SBS Condominium Management

Call to Order: Motion by Dawn, second by Rohit Singhal to call the meeting to order. Association President, Dawn Chandler called the meeting to order at 7:00 pm.

Welcome & Introductions:

Quorum: In order to establish a quorum, thirty (30) units must be represented in person or by proxy. A sign-in sheet was utilized for the purpose of roll call and it was determined that eight (8) valid proxies had been received and thirty-one (31) units were represented in person. With thirty-nine (39) units represented, a quorum was established, and the meeting could proceed with full voting rights.

Minutes: The meeting packet included the Annual Meeting Minutes from 2018. With no recommendations for changes or revisions, Kris D. issued a motion to accept the minutes, motion seconded by Patti K. Motion carried unanimously.

Financial Report: Shelly Francis

The meeting packet included the 2018 YE Income statement and Balance sheet for the membership to review. Total revenues for the year were \$315,039.00 with expenses totaling \$344,127.60 with a deficit net income of (\$29,088.60). The statement shows insurance income, but this income a reimbursement which offsets the amount paid for insurance repairs, less the policy deductible. The legal line items also reflect expense of \$23,000 which was due to a lawsuit that was settled last year. The same lawsuit resulted in a bad debt write off shown on the statement. In the maintenance line item, funds were spent for roof repairs. Issues regarding warranties will be covered later in the meeting.

Snow removal was approximately \$4,500 over budget due to the very cold, icy winter we experienced. In addition, roof replacement cost is factored in with a cost of \$64,528.31. Water & Sewer is also one of the large expenses for the association in which \$66,308.42 was spent. The balance sheet for year-end showed the checking account holding a balance of \$78,840.75 and the Huntington Reserve account has a balance of \$75,169.50 for capital improvements. Total assets of the association are \$155,058.45. The water came in under-budget and this is primarily due to the sprinkler system being monitored and not run when it is not necessary. The water and sewer line item budget cost has been reduced for 2019.

The income statement for the five-month period ending May 2019 shows the Association is budgeted to run on \$318,600. The YTD income reflects \$132,800 with expenses of \$107,747.14 resulting in a positive net cash flow of \$25,052.86. The fee increase implemented will increase revenue by \$21,120 this year.

Maintenance budget was increased in order to cover the cost of several necessary repairs around the community, including: replacing rotting boards, gutter repairs, mulch, and additional fertilizer treatment for the crabapples and flowering pears.

Motion: Dawn issued a motion to accept the treasury report as presented. Motion seconded by Maureen M. Motion carried.

Maintenance by Handyman

- Shelly distributed a chart showing the planned repairs for this year as well as the completed repairs. The previous handyman (Scott) left the Association suddenly and has not returned. A second handyman (Richard) has also failed to provide contact for several weeks. The Board is looking for a new handyman. It was mentioned that Scott always did a very good job in the community, and the Board would take him back if he wanted to return to the Association.

Structural

- **Foundations:** The Association has used "The Krack Doctor" in the past and is satisfied with the repairs that they assign to.
- **Gutters:** Many gutter issues have been repaired but some gutter problems still exist. The Board is prioritizing water and gutter issues. Several sump pump pipes need to be re-aligned as they are not draining correctly into the exterior pipe which creates problems with erosion.
- **Roofs:** Some leaks have been experienced in newer roofs. Dawn explained that Midwest is not honoring their contract. They claim current leaks are not related to their workmanship. They have not presented their warranty although they have been requested to produce the warranties for the Board. Several years ago, Midwest presented a quote for all buildings but as they have been replacing roofs, they continue to increase the price. The contractor and the Association have attorneys who have been discussing a resolution, but as of late, the contractor is no longer responding. Dawn mentioned that there is no binding contract for 2019 and no roof replacement will be completed this year until the outstanding contract issues are resolved. The first contract was implemented in 2012.
 - Patti has called four different roofing companies including C S Roofing, Champion, Victors. They all provide a five (5) year warranty on workmanship and a ten (10) year warranty on material. Patti will continue to work on this project.
- **Project Manager:** Dawn mentioned that the Board would like to hire a project manager to oversee large projects in the community, such as roofing. The project manager would oversee the workmanship, to make sure the work is completed properly and to make sure the clean-up is completed before the contractor is paid in full. The previous contractor left many nails in the gutters and left dumpsters in the driveways for an extensive time period and the weight of the dumpsters damaged the driveways.

- **Driveway Plan:** Patti contacted Champion Remodeling to obtain quotes for the driveways. The cost range is approximately \$3,750 for the small driveways and \$10,000 for the large driveways. Some Co-Owners are paying out-of-pocket for driveway replacements. The driveway replacements were prioritized based on the inspections completed at the spring walk-around.
- **Roads:** Dawn provided an update on the road millage proposal. Dawn attended the Canton Townhall meeting and learned that the Township only contributes to public roads, not private.
 - The Association road is rated 3 & 4 poor due to the overall condition, curbs and cracks.
 - S.A.D. – Special Assessment District is a program where the City of Canton would contract for road repair/replacement and establish a ten-year payment plan with the Co-Owner's being assessed a yearly amount on their taxes. As an example: a \$100,000 roadway cost would be assessed \$10,000 per year divided by eighty-eight units which would bring the yearly tax amount to \$113 per Co-Owner. If the roadway replacement cost \$500,000, the repayment would be \$50,000 per year divided by eighty-eight Co-Owner's which would add \$568 per year on taxes. These taxes are tax deductible as they will be added on to the winter tax assessment.
 - In order to start the process, a petition would need to be signed by 60% of the Co-Owners. The signing of the petition gets the membership's "foot in the door" but does not obligate the Association to this project. There would be five public hearings, and at the third meeting, the membership would be quoted the cost that would be assessed on their taxes.
 - The Board is going to work on this project this year to prepare for the year 2020.
 - The Association never budgeted funds for the roadway in the past.
 - A recommendation was made that the Board should possibly hold off on driveway repairs until more information is obtained for the roadway.
 - Thank you: Dawn was thanked for the time and effort she has made to obtain all this information for the roadway project.

