

# Springmill Lakes at Tamarack Co-Owners Association

Board of Directors' Meeting  
On-line via Zoom  
Monday, April 20, 2020

Due to the coronavirus stay-at-home order, the Board meeting was held on-line via Zoom. Call to order: President Jim Funk called the meeting to order at 2:10 p.m. Other Board members present: Judy Palmer, Grace Worley, Robert Lowe, Courtenay Weldon, Max Oldham, Barbara Banner and Martha Lamkin. Also attending: Sarah Leveridge, Ardsley property manager, and Carolyn Magnes, newsletter editor. Arriving later: Chuck Rutledge.

1. **Approval of Minutes:** Secretary Grace Worley presented amended minutes from the March 16, 2020. Board Meeting. No corrections or additions were offered. Motion to approve the minutes as published: Courtenay 1st, Bob 2<sup>nd</sup>. Motion passed: 8-0
2. **Treasurer's Report:** Treasurer Judy Palmer presented audited 2019 financial statements. There are new accounting rules that require separation of the HOA fees in the Income-Expense Report so only the portion allocated to Operating Expenses is posted in the Operating statement and only the portion allocated to Reserve Expenses is posted in the Reserve statement. On the Operating Income-Expense report an expense category-8090 Reserve Funding is shown, which creates a negative net Operating Net Income result. This new reporting format complicates budget analysis. Judy prepared an Excel spreadsheet to more easily delineate 2019's expense-income results. It showed expenses were \$85,734 less than the budgeted amount for 2019.

Motion to approve the 2019 audit report: Bob 1<sup>st</sup>; Martha 2<sup>nd</sup>. Motion passed: 8-0.

- *An addendum to these minutes is included at the Treasurer's request. It explains the substantive new accounting audit report requirements as it affects the comparative reading of the 2019 and future audit reports.*

Judy presented the March year-to-date financial report, pointing out categories that are currently overbudget. There was discussion regarding the receipt of the first SPLAT-assessed resale fee (income category 7505) assessed at a unit closing in February following the fee approval by the co-owners in the Declaration & By-Laws amendments. The coronavirus shut-down resulted in government office closings so filing of the new fee requirement was slowed, but has now been filed. Sarah will verify the filing date. Motion to approve the Treasurer's report: Martha 1<sup>st</sup>, Bob 2<sup>nd</sup>. Motion passed: 8-0.

### 3. Management Report:

The Tamarack Drive asphalt resurfacing project is on hold and the project's scope is being reevaluated in cooperation with Tamarack 17. Ardsley and the Grounds committee are working on a master road maintenance/repaving/repair plan. Jim is firming up the resurfacing project

specifications which will be resubmitted to a list provided by both communities of vendors for new bids. The current goal is to spend less so SPLAT can build reserves. This may delay some resurfacing. Sarah wants to secure bids based upon the new project scope by the next Board meeting. When the scope of the project is determined it will be communicated to all residents as well as the budgetary reasons for the changes in the originally planned project.

(Chuck Rutledge joined the meeting at 2:52 p.m.)

Sarah requested an interim meeting regarding the Grounds to do a proper assessment of the community's condition, project scope and RFP specifications. Bob, Sarah, Max, Jim and Chuck will participate. Chuck will arrange the meeting.

Sarah asked if more bids are needed for the carpentry and painting cycle of the next 18 units. Bob indicated all windows will be bid by Keith Wells so the carpentry bids should only include non-window carpentry as specified in the Cornerstone assessment report. Bob provided a copy of the Cornerstone report to the Board by email. More than one vendor should be solicited for bids with the idea that portions of the job could be allocated to different contractors as was done in 2019. This allowed SPLAT to secure the best bid for each building separately. The timing goal is to complete all carpentry so the painting project begins no later than August.

Approval of the mailbox replacement project was tabled until the entire Board can visually review the prototype. Judy cautioned that final expenses need to be within budget.

