

Annual Meeting Minutes Summary
July 20, 2019
Villages of Oscoda HOA

Pledge of Allegiance: Pledge of Allegiance was recited.

Quorum Statement:

President, Randy Moore, began by stating that in order for us to begin the *2019 Annual Meeting of Members*, a quorum must be present. Randy 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 **630 ballots** mailed or emailed to qualified members. The total number needed to meet the 25% quorum requirement in order to hold today's meeting is **158**. The number of returned ballots received prior to the meeting today is **316**. The number of Proxies received prior to the meeting today is **41**. The number of member-units represented in attendance today is **37**. The total reached for the quorum count is **394**.

Call Meeting to Order:

President, Randy Moore, declared that a quorum had been reached and called the meeting to order at 10:07 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 questions and comments will be limited to 3 per person. Randy stated 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.

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), Ed Pisarski (Secretary), Sherry Proulx, Trustee, Tammy Velten (Property Manager), Jennifer Wilson (Asst. Property Manager).

Absent: None

Approval of Minutes for 2019:

Randy stated that we would now proceed with the reading of the *2018 Annual Meeting Minutes* which was the next item in their packet. Randy informed members that if they would like to skip the reading of these minutes, he would need a motion from the floor to waive the reading of these minutes. Dave Sherman (9610A Missouri) made a motion to waive the reading of the *2018 Annual Meeting Minutes*. Dianna Ralston (9700 7th St.) 2nd the motion. A show of hands vote reflected a unanimous vote in favor of waiving the reading of the *2018 Annual Meeting Minutes*, with no Nays - **Motion Passed**.

Randy then asked if there was a motion from the floor to ACCEPT the *2018 Annual Meeting Minutes*? Cheryll Johnson (8202A Florida) made a motion to accept the *2018 Annual Meeting Minutes* as written. Mike McGee (9912B Mississippi) 2nd the motion. A show of hands vote reflected a unanimous vote in favor of accepting the *2018 Annual Meeting Minutes* as written, with no Nays - **Motion Passed**.

President's Report:

Current Housing Status – Randy reported the total number of units at 758 with *Primary Homes* at 370 or 48.8% (an decrease of .1% from the previous year); *Secondary Homes* at 384 or 50.7% (unchanged from the previous year) and 4 units in foreclosure (an increase of 1 from the previous year). Of those units that are Secondary homes, 173 or 22.8% are rental units (unchanged from the previous year) and 28 or 3.7% are Non-owner occupied units (unchanged from the previous year). The Association did not foreclose on any units and therefore, the Association did not sell any units. Randy also reported that there where 30 unit listed for sale (a decrease of 6) and that the total number of homes sold from July 1, 2018 until present was 57 (an increase of 20 units from the previous year), with 2 sales currently pending.

Annual Picnic - Randy informed the co-owners that the annual picnic has been scheduled for Saturday, August 24th from noon to 3pm. The Association will supply the hamburgers, hot dogs, brats, table settings and drinks (non-alcoholic). Please bring a dish to pass. Randy stated that last year there was a little shortage of side dishes as most attending brought in a variety of desert dishes. To help avoid a similar situation this year, homeowners were asked to contact the office with the type of dish you will be bringing. 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 park benches for Freedom Park.

New Website – Randy stated some may already be aware that we had launched a newly designed website in January. Our old website was extremely outdated and not compatible with cell phones and other devices. You can visit our new website at the same web address we have always used; www.voohoa.net. By using the latest technology, our newly designed website is now compatible with today's browsers, tablets and mobile devices, which will enable you to access our website from any device. It also has enhanced security features that was not available or compatible with the older formatted website. Our focus was to provide an easily accessible, user-friendly and faster navigation experience. The new website has been created with user experience firmly in mind.

Treasurers Report:

Financial Report: JoAn stated the Financials for the General Operating Fund as of 3-31-19:

Revenues: \$159,530.45

Expenses: \$88,232.29

Excess Revenues (net income) for the first 3 months: \$71,198.16 (Excess revenues are due to pre-payments of monthly dues, RV Lot fees and Snow Removal assessment.)

Projected Revenues for the full year: \$567,018.00 (The amount of Revenues our budget is based on).

Reserve Fund (Major Capital Repair and Replacements Fund): \$88,896.19 which exceeds the 10% minimum balance requirement by the State of Michigan. 12:40

Any additional funds over and above the 10% minimum requirement, is what the Association has available to cover any unexpected (or planned) *Capital Expense*. For us, that additional amount is \$32,194.19 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. 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 repairs for Association-owned buildings, such as the Clubhouse, the 2 buildings at Central Park and the 2 buildings in the RV Lot.

