

Approved Annual Meeting Minutes Summary
July 21, 2018
Villages of Oscoda HOA

Quorum Statement:

Secretary, David Sherman, began by stating that in order for us to begin the *2018 Annual Meeting of Members*, a quorum must be present. Dave explained that a "quorum" is the number of members entitled to vote, represented either in person, by proxy or by ballots received prior to the meeting, for business to be legally transacted. In **Article 1 Section (g)**, our Bylaws defines Quorum as: "*The presence in person or by proxy of 25% of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members... The written vote of any person furnished at, or prior to, any duly called meeting, at which such person is not otherwise present, shall be counted in determining the presence of a quorum...*". This year, there were 621 ballots mailed out to qualified members. The total number needed to meet the 25% quorum requirement in order to hold today's meeting is **155**. The number of returned ballots received prior to the meeting today is **281**. The number of member-units represented in attendance is **29**. The total reached for the quorum count is **310**.

Call Meeting to Order:

President, Randy Moore, declared that a quorum had been reached and called the meeting to order at 10:05 a.m. at the Villages of Oscoda, HOA Clubhouse. He reminded all present to hold all comments and questions until the end of the meeting during the general discussion period and that this meeting's purpose was for Association business only. The President also announced that this meeting is only for co-owners that are listed on the deed to their units and asked all others, not on a deed to leave at this time. Pledge of Allegiance was recited.

Roll Call: All members introduced themselves. Randy also thanked the staff, Tammy and Jennifer for everything they do.

Present: Randy Moore (President), Mike Munson (Vice-President), JoAn Nink (Treasurer), David Sherman (Secretary), Tammy Velten (Property Manager), Jennifer Wilson (Asst. Property Manager).

Absent: Ed Pisarski (Trustee)

Secretary's Report: Approval of Minutes for 2016 and 2017:

Dave explained that while preparing the minutes to last year's meeting, it was discovered that, although there was a motion passed to waive the reading of the *2016 Annual Meeting Minutes*, there had been no motion from the floor to accept the minutes as written. To correct this oversight, Dave stated that he would begin with the reading of the *2016 Annual Meeting Minutes*. He informed those present that in the front of their packet was a copy of the Annual Meeting Minutes for 2016. Dave stated that if they would like to skip the reading of the entire minutes, he would need a motion from the floor to waive the reading of these minutes. Randy asked if there was a motion from the floor to waive the reading of the *2016 Annual Meeting Minutes*? William Gallagher (10123 Virginia) made a motion to waive the reading of the *2016 Annual Meeting Minutes*. Kaye Sherman (9610A Missouri) 2nd the motion. A verbal vote with all in favor with no Nays. Randy stated that since it was clearly obvious by the response in support of the motion, a count was not necessary - **Motion Passed**.

Randy then asked if there was a motion from the floor to accept the *2016 Annual Meeting Minutes*? Mike McGee (9912B Mississippi) made a motion to accept the *2016 Annual Meeting Minutes* as written. Mimi McDonald (8416 Power Dr.) 2nd the motion. A verbal vote with all in favor with no Nays. Randy stated that since it was clearly obvious by the response in support of the motion, a count was not necessary - **Motion Passed**.

Dave then stated that we would now proceed with the reading of the *2017 Annual Meeting Minutes* which was the next item in their packet. Dave again stated that if they would like to skip the reading of these minutes, he would, again, need a motion from the floor to waive the reading of these minutes.

Randy asked if there was a motion from the floor to waive the reading of the *2017 Annual Meeting Minutes*? Cheryll Johnson (8202A Florida) made a motion to waive the reading of the *2017 Annual Meeting Minutes*. Jackie Gonterman (8613A Nebraska) 2nd the motion. A verbal vote all in favor with no Nays. Randy stated that since it was clearly obvious by the response in support of the motion, a count was not necessary - ***Motion Passed***.

Randy then asked if there was a motion from the floor to accept the *2017 Annual Meeting Minutes*? Mary Reed (9400A 6th St.) made a motion to accept the *2017 Annual Meeting Minutes* as written. Mike McGee (9912B Mississippi) 2nd the motion. A verbal vote all in favor with no Nays. Randy stated that since it was clearly obvious by the response in support of the motion, a count was not necessary - ***Motion Passed***.

