

Annual Meeting Minutes
Rescheduled for September 19, 2020
Villages of Oscoda HOA

This meeting was held remotely by Zoom webinar due to Covid-19 pandemic Restrictions

Roll Call: A formal Roll Call was called out by each Board member in attendance.

Present: Mike Munson (President), Sherry Proulx (Vice-President), JoAn Nink (Treasurer), Christian Gualdoni (Secretary), Beverly Knickerbocker, Trustee, Tammy Velten (Property Manager), Jennifer Wilson (Asst. Property Manager).

Absent: None

Quorum Statement:

Secretary, Christian Gualdoni, began by stating that for us to begin the *2020 Annual Meeting of Members*, a quorum must be present. Christian explained that a "quorum" is the number of members entitled to vote, represented either in person, by proxy or by ballots received prior to this meeting, for business to be legally transacted. He then read **Bylaw Article 1, Section (g), Definition of Quorum** to Co-owners in attendance. This year, there were **661 ballots** mailed or emailed to qualified members. The total number needed to meet the 25% quorum requirement to hold today's meeting is **165**. The number of returned ballots received prior to the meeting today is **206**. The number of Proxies received prior to the meeting today is **0**. The number of member-units represented in attendance today is **11**. The total reached for the quorum count is **217**.

Call Meeting to Order:

President, Mike Munson, declared that a quorum had been reached and called the meeting to order at 10:05 a.m. by Zoom webinar. He reminded all present to hold all comments and questions until the end of the meeting, during the *General Discussion* period, and that questions and comments will be limited to 3 per person.

Approval of the Minutes from the 2019 Meeting of Co-owners:

Mike stated that we would now proceed with the reading of the unapproved minutes from the *2019 Annual Meeting of Co-owners* which were included in the meeting packet and was also made available on our website. A hard copy was also available for pickup at the office. Mike informed members in attendance that if they would like to skip the reading of these minutes, he would need someone to raise their hand to indicate they make the motion to waive the reading of these minutes. Mike asked that a hand be raised to indicate support for the motion. McGee (9912B Mississippi) made a motion to waive the reading of the *2019 Annual Meeting Minutes*. Clyde Troutman (8032B 1st St.) 2nd the motion. Attendees were instructed to vote for or against the motion to waive the reading of the previous year's minutes by answering *Poll Question #1*. The results of Poll Question #1 were announced that there were 6 votes in favor of waiving the reading of the *2019 Annual Meeting Minutes*, with zero "NO" votes - **Motion Passed**.

Mike informed members in attendance that if they would like to approve the minutes as written, he would need someone to raise their hand to indicate they make the motion to approve the *2019 Annual Meeting Minutes* as written. Mike asked that a hand be raised to indicate support for the motion. Clyde Troutman (8032B 1st St.) made a motion to accept the *2019 Annual Meeting Minutes* as written. Cory Gualdoni (10308 7th St.) 2nd the motion. Attendees were instructed to vote for or against the motion to approve the previous year's Annual Meeting minutes by answering *Poll Question #2*. The results of Poll Question #2 were announced that there were 6 votes in favor of approving the *2019 Annual Meeting Minutes* as written, with zero "NO" votes - **Motion Passed**.

President's Report:

Current Housing Status – Mike reported the total number of units within the Association is 758 with the number of units as *Primary Homes* at 361 or 48.8% (a decrease of 1.2% from the previous year); *Secondary Homes* at 397 or 52.4% (an increase of 1.7% from previous year) and 2 units in foreclosure (a decrease of 2 from the previous year). Of those units that are Secondary homes, 203 or 26.8% are rental

units (an increase of 4% from previous year) and 30 or 4% are Non-owner occupied units (an increase of 0.3% from previous year). The Association did not foreclose on any units and therefore, the Association did not sell any units. Mike also reported that there were 11 units registered as *For Sale* with the office (a decrease of 19) and that the total number of homes sold from July 1, 2019 until present was 57 (a decrease of 4 units from the previous year), with 2 sales currently pending.