Audit Report: JoAn Nink, Treasurer, stated that during the *Amendment Informational Meeting* held on June 8th, 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. Since our records have been in good shape and found to be in compliance with acceptable accounting practices, the Board had passed a motion to have the co-owners vote on whether to have our records Audited/Reviewed for the year ending December 31, 2018 or if members would like to "opt-out" of this requirement. The cost for an Audit/Review of the 2018 Association records would be \$6,300 and \$2,400 respectively. Co-owners were asked: **A.)** Do you want a review of the Association's financial records for the year ending 12/31/18? Or **B.)** Do you want to "opt-out" of the required annual audit or review? Mike McGee

(9912B Mississippi) made a motion to opt-out of having an Audit/Review for 2018. Ed Learman (9908B Mississippi) 2nd the motion. All Ayes with 4-Nays – ***Motion Passed to opt-out.***

Committee Reports:

RV Lot: Ed Pisarski (Secretary) informed members that in June 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 now poses a serious safety threat to people and vehicles. Last year, we purchased 18 tons of fill dirt to fill in these holes. To continue filling them in, as we have done in the past, would result in a significant and on-going cost to the Association. In order to mitigate that cost, we had a chain-link fence installed to ensure that no one is injured and to prevent damage to homeowner's RV and/or vehicle. The cost for the fence was paid for from the RV Lot assessment and not from the general fund. We had 283 total lots in the RV Storage Yard. There were 62 lots inside the newly fenced off section leaving us with 221 total lots. There are 139 lots reserved (or 62.9%). 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" 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 4 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.

John Siddons (8012C S. Alaska) asked what is being done to replace the many lot markers that have fallen. Randy responded stating that in the past, we had an RV Lot committee of volunteers that would do maintenance work out there such as re-setting those post markers. However, in more recent years, there has been a shortage of volunteers willing to help. Co-owner asked if the person that did the break-in that occurred in the RV Lot last year used a bolt cutter or hacksaw. Co-owner then asked if we catch someone breaking into the RV Lot, will the Association prosecute?

Point of Order: Tammy stated the meeting is currently in the *Committee Report* portion of the Agenda and that co-owner questions or comments should be taken during the *General Discussion* portion of the Agenda. Co-owner was instructed to make notes of their questions and the Board will address them during the *General Discussion*. For now, the meeting will continue with the *Committee Reports*.

ACC Report: Ed Pisarski (Secretary), gave a report on the ACC Committee activities over the past year. Ed stated that the ACC received a total of 135 applications for improvements on co-owner's property (an increase of 61 requests for improvements). Of those received, 120 applications were approved, and 15 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. 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 number of 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.

Garden Club: Mike Munson (Vice-President), stated that The Garden Club has accomplished a lot for having only 8 members. The Garden Club was also happy and fortunate to have a new couple eager to join the Garden Club. We welcome them and want to say thank you for all your hard work and assistance to help make our community a beautiful place to live and visit. We would like to thank the Garden Club members for all their hard work. They have weeded the HOA Clubhouse gardens, Memory Lane, off of 8th St., and Woodridge Park, between 7th and 8th St. They have also painted railings and arbors in the various parks. In addition, flowers were purchased for the planters at the HOA Clubhouse building, and the planter box at Mission & Bissonette, removed dead trees and trimmed trees in Memory Lane, Woodridge and Central Park. They also purchased new flags for signs at Skeel and Georgia. and replaced the wood chips by those signs. On the agenda for the Garden Club is plans to stain the bench at the clubhouse, remove more dead trees, trim existing trees that have branches too low for the mowers to get under, and paint new railing fences being installed that have rotted over the years. The Garden Club is doing a great job in adding and improving the curb-appeal in our community. If anyone would like to assist in making our neighborhood continue to look beautiful and well maintained, please call the office, to find out when we are meeting.

Secretary's Report:

Election Report: Ed Pisarski (Secretary), reported that there are 2 Board members whose term expires this year. Those Board members are Randy Moore and Ed Pisarski. There were 2 Candidate Profiles received for these positions. The 2 Board candidates are Beverly Knickerbocker and Christian Gualdoni. Both positions are 2 year terms. 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.

Amendment Ballot: Ed stated that this year, there is also a purposed *Amendment Ballot* for the Amended and Restated Master Deed, Bylaws and Article of Incorporation (our governing documents) which would, if passed, update these documents with the changes in the law since our current documents were written and filed, 22 years ago. This is perhaps the MOST important vote our members have ever been asked to vote on. Both the *Election ballots* and the *Amendment ballots* are due by 12:00 noon today. Ed expressed thanks to those co-owners that volunteered to work on the *Bylaw Change Committee*. They have invested many hours of their own time over the past 3 years tackling the monumental task of reviewing and updating our governing documents which are seriously outdated. Ed also thanked JoAn Nink for volunteering her time to be the *Board Representative* on the *Bylaw Change Committee*.

Ed announced that on Wednesday, July 24, 2019, at 10:00 am, both ballots will be counted at the clubhouse. There is a sign-up sheet to volunteer to participate in the ballot counts. We will need at least 6 people for the counting process. Candidates are not permitted to participate in the counting, but they are welcome to be present for the results. Ed reminded everyone 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. We will include the control number for that voting unit when the ballot is received by email to again, ensure that we only receive 1 vote from that unit.