President's Report:

Current Housing Status – Randy reported the total number of units at 758 with *Primary Homes* at 371 or 48.9% (an increase of .3% from the previous year); *Secondary Homes* at 384 or 50.7% (a decrease of .3% from the previous year) and 3 units in foreclosure (which was the same number from the previous year). Of those units that are Secondary homes, 173 or 22.8% are rental units (an increase of 2 units from the previous year) and 28 or 3.7% are Non-owner occupied units (an increase of 4 units from last year). The Association did not foreclose on any units and therefore, the Association did not sell any units. Randy also reported that there were 36 units listed for sale and that the total number of homes sold from July 1, 2017 until present was 37 (an increase of 14 units from the previous year).

Annual Picnic - Randy informed the co-owners that the annual picnic has been scheduled for Saturday, August 18th from noon to 3pm. The annual picnic and the annual Christmas Potluck were scheduled on a Saturday so that more families would be able to attend these events. The Association will supply the hamburgers, hot dogs, brats, table settings and drinks (non-alcoholic). Please bring a dish to pass. There will be entertainment, games, prizes, giveaways and more. If you have any homemade or other items that you would like to donate for the prize giveaways, please feel free to contact the office and let them know. The proceeds from the 50/50 Raffle will be going towards the purchase of the LED digital sign.

New Apartment Building – Randy informed co-owners that an apartment community is currently being built on the property on the other side of Georgia Drive. The apartments will be market-rate apartments and available for anyone to rent. It will not be just for Kalitta employees. It is also not intended to be “affordable housing”. From what we know, plans approved by the township calls for four, four-unit buildings with another four, four-unit buildings to be added at a future date. The apartment community will not be a part of our Association.

New Sewer Back-up Procedure – Randy informed co-owners that the Association now has a “Service Agreement” with *Oscoda Septic* to handle all sewer back-up issues for the Association. Any co-owners that may experience a sewer back-up will now call the Association office and the staff, in turn, will contact *Oscoda Septic* to come out. Co-owners will no longer call a sewer company of their choice to handle this type of issue as the Association is responsible to handle these types of sewer issues. If a sewer back-up occurs after office hours, on weekends or on holidays when the office is closed, co-owners should still call the office and leave a voicemail message of the problem, but then they will need to contact *Oscoda Septic* directly at 989-739-4915 and *Oscoda Septic* will respond to resolve the back-up issue. The Association will be billed for any sewer back-up calls. However, if the sewer back-up is from a problem inside the unit or under the building structure for which the Association is not responsible for, the Association will bill the co-owner(s) for the service and such co-owner(s) will reimburse the Association for the cost. Also, if the sewer back-up problem occurs due to co-owner fault, that co-owner(s) will be billed by the Association for reimbursement. Randy informed the co-owners that new refrigerator magnets are available with the new procedure and phone numbers for handy & convenient access to the necessary information. Randy also informed members that *Oscoda Septic* did pay half the cost for these magnets.

Treasurers Report:

Audit Report: JoAn Nink, Treasurer, stated that Stephenson Company P.C., formerly known as Stephenson, Gracik & Company, P.C., is the company that the Board had hired to do the 2017 Annual Review that is required of all condominium Associations. The report confirmed that the accounting practices that the Villages of Oscoda have in place are in compliance with accounting principles generally accepted in the U.S. The accountant stated on the report that there were no material modifications that should be made to the financial statements in order for them to be in accordance with those accounting principles. The audit report is available in the black hanging-file holder on the wall by the front door if anyone would like to pick one up.

Financial Report: JoAn stated the Financials for the General Operating Fund as of 3-31-17:

Revenues: \$149,332.82

Expenses: \$67,320.53

Excess Revenues (net income) for the first 3 months: \$82,012.29 (Excess revenues are due to pre-payments of monthly dues.)

Projected Revenues for the full year: \$563,394.00

Reserve Fund (Major Repair and Replacements Fund): \$81,725.83 which exceeds the 10% minimum balance requirement by the State of Michigan.

