

Annual Meeting Minutes
July 16, 2022
Villages of Oscoda HOA

Quorum Statement:

Timothy Morand, Secretary, began by stating that for us to begin the *2022 Annual Meeting of Co-owners*, a quorum must be present. Tim 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 **648 ballots** mailed or emailed to qualified members. The total number needed to meet the 25% quorum requirement to hold today's meeting is **162**. The number of returned ballots received prior to the meeting today is **177**. The number of Proxies received prior to the meeting today is **1**. The number of member-units represented in attendance today is **23**. The total reached for the quorum count is **201**.

Call Meeting to Order:

President, Beverly Knickerbocker, declared that a quorum had been reached and called the meeting to order at 10:05 a.m. She reminded all meeting attendees 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.

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

Present: Beverly Knickerbocker (President), Sherry Proulx (Vice-President), Timothy Morand (Secretary), Rachel Merrick, Trustee, Tammy Velten (Property Manager), Jennifer Wilson (Asst. Property Manager).

Absent: JoAn Nink (Treasurer)

Guests: Mark Hacht and Bob Listeman of G&H Lawn Care

Instructions for Webinar & In-person Attendees:

Attendees were asked to turn off devices such as phones, TVs & tablets to avoid "feedback" caused by nearby devices. Beverly also informed attendees that this meeting is only for Co-owners, to hold their questions until the "General Discussion" after all Committee reports have been given, each person will be allowed 3 minutes to ask their question or make a comment, and the election ballots are due at the close of the meeting.

Reading of the Minutes from the 2021 Meeting of Co-owners:

Beverly stated that we would now proceed with the reading of the unapproved minutes from the *2021 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. Tim 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. Tim asked that a hand be raised to indicate support for the motion. Larry Boyd (8823A 3rd St.) made a motion to waive the reading of the *2021 Annual Meeting Minutes*. Dave Sherman (9610A Missouri.) 2nd the motion. All Ayes - **Motion Passed**.

Tim 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 *2021 Annual Meeting Minutes* as written. Tim asked attendees to raise their hands to indicate support for the motion. Dave Sherman (9610A Missouri) made a motion to approve the *2021 Annual Meeting Minutes* as written. Larry Boyd (8823A 3rd St.) 2nd the motion. All Ayes - **Motion Passed**.

President's Report: Beverly Knickerbocker

Current Housing Status – Beverly reported the total number of units within the Association is 758 with the number of units as *Primary Homes* at 401 or 52.9% (an increase of 1.4% from the previous year); *Secondary Homes* at 357 or 47.1% (a decrease of 1.4% from the previous year) and 2 units in foreclosure (unchanged from the previous year). Of those units that are Secondary homes, 192 or 26.4% are rental units (a decrease of .5% from previous year) and 20 or 2.6% are Non-owner occupied units (a decrease of 0.7% from previous year). The Association did not foreclose on any units and therefore, the Association did not sell any units. Beverly also reported that there were 10 units registered as *For Sale* with the office (a decrease of 46) and that the total number of homes sold from July 1, 2021 through June 30, 2022 was 54 (a decrease of 2 units from the previous year), with 1 sale currently pending.

Lawn Maintenance - Beverly 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 2023. If you have any concerns about the lawn care, please notify the office. The staff will contact the crew supervisor, and the issue will be dealt with as soon as possible. The lawn crew will perform 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. Bev explained that the lawn crew completed the spring clean-up a little later this year due to more rainy days and windier weather conditions than what we have experienced in the past few years. May proved to be a rough month for G&H. Finding experienced employees to mow and weed whip has been a challenge for them this year. G&H, like many companies, struggled again this year to find and keep good employees. G&H is trying their hardest to meet those challenges and has really turned things around in June to make sure that The Villages of Oscoda property is maintained to the highest standards. Please contact the office if you are having any issues with the lawn care and G &H will address your concerns as quickly as possible to your satisfaction. The Board invited the owner, Mark Hacht, of G&H Lawn Care, to attend the meeting to answer any questions Co-owners may have relating to the lawn care service during the General Discussion portion of the agenda.