Lawn Maintenance - Mike informed co-owners that G & H Lawn Care & Landscaping is still the contracted company that will maintain the property in the Villages of Oscoda. They are contracted through 2021. If you have any compliments or concerns about the lawn care, please notify the office. The staff will contact the crew supervisor, and the issue is dealt with as soon as possible. The crew will conduct spot mowing to prevent the lawns from becoming over-stressed by the heavy mowers during those dry periods when the grass isn't growing due to the lack of rain. Mike explained that the lawn crew got a late start on the spring cleanup this year due to Covid-19 and the Governor's "*Stay Home, Stay Safe*" Executive Order. Since the crew works outside and have no contact with our homeowners, the Association had made arrangements with G&H to continue with the spring clean-up during the lockdown. However, complaints to the police from homeowners had put a stop to these arrangements. Once lawn service was permitted to resume by the Governor, G&H had to bring in two additional crew teams to complete the spring cleanup and begin the weekly mowing before the grass got too long. Fortunately, we had a dryer spring, which gave the lawn crew additional time to complete the spring cleanup before beginning the weekly mowing as scheduled. The Association was charged for the additional manpower needed to fulfill the terms of the contract. However, the additional cost did NOT exceed the total annual cost for the lawn service contracted for this year.

Storm Damage – Mike reported that the storm that blew through in July caused extensive tree damage in the common area parks on both sides of Georgia Dr. and Bissonnette. Most, of the damaged trees were Jack Pines. Mike stated that this is not un-common as Jack Pines tend to grow quick & tall, but they also easily break off in strong wind conditions without protection from many other nearby trees or structures. The removal of the eight-plex buildings years ago by the developer has made the Jack Pines in Freedom Park (the former 8,000 area) and Huron Trail Park (between the 4-plexes and the duplexes) more susceptible to damaging winds. The Association spends several thousand dollars each spring to remove the fallen and/or dangerous trees with most of them being Jack Pines in these two parks. The Jack Pines in the Huron Trail Park are of particular concern as those trees are closer to the homes. The cost to clean up the mangled mess of trees, was \$25,775 which was far beyond what the Association's budget could support. The Board of Directors was faced with having to authorize an additional assessment just to cover the cost of the storm damage cleanup. The Board reviewed several options including a one-time proposal to remove all the downed and storm damaged trees, as well as all the standing Jack Pines only... in those two parks. All other types of trees in the parks were to remain untouched. That proposal would: **1.)** save the Association \$10,000; **2.)** an additional assessment to cover the clean-up cost would be avoided; and **3.)** the Association would be removing the type of trees (the Jack Pines) that keep falling every year (in those two parks only) AT NO ADDITIONAL COST; and **4.)** Mike stated the Board is considering replacing some of the trees in Huron Trail Park and will value the homeowners' input from those that live in that area. The Board agreed that the proposal was the best way to go in getting the storm damage cleaned up in a more cost-effective manner while also reducing future cost and potential liability.

Covid-19 Measures Taken – Mike stated that with all the uncertainty relating to the Covid-19 Coronavirus, he wanted to inform everyone on the measures the Association has taken to manage this risk. Signs have been installed at the Playground, Gazebo, and Basketball Court informing users/guests that these outdoor facilities are NOT being cleaned or disinfected daily and that they should proceed at their own risk. We have also posted new rules on the Clubhouse window for use of these facilities. The Board also passed a **Resolution** to increase the Clubhouse cleaning schedule from a weekly schedule to a new daily cleaning and disinfecting schedule which will begin when the Clubhouse re-opens. Michigan's Executive Order 2020-153 requires the proper wearing of masks when indoors at public spaces, and **mandates** businesses to refuse service to those without a mask, to request that person leave the establishment and even to contact law enforcement if the person without a mask refuses to leave. Mike acknowledged that there are strong feelings on both sides of the mask mandate. The Board does

not want to see any co-owner refused service or to put our employees in the position of enforcement. Therefore, pending new mandates by Governor Whitmer, the Clubhouse will remain closed until further notice. However, the staff is working inside and can accommodate all the needs of our members by way of phone, email and with pick-up/drop-off boxes at the Clubhouse. You can find any new changes or updates regarding the re-opening of the Clubhouse in our newsletters and on our website.

Common Area Improvements – Mike reported that this year, we have focused on some needed maintenance in the Common Area parks that have been deferred over the years. The first project was replacing the split-rail fences in all our Common Area parks and walking paths. They were originally installed in 2005, and most of them had become completely rotted out. Red Cedar was used for these fences, which should last longer than the treated poplar that had been used prior, and they look so much nicer. The second project was having asphalt applied to the 4th St. over-flow lot where the office used to be located when the developer, Aspen, was here. That lot sits much lower than the street and surrounding park, which caused problems with flooding most of the year and a sheet of ice during the winter months. The third project focused on needed repairs in the playground behind the clubhouse. We were able to use the woodchips from the storm damaged trees for the ground covering in the playground saving the homeowners just over \$3,000. Lastly, we had raised \$450.00 over the past couple of years, from the sale of the 50/50 Raffle and Gift Raffle tickets that were held during the annual Picnics and Christmas Potlucks. The money raised is enough to have 3 benches made and installed in Freedom Park (the former 8000 area) for the many walkers that like to use the park which is 62 acres. A few resting spots within the park will be a great addition for those that enjoy using it. The current plan is to have the benches constructed over winter and installed next spring.