JoAn stated that there is a copy of the 1st Quarter Financial Statement ending 3/31/18 in the meeting packets provided to attendees as well as a copy of the Amended Budget for 2018. (See **Attachment A** for the full Treasurer's Report).

Committee Reports:

RV Lot: Mike Munson (Vice-President) informed members that there are 283 total RV Lots in the RV Lot Storage Yard. Of those, 158 (or 56%) are reserved. There are 125 lots (or 44%) still available to reserve if anyone needs to store an RV or ORV. The cost is \$1.50 per foot, per year. Mike also stated that the RV Lot is "self-funding" which means that the annual RV Lot fee goes towards the RV Lot expenses such as electrical costs for the flood lights any repairs needed out there and any maintenance costs, such as snow plowing the gate entrances and for improvement costs. Mike also informed members that there are 16 slips in the canoe building for canoes and kayaks. However, there currently is none available. This changes frequently so it is best to contact the office to be placed on a waiting list if you need one. (See **Attachment B** for the full RV Lot Report).

ACC Report: David Sherman (Secretary), gave a report on the ACC Committee activities over the past year. Dave stated that the ACC received a total of 74 applications for improvements on co-owner's property. Of those received, 70 applications were approved, and 4 applications were disapproved. The applications that were not approved were due to non-compliance with the Bylaws and/or the ACC Design & Development Guidelines or because the location of the requested improvement would interfere with underground sewer or water lines. (See **Attachment C** for the full ACC Committee Report).

Garden Club: Mike Munson (Vice-President), stated that The Garden Club had been hard at work again this year, as they do every year. Over the past year, the group replaced a tree along Mission Rd. at Tennessee St., they purchased the flowers for the pots at the clubhouse doors and refreshed the mulch & wood chips in the clubhouse gardens and in gardens under the Villages of Oscoda signs at Perimeter and at Skeel. They also replaced and refreshed the flowers and mulch-pathways at Memory Lane and at Woodridge Park. The group also planted new perennial flowers in and around the raised flower bed planter in Freedom Park (former 8,000 area) near Bissonette and cleaned up the winter growth in the gardens around the Club house. Club members also monitor & replace the American flag at our community signs and waters the gardens at those signs. Mike informed members that the Garden Club only has 6 volunteers left as many of the former volunteers have moved away over the years. The Garden Club is in need of more volunteers! Just a couple of hours of your time will help make the work lighter for all the team. If you are interested in volunteering your time, see the

office staff to sign up. Special thanks for all the volunteers that gave their time to this worth-while activity and especially to Wayne and Henrietta for spear-heading the group!!!!

Election Report: David reported that there are 3 Board members whose term expires this year. Those Board members are: Mike Munson, JoAn Nink and David Sherman. The Board is happy to report that there are 4 Candidates for this year's election. Running for re-election is Mike Munson and JoAn Nink. Our 2 new candidates are Sherry Proulx and Beverly Knickerbocker. On behalf of the Association, the Board would like to thank each candidate for their willingness to donate their time to help make a real difference in their community by serving on the Board of Directors. Good luck to each of the candidates! Dave stated that we will be counting the ballots on Monday, July 23rd at 10:00 am in the *Conference Room* here at the Clubhouse. There is a sign-up sheet on the information table at the front door if you would like to help with the counting. This year we will need a total of 10 volunteers to help with the ballot count. Having more than 10 volunteers on the list will be helpful in case someone, that signed up to help, is unable to make it. It will allow us to have additional people we can contact that can step in to help with the count. To find out the results of the election, it will be announced on our website, and in the August/September Newsletter. We will post the results here at the Clubhouse as well. Remember that the ballots are due in by Noon Today!