Informational Meeting with Attorney – Beverly reported that the amendment attorney, Matthew Heron, of Hirzel Law, PLC, will be available on August 20, 2022, at 10:00 a.m. via Zoom to explain the amendments, why this is so important and to answer homeowner questions. Co-owners are encouraged to attend this Informational Meeting to address any questions they may have about the amendment process. We will be holding the meeting at the Clubhouse where Matthew will be attending via Zoom. If you would like to attend this informational meeting remotely, please contact the office before the day of the meeting to have the *Meeting Invitation* and *Password* emailed to you. In-person attendance for this meeting at the Clubhouse is limited to 70 people due to maximum capacity limits. Bev informed the members that Matthew W. Heron concentrates his practice in Community Association law, Condominium Law, Real Estate Law, Zoning, and Land Use. Mr. Heron focuses on drafting and amending Condominium Bylaws, Master Deeds, Declarations, Deed Restrictions, Covenants, and Easements for numerous Community Associations. He is also responsible for drafting opinion letters on community association issues and attending Community Association meetings. (*Insert: The meeting was cancelled due to a Covid outbreak prior to this meeting.*)

Amended & Restated Master Deed & Amendment Vote – Beverly reported that we will also have the very important ballot to approve adopting the proposed *Amendment & Restated Master Deed and Bylaw Ballot*. This is perhaps the MOST important vote our members have ever been asked to vote on. She reminded everyone that this year's vote on the amendment ballot does NOT include a "*Rental Cap*". Rental caps will be voted on at a different time. The most important issue is that our current documents are nearly 20 years old. The Michigan Condo Act (MCA) has had several major amendments to the law. It is the responsibility of each Association to amend their own governing documents to include the amended changes made to the MCA. The Association is still required to follow the current version of the MCA. However, we need to have those amended changes specified in our own Bylaws, so that *all* the members know what is required by State law. Even mortgage companies are expressing increased concerns that this Association has never updated its governing documents in accordance with the amendments made to the MCA. If it does not pass this year, we will have no choice but to vote on it again every year until our documents are updated to comply with the current version of the law. This is costing the Association \$5-6k each year as we must print and mail a voting packet on the proposed amendments. Most of our Bylaws were left unchanged by the amendments to the State Condo Act (that would be the "Restated" part of the title, "Amended & Restated Master Deed & Bylaws"). Some things were added that are missing in our current Bylaws because they didn't exist when our Bylaws were written, such as drones, and electric vehicles, for examples. Also, all references to the "*Developer*" and "*Developer's Rights*" have been removed where possible, making the Bylaws much easier to read and bringing the focus back on homeowner rights. Beverly informed the members that they will receive a new, draft version of the Amended and Restated Consolidating Master Deed and Bylaws in early August. Once the packages have been mailed, the Voting will begin, and the deadline to return your ballot will be by the close of business on October 3, 2022. If you do not wish to vote, you may appoint someone to vote for you. They are called a *Proxy Holder*, and the form will be in your voting packet. We need sixty-six and two-thirds percent (66 2/3 %) of eligible voters to return their ballots with a YES vote in order to pass the new Master Deed and Bylaws.

Reserve Study – Beverly reported that the Association is required to maintain a *Reserve Fund* that, at a minimum, shall be equal to ten percent (10%) of the Association's current annual budget (\$58,421 for 2022) on a non-cumulative basis and shall be used for major repairs and replacement of the *Common Elements*,

which must be replaced on a periodic basis under Article II, Section 4 of the Bylaws. A *Reserve Study* was recently completed, which included a *Capital Replacement & Cost Schedule (Reserve Expenditures)*, and a *Recommended Annual Reserve Contributions (Reserve Funding)*. A copy of both schedules was included in the meeting packet. Using our current *Reserve Contribution* amount of \$10,000 per year, as listed in our *Annual Budget*, the projected Reserve Balance will remain positive until the year 2025, at which time there will be a negative balance of \$25,646. The Reserve Balance will be negative \$1,376,821 by the year 2047. This indicates that the current Reserve Balance and annual Reserve Contributions will be inadequate to fund the anticipated Reserve Expenditures. This will result in additional assessments as each *Common Element* needs repaired or replaced, beginning as early as 2025. Starting with the 2023 *Recommended Reserve Contribution* of \$48,400 per annum (\$5.32 per unit per month), and then increasing the Recommended Reserve Contribution by 3.0% per year, the Association's Reserves will typically remain above zero through 2047. By following the recommended Reserve Contributions, the Association will gradually accrue a Reserve Fund which will provide the financial means to address the major *Reserve Component Expenditures* which will arise in the future. The recommended *Reserve Contribution* amount will provide adequate, but not excessive, levels of Reserves, while still maintaining a reasonable "safety buffer" for unanticipated *Reserve Expenditures* which are unpredictable but inevitable. A properly funded Capital Reserve Account will help our members to avoid "surprise" additional assessments when something needs expensive repairs or replacement.

Secretary's Report: Tim Morand (Secretary)

Board of Director's Election – Tim reported that there are 3 Board members whose term expires this year. Those Board members are Sherry Proulx and JoAn Nink. The third Board member, Rachel Merrick, was appointed to the Board in February this year. Rachel is also running for her first election to the Board of Directors. All Board positions are 2 year terms. On behalf of the Association, the Board thanked 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. The *Board Election Ballots* are due by 12:00 noon on the day of the annual meeting. A reminder 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 that unit. Ballots will be counted on Tuesday, July 19th at 10:00 a.m. in the Clubhouse. Tim stated we need 8 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 on Tuesday, 7/19. Tim also reminded everyone that candidates are not permitted to participate in the counting, but they are welcome to be present for the results.