Secretary's Report:

Board of Director's Election – Christian reported that there are 3 Board members whose term expires this year. Those Board members are Mike Munson, Sherry Proulx and JoAn Nink. Five (5) Candidate Profiles were received prior to the deadline for submission. However, it was determined that one candidate did not meet the qualifications and was disqualified. There are now 4 candidates for the 3 Board seats. All Board positions are 2 year terms. Christian stated that 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. Christian reminded attendees that ballots are due by 12:00 noon today, and that paper ballots must be returned in the envelope provided with the ballot, as it has a control number on it to ensure that we receive only 1 vote per unit. Ballots that were emailed may be returned by email. The office will include the control number for that voting unit when the ballot is received by email to ensure that we only receive 1 vote from those units. Christian also announced that ballots will be counted on Tuesday, September 22nd at 10:00 a.m. in the Clubhouse. We will need 10 volunteers to participate in the counting process. We currently have 5 volunteers signed up. Please contact the office if you can spare an hour or two to help with the ballot count. Candidates are not permitted to participate in the counting, but they are welcome to be present for the results. All volunteers will be required to wear a mask while in the Clubhouse as required by Executive Order from the Governor.

Amended and Restated Master Deed & Bylaws – Christian stated that due to the Covid-19 pandemic, the re-vote on the Proposed Amended and Restated Master Deed and Bylaws has been postponed until 2021. Hopefully by then, we will be able to hold more Questions & Answer meetings for Co-owners to ask questions and get a better understanding of the proposed amendments.

Treasurers Report:

Financial Review Report For 2019 - JoAn reminded attendees that during the *Amendment Informational Meeting held on June 8, 2019*, the amendment attorney, Matthew Heron, talked about an amendment to the Michigan Condominium Act which allows Associations to "Opt-out" of the required annual Audit or Review of the Association's records and Financial Statement if the members voted to do so during their Annual Meeting of Co-owners. Stephenson Company P.C. completed a full audit of all our records in 2015 and an annual Review of our financial records in 2016 and in 2017 as reported during the annual meeting of Co-owners for each of those years. Last year during the *Annual Meeting of Co-owners* held on July 20, 2019, the members that were present at that meeting voted to "opt-out" of the required

Annual Review of the financial records for 2018. This year the Board felt it was prudent to NOT “*opt-out*” of the *Annual Review* for two consecutive years, and contracted Stephenson Company P.C. to complete the *2019 Annual Review*. The report confirmed that the accounting practices the Villages of Oscoda has 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.

Financial Statement for the General Operating Fund as of March 31, 2020 – JoAn reported the financial statement as of March 31, 2020. This is the most recent financial statement this year due to state-wide shutdowns ordered by the Governor in response to the pandemic crisis. Revenues were \$150,629.59 and Expenses were \$ 69,422.95. The Excess Revenues (net income) for the first 3 months came to \$81,206.64. JoAn explained that the excess of revenues is due to the combination of pre-paid monthly dues and the pre-paid annual RV Lot fees collected during the 1st Quarter of the year but is not due until the 2nd Quarter (in May) of each year. The excess in revenues also includes the over-payment of the Snow Removal Assessment paid by the co-owners in the 4-plex area which also is not refunded back to those co-owners until the 2nd Quarter (in May) of each year. Projected revenue for the full year is \$584,210. This is the amount of Revenues our budget is based on for 2020. JoAn stated that a copy of the Financial Statement as of 3/31/2020 is included in the meeting packet which is also available on our website.

JoAn also explained that current laws now allow Associations to “*roll-over*” any *Excess Revenues*, if there is any at the end of the fiscal year, to the following year’s budget if the Co-owners agree to do so in a vote at the Annual Meeting of Co-owners. The Co-owners attending were asked IF there is any Excess Revenue at the end of the fiscal year ending on 12/31/2020, do they want to roll it over to apply towards the next year’s annual budget for 2021? Mike asked that a hand be raised to indicate support for the motion. Mike McGee (9912B Mississippi) made a motion to approve rolling over any Excess Revenue from the year ending 12/31/20, if any, to the following year’s budget for 2021. Clyde Troutman (8032B 1st St.) 2nd the motion. Attendees were instructed to vote for or against the motion to approve rolling over any excess revenues from the end of this year, if there is any, to go towards next year’s budget by answering *Poll Question #3*. The results of Poll Question #3 were announced that there were 6 votes in favor of the motion, with zero “NO” votes - ***Motion Passed***.