By-Law Change Committee Report: JoAn gave a report about the need to update our governing documents to include the Master Deed, Bylaws and the Articles of Incorporation and where the Committee is at right now in the process JoAn started by thanking the members of the Bylaw Change Committee for their tireless work and dedication to the difficult task of working to revise our governing documents. This process has taken over 2-years and much attention was given to assure these documents are in-line with current laws while at the same time, making them more co-owner friendly and easier to understand. JoAn continued by emphasizing the importance of revising our governing documents and listing the objectives and purposes: **First, we are removing all the provisions intended to protect the developer.** The new amended documents, as drafted, are intended to reflect the interest of the Community, the Association, and the Co-owners, and not the interest of the original developer. **Second, it is important to update the documents to reflect changes in the current law.** One example would be that some Associations would prohibit co-owners from displaying a flag. Changes in the current law prohibits Associations from not allowing co-owners to fly a flag but does allow Association's to restrict the size and placement of a flag. The Michigan Condo Law & the Michigan Non-Profit Corporation Act have both had major changes recently. The new documents track this language. **Third, the documents reflect changes in society since the governing documents were first adopted.** For example, restrictions pertaining solar panel installation, electric car charging stations and leasing are new, with many of these topics being a more significant issue than they were 10 and 20 years ago. **Forth, we attempted to update the documents while retaining the same sense of place as the original documents.** In other words, for the most part, hopefully, the average co-owner would see little change in their day to day life. The document amendments are intended to bring the documents themselves in line with the manner a in which the community operates but in an updated manner. **Fifth, there was an effort to increase the efficiency by which the Association can operate.** For example, changes in the Non-profit Corporation Act regarding quorum requirements, electronic voting, the possibility of electronic notice, or remote participation in meetings, are aspects of the documents that were added or updated to help increase the efficiency of the operation of the Association. JoAn stated that currently, we have nearly completed the final drafting of the documents with only a few issues left to work out with our attorney. Keep a watch out for more information regarding the next steps in this process. You can find new information and updates in the Newsletter, our website and on our new LED sign right here in front of the Clubhouse. Randy also reminded everyone that we must have 66 2/3% of members eligible to vote to return their ballots in favor of the revisions for it to pass. Any ballots **not** returned is considered a "NO" vote by Michigan statute. Proxy's will also be sent out for those members who may wish to proxy their vote to a neighbor or Board member.

General Discussion: Each homeowner will only have 3 minutes for input.

Deanna Raulston (9700A 7th St.): Asked Board members what the newly purchased Freedom Park (former 8000 area) will be used for. Randy responded by stating that the Association will leave it as a natural park and the un-used roads are ideal for walkers. However, if anyone has any ideas, write it down and submit it to office.

Cheryl Johnson (8202A Florida): Asked if the 66 2/3% requirement to amend the governing documents is an Association rule or State law. JoAn stated that the 66 2/3% vote requirement needed is a set by the Michigan State Condominium Act and is unchangeable by the Association.

Ross Tangley (9724B Massachusetts): Asked what would happen if it doesn't pass. JoAn informed everyone that the current (and outdated) documents would still be in effect. Mike stated that everyone needs to talk with their neighbors and let them know how important it is to send in their ballot and vote no matter which way they vote. Tammy explained that many Associations revised their governing documents every 8-10 years and pride themselves on having the most up-to-date documents that are compliant with the most recent changes if State law. Our documents are 22 years old and have never been up-dated or kept up with changes in State law. In fact, many items such as electric cars, solar panels and drones are not addressed in our documents because they simply didn't exist when our documents were written.

Mary Reed (9400A 6th St.): Asked what we can do regarding apathy from co-owners. Also stated that most of them that complain a lot also aren't here. Also, many co-owners, especially older members, resist change, are afraid of change or feels that change is a bad thing. Mike suggested that she tell them to look at the new & improved bylaws, at least that's what we believe, and see if she agrees or not.

Cheryll Johnson (8202A Florida St.): Asked how many homeowners usually turn out for the Association's Annual Picnic. Randy reported 40-50 people usually turn out. Mike stated that that is a hard one to answer correctly because the Association hasn't been as focused on a weekend event in the past. They had always been held on a Friday. This year it is on a Saturday so maybe we get tons more homeowners or not, we're just not sure.

