

Springmill Lakes at Tamarack Co-Owners Association

Annual Meeting
Tuesday, December 8, 2020, 7 p.m.
ZOOM Meeting
Indianapolis, IN 46260

1. Call to order:

Fifty-six co-owners attended the meeting (52 on-line, 4 in the Ardsley conference room). Eighty (80) votes/proxies were presented in writing by the co-owners. A quorum was established.

President Jim Funk called the meeting to order at 7:12 p.m. He introduced the other Board members attending: Max Oldham, Judy Palmer, Grace Worley, Martha Lamkin, Barb Banner, Robert Lowe, Chuck Rutledge, and Courtenay Weldon. Also attending: Sarah Leveridge, Ardsley property manager.

Jim cited the volunteer efforts of Gene Eddy, "Mr. Lightbulb," Carolyn Magnes, SPLAT Communications Director, and Bernie Pierce for his Crime Watch organization and his recent election as President of the nature preserve Board. Jim also noted the establishment of a community book lending library through the efforts of Dick Kitterman, Nancy Snively and many others. He thanked all for their service to the community.

Jim introduced new co-owners to the community:

Alan and Lynda Cohen-9476 Spring Forest
Sophie Herman-9263 Spring Forest
Kathy Hollett-9546 Tamarack Drive
Amy Johnson-9386 Spring Forest
Mary and Terry Nicodemus-9209 Tamarack
Erick and Wendy Ponader – 9283 Spring Forest
Eileen Hope Stinson- 9265 Tamarack
Mike and Dena Tuchman -9549 Tamarack

2. Approval of Minutes:

Secretary Grace Worley presented the minutes from the December 2, 2019, Annual Meeting. No corrections or additions were offered. Motion to approve the minutes: Dick Kitterman 1st, Bob Lowe 2nd. Motion approved: 56-0.

3. Treasurer's Report:

Treasurer Judy Palmer covered the 2019 Audited Financial Statement noting a change in the audit reporting standards which makes comparison to prior year reporting formats difficult, specifically how reserve income is reported. The result was:

	<u>Revenue</u>	<u>Expenses</u>
Operating Fund:	\$477,092	\$449,689
Reserve Fund:	<u>\$ 35,247</u>	<u>\$ 67,797</u>
Total, All Funds	\$512,339	\$517,486

Fund Balance, 12/31/2019: \$216,603

Change in Fund Balance for 2019: Added \$104,818

Motion to approve the audited portion of the Treasurer's Report: Steve Cracraft 1st; Bob Lowe 2nd. Motion approved: 56-0.

Judy Palmer covered the YTD status of the 2020 budget. There are six areas where expenses exceeded budget by more than \$2,000: Interior Repairs, Roof Maintenance, Wildlife Control, Irrigation and Backflow Maintenance, Tree Removal and Water. Capital areas where expenses exceeded budget are: Foundation Repair, Mailbox Replacement, Chimney Repairs and Moisture Control-Water Damage. Much of this is due to the aging of the community. Still with cost savings in other areas, Judy estimated approximately \$100,000 will be added to the Reserve Fund at year-end which would bring it to about \$316,000.

4. President's State of the SPLAT Community Report:

Jim Fund presented the State of the SPLAT Community Report. In 2020, in addition to normal maintenance and operations, the following was accomplished:

- Wood was repaired and painted for 18 units
- Potholes were filled and patched and the 91st Street entrance was repaved and several curb drains were repaired
- All mailboxes in the community were replaced
- The six-year Pear tree replacement project was completed
- Utility box landscaping at \$2,000/year continued
- Responded to problem areas regarding foundation repair/structural support, chimney repairs and drainage issues

Through the efforts of the Board, wood repair costs were brought under control. The result is the lowest expense for wood repairs experienced since 2014 at \$91,196 YTD. In addition, the Board is approving a lake aeration system to be installed in early 2021

that will control and eliminate the build-up of sludge and sediment. Within 3-5 years, it is hoped the improvement will forestall a lake dredging capital project that had been projected at a cost exceeding \$250,000.

These will help the Association continue to rebuild its cash reserves, a Board priority. The historical end-of-year cash balance is:

2013 -- \$454,061
2014 -- \$281,133
2015 -- \$225,856
2016 -- \$209,269
2017 -- \$169,932
2018 -- \$111,785
2019 -- \$216,603
2020 - \$316,000 (estimate)

5. Approval of 2021 Budgets for Operating, Capital Expenses and Reserves:

Judy Palmer, Treasurer, presented the 2021 Budget. The allocation of expenses is:

Operating:	\$473,184
Capital:	\$120,840
Reserves:	\$ 35,616

Total Proposed Budget: \$629,640

The Operating budget includes the following changes:

- Adds \$1/mo per unit for the Nature Preserve
- Begins a new 8-year cycle of painting and wood repair
- Increases funds for roof maintenance and interior repairs
- Reflects additional utility costs based upon current usage and lake aeration project
- Addresses need for lawn seeding and pre-emergent crabgrass application