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

J. Hauca (10523 Idaho): Thanked the Board for doing a great job keeping the community looking great and for all the extra things that they do for the homeowners and the Association and asked for a show of support which was followed by a round of clapping from attendees. Randy thanked everyone for their show of support. Mike added that this is his home and that is why he is a Board member. The community is like a family and that, just like in families, there are concerns that needs worked through and it's important that we all work together. That is one of the reasons why we updated the Bylaws; to make it a friendlier document for everyone. The original Bylaws were written by Aspen to favor Aspen. There is a lot of reference to "Developer" and "Developer Rights" which we have now removed in the purposed amended Bylaws.

K. Stewart (9818A Minnesota): Stated that he has an issue with people crossing his property behind his unit to get to the common area. He can't tell, when he sees someone at the backside of his lot, if they are on his property or not because there is no clear distinction for where the Common Area begins. Mike asked him if he

had his lot surveyed when he first purchased the unit, which Ken replied NO. Mike informed him that there are stakes at the corner of his property and we have a metal detector at the office to help you find the stakes. That way you know where your property line is. If you can't find the stakes, you will need to have the lot surveyed in order to know for sure. Also, there are maps of every lot with measurements in the Master Deed/Bylaw book.

D. Hansen (10311 7th St.): Asked Board members if the Common Areas are maintained, such as getting mowed? Randy asked if the homeowner was referring to Freedom Park (formerly the 8,000 Area), which homeowner confirmed. Randy stated that it is being mowed as needed, which has been 1-2 times per year. This is to prevent long grass from catching fire and spreading to homes. The Association has also been saving up the raffle money raised during our annual Picnic and Christmas Potluck in order to purchase some park benches for the park.

D. Ralston (9700A 7th St.): Asked if the Board had any updates on the apartment buildings being built off Perimeter Road, which the Board had spoken about during the Annual Co-owners Meeting in 2018? Mike Munson stated that an independent contractor is building the apartment buildings. Unofficially, they had some issues in the original plan which has now been worked out. They are in the process now of completing the building phase. From what Mike understands, which is again, unofficial, there will be two buildings going up with the potential of more buildings going in.

J. Siddons (8012C S. Alaska.): Asked if there are different rules for renters then there are for the homeowners? He wanted to know if there were two separate rules. Randy responded that every rental unit is owned and the owner, as well as their tenant, is subject to the same rules as everyone else is. Some renters are not even told by the homeowner that the home is part of an HOA. Homeowner asked if that meant that the owner is responsible for their tenant which was affirmed by all the Board members. Randy stated that if the renter is in violation of the Bylaws, it is the owner that would be notified, given a time frame to correct the problem and who face possible fines for non-compliance. Mike added that if the renter is doing something that is breaking the law, that would be something outside of the HOA's jurisdiction. If they are doing something illegal, then you need to call the police. Randy pointed out that the problem isn't just the rentals as there are a few homeowners that don't want to play by the rules too, but both the renter and the homeowner is subject to the same rules. Randy stated that the Association has attempted to address these types of issues in the newly purposed Bylaws. Although we won't know until the ballots are counted next week, the primary problem in getting these changes approved is not because the homeowners are against the changes. The problem is getting the homeowners to even return the ballots. By Michigan law, all ballots not returned counts as a NO vote. They simply don't bother to vote.

K. Stewart (9818A Minnesota): Stated that he knows the Association can't police the area but asked why the Association can't hand-out a set of rules to each tenant. The Board all confirmed that is exactly what the office does. Mike stated that the Bylaws are no different for the renter then they are for the homeowner. Tammy explained that when the landlord/homeowner comes into the office to fill out the Rental Packet, they are given a set of Condensed Bylaws to give the renter along with a form the renter must sign stating the received a copy of the Bylaws and that they agree to follow the terms, conditions and restrictions contained within.

C. Johnson (8202A Florida): Asked if there are people renting a unit that the office doesn't know about. Mike declared we hope not. Randy stated that we do our best to watch or monitor the rental issue. It is possible that someone could have slipped through the cracks but generally we find out about it when a neighbor reports it to the office.

F. Nink (8104B Delaware): Asked if the amendments don't pass, could the State sue the Association for not being up to date with our governing documents? Tammy responded by stating that the State does not fine Associations for not getting their documents updated. It was explained that an Association's Bylaws can be more restrictive than the law, but it can't be less restrictive than the law. Also, if the State changes or increases restrictions on a particular issue, our own documents regarding that issue would be un-enforceable.

R. Gorney (10105 Virginia): Asked if they are should be locking the RV Lot gates while they are inside the RV Lot working on their RV? Randy stated that you do not need to lock yourself inside while working. However, what he does when he is in the RV Lot is to drive through the lot prior to leaving to make sure that he won't be locking someone else in and to see if there is anything suspicious or needs reported to the office.

Randy announced that the next Annual Meeting of Co-owners will be on Saturday, July 18, 2020 at 10:00 a.m..

M. McGee (9912B Mississippi) made a motion to adjourn. D. Sherman (9610A Missouri) 2nd. All Ayes. Meeting was adjourned at 11:11 am.