Gutter cleaning bids were received from four vendors. This includes both the spring and fall cleanings. The bids were: ICCS \$9,000; RPF \$12,800; High Shine \$6,800; Ken-Cut \$6,000. Discussion centered around verification of the cleaning of second-story gutters. Some residents have complained that Ken-Cut does not clean second-story gutters while Ken-Cut insists they do. Sarah will coordinate with Ken-Cut supervisors to insure second-story gutters are cleaned. Gutter screens will be inspected and cleaned underneath if required. Motion to approve Ken-Cut's contract to clean gutters in 2020, starting in mid-May: Bob 1<sup>st</sup>; Max 2<sup>nd</sup>.  
Motion passed: 9-0.

Tree planting bids were reviewed: Ken-Cut \$11,238; BAM \$14,529; Complete \$13,797. Ken-Cut's bid includes watering program and 2-year warranty. Judy asked that it also include replacing one tree they did not water in 2019 at their cost. With this planting bid and the previous pear tree removal cost of \$5,750, we are under the \$25,000 budget by \$7,922. Motion to approve Ken-Cut tree planted bid with the unwatered tree replacement addition at Ken-Cut's expense: Martha 1<sup>st</sup>; Courtenay 2<sup>nd</sup>. Motion passed: 9-0.

At the southeast corner of Tamarack and Spring Forest, Ken-Cut will clear the hosta bed and reseed with grass. Jim asked Sarah to tell Ken-Cut to coordinate with Nancy Snively on transferring existing mulch to community common areas or the Nature Preserve as she directs.

9245 Spring Forest's fencing remains in violation. Communications, including letters, with the co-owner have been ineffective. Sarah has explained to the co-owner the requirements for

construction design consistency in the community and the need to remedy this location's new fence to comply. Motion to approve referring this matter for resolution to SPLAT's attorney: Grace 1<sup>st</sup>; Max 2<sup>nd</sup>. Motion passed: 9-0.

At 9472 Tamarack, the new Co-owner's daughter is living in the unit while the co-owner is coronavirus sequestered in Florida. She asked if a small ornamental tree in back of the unit could be removed at the co-owner's request so a replacement compressor could be installed. No objection was noted.

Reviewing the aging report: It was noted that at the March Board meeting the Board directed a lien be placed on 9308 Spring Forest for fees in arrears (currently \$1,445). Discussions with the co-owner's son regarding a payment plan have not resolved this balance. Jim directed Sarah to move ahead with placing the lien as the Board has approved previously.

There seems to be a timing issue with receipt of HOA fees for 9288 Spring Forest. Sarah will work to resolve this

At 9516 Tamarack, the co-owner agreed to a payment plan for a delinquent balance and made a 4/16/20 payment to cover the March fee, but has not yet submitted a payment for April.

- 4. Old Business:** Jim appointed a committee of himself, Max, Judy, Grace and Carolyn Magnes to review and update the co-owner's handbook and an accompanying outline of relevant changes resulting from the recently approved Declarations & By-Laws for SPLAT. Carolyn will email a PDF of the current handbook for editing. Jim will schedule a Zoom committee meeting.

9457 Spring Forest has two trees behind the west end of the unit along the fence line that are dead and present a danger. One has already fallen. Sarah will secure removal bids.

The dead tree behind 9245 Tamarack needs to be removed as soon as possible to avoid damage. The adjoining property owner has given permission to access the property. Sarah will arrange for removal as soon as possible.

- 5. Architectural Control:** Bob covered three requests-

9522 Cedar Springs- The co-owner wants to remove a tree at their cost that is clogging their gutters. Three adjoining neighbors have signed agreement with this request. Motion to approve the tree removal at the co-owner's cost: Bob 1<sup>st</sup>, Max 2<sup>nd</sup>. Motion passed: 9-0.