The Capital expenses at \$120,840 will be prioritized after the completion of an updated Reserve Fund Study that will be conducted early in 2021 at a cost of \$3,100. Potential projects will include:

- Lake aeration (cost: \$13,000)
- Continue utility box landscaping
- Asphalt-crack sealing
- Replace brick and/or concrete walkways
- Chimney repairs
- Foundation repair/structural support

- Moisture control
- Drainage

The budget approved for 2021 will be based on monthly HOA dues of \$495/mo (no change from 2020). At this rate of dues only \$35,616 can be added to the Reserves by year-end 2021. In a few short years, the community, which is aging, faces major capital expenses such as the replacement of failing roofs. This must be addressed. In response to a question from the attendees, Judy explained that interior repair costs include repair to interior damage resulting from an HOA-covered problem, such as water damage to an interior wall due to a failing roof situation.

Motion to approve the 2021 Budget with \$495/mo HOA dues: Julio Morera 1st, Barb Banner 2nd. Motion approved: 72 yes, 4 no and 4 abstentions.

Jim noted the HOA payment book packages are delayed due to the later date of the annual meeting so all late fees will be waived for January as long as they are received by the end of that month.

6. Election of New Members of Board of Directors:

Jim Funk presented the slate of nominees to the Board of Directors:

- Barb Banner for her first full term
- Jim Fund for his second term
- Jeanette Shallop Radliff for her first full term

There were no nominations from the floor.

Motion to approve the slate: Dick Kitterman 1st; Martha Lamkin 2nd. Motion approved: 69 yes, 7 partial slate, 1 no, 3 abstentions

7. President's Remarks:

Jim Funk commented on some issues that arose prior to the annual meeting:

- The existence of a resale fee. Year-to-date there have been 8 sales of units and \$8,138 in resale fees have been collected. But the HOA has expended about \$30,000 in repairs costs to accommodate the seller's inspection repair requirements. All co-owners through monthly HOA dues are helping to facilitate that cost for the benefit of the seller. It is not unreasonable to ask the selling co-owner to additionally share a portion of those costs. Otherwise, the HOA could not afford to respond as cooperatively and sales would likely fall through or all inspection-related costs would fall to the selling co-owner. The Board will vote to lock-in the resale fee to not more than \$1,100 for 2021. Jim reminded the group

that this resale fee was disclosed and voted on by the co-owners in the newly updated and approved Declarations and By-Laws in 2019. There will no reconsideration at this time.

- The originally proposed 2021 budget included \$520/mo HOA dues as a source for building reserves more robustly in order to address the significant structural issues of our aging community. At present we are under-reserved for anticipated capital expenses in the next few years. When I (Jim) came on the Board, reserves were at \$111,780. This year we project having \$316,000. As a comparison, a comparable neighboring condo community has monthly HOA dues of \$595/mo and still has regular assessments; another community has over \$1 million in reserves. The Board's objective has been to rebuild our reserves and to continue to avoid general assessments to cover expenses. Within 7-10 years we face anywhere from \$1.2-\$1.5 million in estimated costs just to replace our roofs. After the Reserve Study is completed, we will schedule a series of small group meetings with the co-owners to discuss how to address this situation.

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

Jim asked that any questions involving a single unit be addressed directly to Sarah outside of the meeting. General questions were posed through the Zoom chat feature:

Q: When is street paving scheduled?

A: (Judy) It is not scheduled awaiting the results of the Reserve study. This \$45,000-\$65,000 project will be prioritized among the other capital projects after we know the scope of our long-term needs.

Q: What is this lake aeration project?

A: (Jim) It's a system of fingers into the lake that provides aeration which reduces sediment build-up and has a control box housed in a small sound-proof containment unit on the shore. There won't be any visible water fountains or jets of water. Residents shouldn't notice the system at all.

Q: Will there be small group meetings to discuss the capital projects for the community?

A: (Jim) Yes. They will be scheduled after the Reserve Study is completed.

Q: Can we vote on the resale fees?

A: (Jim) No. It's in the recently updated Declarations and By-Laws voted on in 2019. We are not readdressing it at this time.

9. Comments From Management:

Sarah Leveridge noted issues with communications between co-owners and Ardsley. Some of this has been exacerbated by the operational restrictions under varying COVID-19 governmental directives. She reported that Ardsley management including the president met with Board members in October and created a set of communications procedures that has been published in the newsletter and was emailed to co-owners. Within these guidelines, she, her assistant, Amy, and even Ardsley president, Kevin Schwarz, are points of communication within the Ardsley organization. They are committed to reasonable response times and good service. Judy Palmer added that SPLAT's Board is a governing Board and Ardsley has been retained to handle community operations as the manager. All requests for service should be directed to Sarah as the manager. If problems still remain, then contact Jim Funk as the president and he will work with Sarah for resolution.

Jim Funk moved to adjourn the meeting at 8:05 p.m. Motion to approve: Pam Purdie 1st; Jeff Brown 2nd. Motion approved: 56-0.

Respectfully submitted,
Grace Worley, Secretary
December 12, 2020