Treasurers Report: Rachel Merrick (Trustee)

Financial Statement for the General Operating Fund as of December 31, 2021 – Rachel reported that members will find a copy of the "*Statement of Revenues & Expenses*" as of 12/31/2021 in their meeting packet. Total Revenues for 2021 came to \$571,172. Total Expenses for 2021 came to \$543,492. Excess Revenues (or net income) for the year ending 12-31-21 was \$27,680. The Excess Revenues were rolled-over to this year's budget as was approved by Co-owners during last year's Annual Meeting of Co-owners. Current laws allow Associations to "roll-over" any *Excess Revenues*, at the end of the fiscal year, to the following year's budget if the Co-owners agree to do this in a vote at the Annual Meeting of Co-owners. Co-owners attending were asked if there are any Excess Revenues at the end of the fiscal year ending on 12/31/2022, do they want to roll it over to apply towards the next year's annual budget for 2023? Mary Gancarz (9819S Minnesota) made a motion to approve rolling over Excess Revenue from the year ending 12/31/22, if any, to the following year's budget for 2023. Christian Dillon (9757A 8th St.) 2nd the motion. All YES votes with zero "NO" votes - ***Motion Passed***. Rachel also reported that the balance in the Capital Reserve Account as of 12/31/21 was \$114,938. Rachel continued her report, stating that an amendment to the Michigan Condominium Act now allows Associations to "Opt-out" of the required annual Audit or Review of the Association's records and Financial Statement if the members vote to do so during an 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 every year since except for the year ending 12/31/18 when the Co-owners voted to "Opt-Out". Since our records have consistently been in good shape and found to be in compliance with acceptable accounting practices, the Board is recommending that members vote if they would like to "opt-out" of this requirement for the year ending 12/31/22. The cost for the Review of the 2021 Association records was \$2,625. A motion was made by Dave Sherman (9610A Missouri) to opt-out of the financial review of Association's records for the year ending 12/31/22. Kay Mulvahill (9410 Rhode Island Circle) 2nd

the motion. YES votes = 10, NO votes = 17. **Motion failed.** A financial review for the year ending 12/31/22 will be completed.

Committee Reports:

RV Lot: Sherry Proulx (Vice-President), reported the RV Lot has a total of 221 RV lots, with 146 of the lots reserved (or 66%). There are 75 lots (or 34%) still available to reserve if anyone needs to store an RV or ORV. The cost is still \$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 improvement costs. In addition to the RV Lots that are available, there are 16 slips in the canoe/kayak building, with 9 slips currently available. The cost for a canoe/kayak slip is \$10.00 per year. Canoes/kayaks can also be stored on an outdoor RV lot. Sherry reminded members that they are responsible to make sure their lot is maintain like it is part of their own yard and to check the RV yard before locking the gates when they leave to avoid accidentally locking a homeowner inside and unable to reach the pad lock thru the gate and no cell phone signal to call for help.

ACC Report: Sherry Proulx (Vice-President), reported that over the past year, the ACC Committee has received 149 applications from homeowners wanting to make improvements on their property. That is a decrease of 44 *ACC Applications* over the previous year. Of the applications that were received, 143 received approval and 6 applications were not approved due to non-compliance with the *Bylaw* and/or the *ACC Design & Development Guidelines* or because the location of the purposed improvement would interfere with underground sewer or water lines. The ACC Committee updated the Application form in 2021 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. The *Fire Pit & Campfires Guidelines* has been combined with the *ACC Design & Development Guidelines*. 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. 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 they can be placed on the *agenda* for the upcoming meeting. These meetings are open for any member to attend and observe.

Garden Club: Tim Morand (Secretary), stated the Garden Club, made up of volunteer homeowners and residents, has done a fabulous job over the years tending the gardens, and improving the overall look of our community. However, the number of volunteers for the Garden Club has continued to dwindle every year. We no longer have enough people to help beautify the many Common Area parks and gardens which contributes to, and greatly enhances, the curb-appeal within our community. Without our dedicated volunteers, the Association has had to hire an outside contractor to weed and maintain some of our community gardens at the Clubhouse and our entrance signs. To control the cost of this service, some of the gardens at our Common Area Parks and Pathways will have to be converted to a grassy area so that it can be mowed and maintained by the lawn crew. Tim asked if anyone has a community garden near their home or on their normal route when coming and going that they would like to see kept, consider adopting a garden to maintain. To adopt a garden, please contact the office for more information.