JoAn continued her report, stating that the current balance in the *Capital Reserve Account* is \$97,158.68. State law requires that Associations maintain a minimum balance in their *Capital Reserve Account* that is equal to 10% of the operating budget, which for us this year, is \$58,421. If the balance falls below that minimum requirement of 10%, it is required that the balance in the Reserve Fund be restored to the minimum 10% of the Operating Budget prior to the end of the fiscal year. Any additional funds over and above the 10% minimum requirement, is what the Association has available to cover the cost of any Capital Expenses. Currently, that additional amount is \$38,738 as of March 31st. The total amount of additional funds is a prime indicator of the Association’s “financial health” which is a major factor that is considered by finance companies when processing & approving mortgage applications. JoAn explained that a Capital Reserve Fund is required by the State of Michigan to set aside funds to cover major Capital Expenses that are not covered in the Operating Budget. Currently, the Capital Expenses that the Association is responsible for are sidewalk repairs, sewer lines that run from the exterior of the buildings out to the main collection line and any major repair or replacements for Association-owned buildings, such as the Clubhouse, the 2 buildings at Central Park and the 2 buildings in the RV Lot.

Committee Reports:

RV Lot: Sherry Proulx (Vice-President) reminded members that in June 2019 we had fenced off a portion of the RV Lot due to major sink holes that have developed. Several of these sink holes have caused the ground surface to collapse exposing large slabs of buried cement. The size and depth of some of these sink holes are quite significant and poses a serious safety threat to people and vehicles. A chain-link fence installed to ensure that no one is injured and to prevent damage to homeowner’s RV and/or vehicle. There are currently 221 total lots. There are 146 lots reserved (or 66%). There are 81 lots (or 36.7%) still available to reserve if anyone needs to store an RV or ORV. The cost is \$1.50 per foot, per year. The RV Lot is “self-funding” which means that the annual RV Lot fee goes towards the

RV Lot expenses such as electrical cost for the flood lights, any repairs needed out there and any maintenance or improvements costs. In addition to the RV Lots that are available, we also have 16 slips in the canoe/kayak building, of which there are currently 6 slips available. There is usually a waiting list for a slip in the canoe building so if you need one, contact the office while they are still available. Canoes/kayaks can also be stored on an outdoor RV lot. A lawn mower will no longer be provided for homeowner use in the RV Lot. Due to abuse and mis-use, we are unable to keep it operational from one week to the next. Homeowners will need to provide their own mower or weed whip to maintain their lots.

ACC Report: Sherry Proulx (Vice-President), gave a report on the ACC Committee activities over the past year. Sherry stated that the ACC received a total of 151 applications for improvements on co-owner's property (an increase of 16 requests for improvements). Of those received, 146 applications were approved, and 5 applications were not approved 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. The ACC Committee recently updated the Application form, which now includes a list of supporting documents to include with the *ACC Application Request* form, such as a *Site Map*, a picture or drawing of the change, and a copy of the Township or County permit, if applicable. Everyone was reminded that any changes to the exterior of the unit, must have an *ACC Request Form* submitted for approval before starting the project. The ACC Committee has received a few applications after the change was already made. This could result in the co-owner having to go through additional expense to un-do the change if it is determined that a problem could occur (for example, the underground pipelines could be blocked or damaged, or if a tree location would eventually grow to interfere with over-head power lines, etc.) or if the change is prohibited in the *Bylaws* and/or the *ACC Design & Development Guidelines*. It is also important to remember that any changes to the structure of a multi-unit building will need the signature of the adjoining co-owner(s) to avoid a delay in the approval of the application. A good example of that would be in the case of roof replacements, painting of a building or shed, etc. Sherry also informed attendees that the ACC meets on the 2nd and 4th Thursdays of the month from May through October and only on the 2nd Thursdays from November through April. ACC Applications must be received by the Friday prior to the scheduled meeting so that it can be placed on the *Agenda* for the upcoming meeting. These meetings are open for any member to attend and observe. Sherry thanked the members of the ACC Committee beginning with Chairman, Mike McGee, PJ Bennett, Jackie Gonterman, Mimi McDonald, Tom Green and the alternates, Gary Richter and Wayne Fortney. Mike Munson stated that he was recently at the former base in the U.P. and that our homes, although similar to theirs, are of much higher quality than those at K.I. Sawyer and Mike credited the ACC Committee for their good work in keeping our homes from looking like dumps like they do at K.I. Sawyer.