Beautification: Kris Darby

- **Weeding:** Kris thanked all the Co-Owners who helped with the weeding and mulching.
- **Shutters & Front Doors:** The shutters are faded and popping off. The shutter replacement has been contracted for and they will be replaced with black raised panel shutters which carry a 40-year warranty. Co-Owner's will be asked to paint their front doors black. The Board members chose black to give the community an updated look. The Board will notify owners of the name and type of paint that should be used. The storm door color will remain almond to match the siding.
- **Flowers:** Flowers have been added and look beautiful. Thank you to Kris and Patti who donated the flowers.
- **Fountain Repair:** This is a work-in-progress, and requires an electrician.
- **Front Sign:** The front sign will be painted in a black and cream color scheme to match the shutters, siding, and new street name signs.
- **New Street Signs:** New street signs have been ordered and will be delivered in July. New 4 X 4 posts have replaced the old posts and guards will be placed at the bottom to protect them from weed whacker damage.

- **Address Plaques:** The current address plaques on the sides of homes will be replaced with new, updated plaques.

Water Usage: Shelly Francis

- Shelly provided a usage graph as a visual for the membership to look at. Shelly tracks the bi-monthly bills and some buildings have been noted to have much higher than normal water usage. High water usage letters have been sent out to the buildings that have high usage to notify the owners to check for dripping sinks, leaking toilets, etc.

Annual Fire Alarm Inspection

- The schedule for the yearly fire alarm inspection was included in the meeting packet. Someone must be present for the inspection. If an owner is not available, they are asked to give a key to someone that can attend their unit inspection in their absence. If an additional service call is required, the Co-Owner pays the additional cost for a return inspection.
 - The fire department will replace the 9V batteries in the smoke detectors, if the home owner provides the batteries.

Budget Actions Taken: - Shelly Francis

- Shelly mentioned several actions that have been taken to reduce costs in the Association
 - **Insurance:** A new Association policy is in place at a cost savings of \$8,800 per year.
 - **Management:** New Management company hired which brings with it a cost savings of \$4,200.
 - **New Lawn Service:** A new contract with a new lawn service will save the Association \$15,000 per year.
 - **New Snow Service:** The Board is obtaining bids for new snow service for the new winter season.
 - **Weeding & Mulch:** Purchasing the mulch in bulk and installing the mulch by individual volunteers within the Association saves approximately \$8,000. Weeding by owners is saving approximately \$2500.
 - **Sprinkler:** Each month the sprinkler has not been run saves approximately \$3,000.
- Budget actions have collectively reduced annual expenses by ~\$40,000. This along with the dues increase has created a pool of \$60,000, which is being used for this year's projects (shutters, driveways, gutters, signs, etc.).

By-Law Changes:

- The Board is looking for volunteers who would like to review and rewrite the Bylaws and take it through the appropriate legal channels. Anyone interested in working on a bylaw committee, please contact a Board member or SBS.

Nomination and Election of Board of Directors:

There are four open Board positions for this new term. The person who will take the President position will have a two-year term, (Vice President currently has one more year on her term), Treasurer will be a two-year term, Secretary will be a one-year term, and the Member at Large will be a one-year term.

Nominees for the four open positions are:

- Mario Beshiri, Dawn Chandler, Kris Darby, Shelly Francis, and Rajesh Narayanan.
- No floor nominations were received.
- Ballots were distributed, marked, collected and tallied.
- The four nominees with the highest number of votes are: Dawn Chandler, Kris Darby, Shelly Francis, and Rajesh Narayanan.
- The Board will ~~meet~~ vote within the next ten-days to select Board Positions.

Open Discussion:

- **Parking:** Street parking is an issue due to the width of the roadway. Roadway parking may restrict the availability of emergency vehicles having a clear path to the residences. The safety of the residents is the priority. Warnings and fines will be implemented for anyone not following the parking rules.
 - No over-night parking or parking in the fire lane. Any short-term street parking requests must be submitted to the Board of Directors and approved prior to anyone parking on the roadway. Exceptions are made for temporary short-term parking for holidays, parties etc.
- **Front Entrance Lights:** A request was made to allow Co-Owner's to paint their front entrance light black. There was no objection to this request.
- **Shrub trimming:** It was mentioned that the shrubs are overgrown and need to be trimmed. The cost to trim all the bushes in the community is \$3,500.
- **Communication:** The Association has a Facebook Page and a website which are not the main source of communication. The community bulletin board is the primary source of getting information out to the residents.
- **Priorities:** The Board takes safety issues as first and foremost in priority. If anyone has safety concerns, they should contact a Board Member to discuss.
- **Pets:** A concern was expressed of dogs urinating on lawns and killing the grass.

Adjournment:

With no further business to discuss, Marlaine issued a motion to adjourn, seconded by Rajesh. Meeting adjourned at 8:45 pm.