9261 Spring Lakes: The co-owners requested to add two more trees to the arborvitae line already bordering their back patio by extending the required berm into the common area. After discussion about the common ground encroachment and because the Board did not have access to the landscaping plan drawings, the request was tabled for future review.

9545 Tamarack is planning to repair a back patio where some support beam damage has also been discovered. Consulting an engineer regarding the extent of the issue was discussed.

Because it is unclear whether this project involves the property's foundation and HOA responsibility, the co-owners were encouraged to consult an engineer at their own expense before work proceeds.

- 6. Grounds Report:** Chuck had provided prior to the Board meeting a written Grounds committee report which included the following additional information and issues-

Inspection of the outlet at the east end of the pond found the protective "rebar-cap" to be rotated 180 degrees. The cap is to prevent larger material from entering the out-flow pipe. The cap appears to have rotated such that the protective bars intended to protrude into the water are on the backside of the outflow in-take.

Mailbox maintenance through February has expended \$955 versus an annual budget of \$500. Expenditures through the end of March for Wild Life Control are \$1,200 versus an annual budget of \$1,500. Trapping and relocating raccoons have been the primary expense.

- 7. Security:** Chuck is working on updating the block captain list as well as recruiting to fill any vacancies.
- 8. Nature Preserve:** Martha provided a written report re: operations of the Preserve board and further updated the Board on recent planting and clearing activity in the Preserve.
- 9. Hospitality:** Max will distribute mulching guidelines to new neighbors. They will also be published in the next newsletter.

**10. Nora Community Council:** No report.

**11. Insurance:** No report.

(Judy Palmer left the meeting.)

Jim moved to adjourn the meeting at 5:10 p.m. Motion to approve: Jim 1<sup>st</sup>; Bob 2<sup>nd</sup>. Motion passed: 8-0.

**Next Board Meeting:** Monday, May 18, 2020, 2 p.m.  
TBA pending Coronavirus Shut-Down Guidelines

**Addendum to April 20, 2020 SPLAT Board Meeting Minutes:**

A change in the accounting standards effective for the 2019 audit year results in the following:

In the past, the Statement of Revenues, Expenses and Changes in Fund Balance (Deficit) exhibit presented revenues accrued to both the operating and reserve funds based upon the budget allocation of member assessments. This same display also presented a comparison of the total balance of all funds for both the current audit year and the prior year.

The accounting standard change effective for 2019 now only allows Reserve Funding revenue to be recognized when reserve expense is incurred. Thus, on the aforementioned exhibit, revenue to the reserve fund will show the same amount as expenses incurred by the reserve fund in the audit year. It will always be an equal amount.

This change eliminates the ability to compare with any previous year (due to a change in the accounting standard) to 2019 and beyond . It also requires a separate calculation to determine the actual change in Total Fund Balance for the year.

The Total Fund Balance is no longer presented in the audit which had allowed for comparisons that have been a key element in the annual budget presentation to homeowners.

In order to calculate the change (increase or decrease) in Total Fund Balance for the year, the Balance Sheet must be used. The following calculation must be completed. The 2019 audit figures will be used for illustration purposes. Please note that Ms. Bengu Powell of Comer Nowling CPAs has reviewed the methodology used.

Using the Total liabilities and fund balances (deficit) line in the Reserve Fund column: \$227, 647

Subtract the Fund Balances (deficit) line in Operating Column: (\$11,044)

The remainder from this calculation is Total Fund Balance as of December 31, 2019: \$216,603.

To compare with any prior year and determine the amount of increase to Total Fund Balance subtract the 2019 amount from the 2018 Total Fund Balance:  $\$216,603 - \$111,785 = \$104,818$  increase in Total Fund Balance.

Although the Total Fund Balance was shown in the 2018 audit in the Statement of Revenues, Expenses, and Changes in Fund Balance Display which appears on page 4 of the 2018 Audit, it will be necessary to do the calculation as presented above in order to determine Total Fund Balance for 2019 and years going forward as long as this accounting standard is in place.