Garden Club: Mike Munson (President), stated that The Garden Club has accomplished a lot for having only a few volunteer members left and a short time to get things done in this year of Covid-19. We would like to thank the Garden Club members for their dedication to beautifying our parks and streets AND for all their hard work over the past years. This year, the Garden Club have weeded the existing flowerbeds at the HOA Clubhouse and installed new edging in those gardens. They also re-painted the bench located near the Clubhouse window and planted the beautiful flowers in the flowerboxes next to the Clubhouse doors. The Garden Club also installed the flags at the community entrances along Perimeter Road at Skeel and Georgia Dr., trimmed and weeded the flower planter along Bissonnette and sprayed the trees in Central Park on 6th St. & Memory Lane on 8th St. The Garden Club are still hoping to paint the flower boxes at the Clubhouse yet this year, if the nice weather holds out a little longer. The members of the Garden Club are doing a fabulous job in adding and improving the curb-appeal in our community. However, the number of volunteers for the Garden Club has dwindled over the years, and only a handful of volunteer homeowners are left to maintain the many parks and improve the curb-appeal within our community. Without our dedicated volunteers, the Association will have to pay a business to weed, plant and otherwise maintain all our community parks and gardens. If anyone would like to join in and help with our community's curb-appeal and assuring our neighborhood continues to look beautiful and well maintained, please call the office, to find out when the next meeting of the Garden Club will be.

Bylaw Change Committee: *Beverly Knickerbocker (Trustee)* 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. 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. Beverly stated that due to the Covid-19 pandemic, the re-vote on the Purposed Amended and Restated Master Deed and Bylaws has been rescheduled for 2021. Hopefully by next year, we will be able to hold more Questions & Answer meetings to get a better understanding why the previous vote failed. The biggest changes in the proposed *Amended and Restated Master Deed and Bylaws* since last year's vote is that the Rental Cap and Hardship provisions have been removed. Because there are strong feelings on both sides of this issue, it was felt that it would be in everyone's best interest to remove this change in the amended Bylaws and to place it on a separate ballot to be voted on at another time. In the meantime, our current documents are outdated and are now 23 years old and need to be updated to be in compliance with current laws. This is especially important as it affects us as a business entity. Mortgage Companies are becoming increasingly concerned with approving a mortgage application for a home purchase within this Association because we are still operating under the original Bylaws from 23 years ago. Current laws offer more rights and protections to homeowners, the mortgage companies and even for the Association. A draft of the purposed Amended & Restated Master Deed & Bylaws can be found on our website along with the summary of changes and the 6-part flyer created to help explain these changes. In conclusion, Beverly thanked Mike Munson for his dedication and leadership as President of the Board and stated that she can speak for everyone that he will be greatly missed.

General Discussion:

Instruction were given to attendees on how to ask a question or make a comment. Each person has 3 minutes to speak.

C. Troutman (8032B 1st St.): Wanted to add an important point to the RV Lot Report given by Sherry. He stated that he has been locked inside the RV Lot by other users & no cell phone signal to call for assistance. He suggested that we tell all users of the RV Lot to drive around the lot before leaving, to see if there is anyone else inside, to avoid anyone getting locked inside with no way to get out. He said he now locks the chain to the fence while he is inside.

W. Gaines (8104A Delaware): Thanked the Board for having the overflow lot on 4th St. newly paved with asphalt. He mentioned that the lot is much more useable, and the contractors did a really nice job.

Mike announced that the next Annual Meeting of Co-owners will be on Saturday, July 17, 2021 at 10:00 a.m. in Clubhouse if possible. Mike stated that this has been trying times for everyone with regards to the pandemic. Conducting remote meetings and Zoom meetings are foreign to many of us and have been a task. Mike assured everyone that although we may be a bit handicapped when it comes to face-to-face contact, the Association is still operating with business as usual. If you have any concerns, please call the office.

JoAn reminded everyone not to forget to get their ballots in by 12:00 p.m. today.

P. Campbell (9517A Montana): Stated there was a natural disaster that happened with their property downstate where they are now and was unable to mail their ballot in. She asked if it would be possible to email her ballot so that she could get it in by the deadline today. She was informed that a ballot would be emailed to her at the close of the meeting.

Mike informed the attendees that Poll #4 is asking attendees if they agree to adjourn the meeting. The results of Poll Question #4 were announced that there were 6 votes in favor of adjourning the meeting, with zero "NO" votes – ***Meeting adjourned at 11:30 p.m.***