Mike Binkowski (9202B Rhode Island Dr.): Stated that his question was about getting the information to the right people. Mike said that he has looked through a lot of city records and found that a lot of older homeowners put their properties in a trust or quit claimed it to the family. He is concerned that in these cases, the information the Association sends out may not be getting to the one who will be doing the voting. Tammy stated that even in cases of a trust, the co-owner occupant would not necessarily change if they are still living in the unit. If they deeded the property to their adult children, for example, and are no longer on the deed, they no longer are qualified to vote. The two requirements to qualify to vote is that they must have a *Voter Designate* form on file with the office and they must be a member in good standing. The office relies on information provided to us, so it is important to keep us informed so that we keep our records straight and keep you as members in good standing.

Sherri Proulx (9750B 8th St.): Asked who is the designated voter, the homeowner(s)? Said that her and her husband lives at the unit, but they only get one ballot. She was informed that every unit gets one (1) ballot no matter how many deed holders there are for that unit. That is why they must complete a Voter Designate form to keep on file at the office designating who will vote for your unit. Sherri asked who decides on the Voter Designate. She was told that the homeowner would decide between them who will do the voting for their unit. JoAn also explained that is the purpose for the "Control Number" they see on the envelope. When a ballot is received, the unit is checked off that one (1) ballot was received. Later on, during the day of the ballot count, the ballots are separated from the envelopes so that there is no way to know how an individual member voted. Randy also stated that the ballot count is open to all members, so they can observe the process. They can't speak during the process, but they can watch.

Ed Learman (9908B Mississippi): Wanted to know more about the new Waste Management contract. Ed stated that they will be leaving for a month and wanted to know what length of time away from home should the office be notified. Tammy explained that the new contract adjusts for seasonal occupancy not monthly or weekly. When you leave for the season and when you return for the season, let the office know.

Kenneth Stewart (9818S Minnesota): Stated that he has a problem with the mowing. Has a problem with weeds and grass growing through the cracks in the street. Randy informed him that the streets are county owned and maintained. Fred Nink stated that to clarify Ken's question, was he referring to the street curbs? Mike suggested the homeowner take a picture of the problem area and forward it to the office and we can ask the lawncare company what they can do to improve it.

Toure' Lee (8207D Florida): Asked if there was any language in our Article of Incorporation or Bylaws that says if the Association is sued it must be settled by arbitration and not through court. Tammy explained that the sections addressing arbitration has been revised in the rewrite to comply with changes in the State law on this issue. Tammy stated that the current law allows for arbitration but does not require Associations to only use arbitration for dispute resolution. Toure' also asked if it would be possible to get volunteers to go door-to-door to ask homeowners if they have any questions. He understands the fear of change, and bylaws can be complicated, and people would feel more comfortable voting on this if they understand it. Mike stated that we have considered this, and our goal is to have meetings set up, some with our attorney present to help answer questions and explain what we are doing.

Christine Dillon (9757A 8th St.): Asked why she pays the same amount of monthly dues for lawncare on her .11 acre as other homeowners that have much larger properties. Tammy explained that each unit in the Association has a percentage value of 100%. That means that all 758 units must pay 100% of the Association's expenses equally. Both State law and our own governing documents prohibits the Association from changing that percentage value for any reason. Therefore, the Association can not adjust the monthly amount of dues a co-owner pays based on the size of their lot, the housing style, the number of bedrooms a unit has or for any other reason. None of that is relevant to the amount of monthly dues each co-owner is responsible for and the Association is not legally permitted to change that. The lawncare contract in specific is not calculated based on the number of lots in the Association. It is based on the total number of acres within the Association including the common area parks that are jointly owned by all members.

Deanna Ralston (9700A 7th St.): Asked if the Association has talked to Waste Management about providing pick-up service for recyclable. Randy stated that we had looked into this issue and the cost would be almost the same amount as for our annual trash removal contract. Deanna also asked if everyone knows they can take their recyclables to Tawas.

Randy announced that the next Annual Meeting of Co-owners will be on Saturday, July 20, 2019.

Mike McGee (9912B Mississippi) made a motion to adjourn. Jackie Gonterman (8613A Nebraska) 2nd. All Ayes. Meeting was adjourned at 11:45 am.