Annual Picnic: *Beverly Knickerbocker (President)*, reported the Association’s Annual Picnic has been scheduled for Saturday, August 13th from 12:00 noon – 3pm. The Association will supply the burgers, hot dogs, Brats, table settings and drinks (non-alcoholic). Please bring a side dish to pass, such as desserts, salads, chips, finger foods, etc. In past years, we often came up a little short on the side-dishes, as most homeowners that attended brought in a variety of dessert dishes. To help avoid a similar situation this year, we are asking that you check with the office and let them know what type of dish you are planning on bringing so that we can make sure there is a more even number of side dishes and desserts. There will be music, games, prizes, giveaways and more. The proceeds from the 50/50 raffle will again go towards the purchase of park benches for Freedom Park. We are still trying to raise enough money to do this. We encourage everyone to come out and join us and your neighbors for a good time!

General Discussion:

Beverly introduced Mark Hacht, the owner of G&H Lawn Care to answer Co-owner’s questions regarding the lawn care service.

John Penne (8117D Colorado): Asked Mark about the deteriorating asphalt in the 4-plex garage area with weeds growing through the cracks and asked if the lawn service removes the weeds or is that the homeowner’s responsibility? Mark stated that is not the lawn crew’s responsibility.

Shirley Kabrin (8820B S. Vermont): Stated that she isn't happy how the mowers "race" by so fast, trimmers weed whip so close to the ground that it kills the grass, and clean-up by blowers afterwards isn't done and finds she must do hers each week. Mark addressed her concerns. Also asked the Board how the lawn contract is paid out (i.e., hourly, daily, monthly, etc.). Tammy responded that the contract is seasonal and paid out on a weekly basis.

Rose Kuhlman (10243 Tennessee): Asked about the damage caused by the mower tires, and about training of his crew. Mark explained how the mowing crew are instructed to run the mowers to avoid damage by the tires and to report to the office if you experience any problem and he will address it personally.

Mary Gancarz (9819A Minnesota): Asked Mark why a weekly lawn waste bag isn't picked up. Mark stated that it may be over the 50 pound limit or some other problem with it. He will check on the bag she is referring to.

Sherry Proulx (9752A 8th St.): Asked Mark what the schedule is for applying the fertilizer and herbicide. Mark stated that it was done one time this year. The herbicide is a liquid & fertilizer is a pellet. Also asked if he had any projection on fertilizer cost for next. Mark said that he didn't as fertilizer is a traded commodity so there is no way to know as it can change at any time.

Christine Dillon (9757A 8th St.): Co-owner handed out a copy of a letter to each Board member regarding the definition of a *Limited Common Element* and read how the MI Condo Act defines a *Limited Common Element* (MCL 559.107) and asserting that the only *Limited Common Element* is in the 4-plex area. She demanded legal documents "where it clearly states that their private property becomes a part of the *Common Element* if we build anything, room, garage or deck, it will become a *Limited Common Element*". She demanded that the Board "produce any documents so that I can determine who is clearly liable for the fraud committed against every homeowner here".

Renee Rose (8715B Pennsylvania): Asked questions regarding the *Financial Statement* for the year ending 12/31/21 relating to *Office Expenses* and *Office Miscellaneous*. Tammy explained that we did spend over \$6,000 on office supplies for the year ending 12/31/21. This includes letterhead paper & envelopes, copier lease and copy count expense, printer ink and printing cost to reprint the proposed *Amended & Restated Master Deed & Bylaws* along with the extra copy paper needed. The Office Miscellaneous is rarely used but would include expenses like an interpreter for a deaf member to attend meetings which would not be applied to the *Office Supply*, for example.

Sheila Tomlinson (8821A S. Vermont): asked if the Association is responsible for the street signs or is it Oscoda Township. Tammy responded that the County Road Commission is responsible for the road signs. If a street sign is missing, residents can call in a work order or complete a work order request online. Sheila asked if we could have all aesthetic signs to improve the curb appeal. Tammy responded that the County will only replace the signs with their standard street sign.

Larry Boyd (8823A 3rd St.): Larry asked about the \$16,578 spent for *Common Area Expense* as shown in the *Financial Statement* for the year ending 12/31/21 and what that amount included. Tammy explained that the *Common Area Expenses* includes *Common Area Maintenance* which includes snow removal, tree removal and sidewalk replacement; *Common Area Supplies* which included the covid park signs & supplies that were required last year, & Garden Club supplies); and *Common Area Building Maintenance* that includes cost for the Clubhouse cleaning, Clubhouse rug service & Orkin pest control treatment for the year.

Beverly announced that the next Annual Meeting of Co-owners will be on Saturday, July 15, 2023, at 10:00 a.m. in the Clubhouse. She also reminded attendees about the Informational Meeting with the Association attorney. Beverly also thanked Tammy & Jennie stating that they always go above and beyond every time they are called upon. She also thanked the volunteers that have helped and all the people that spent their personal time here helping the Association. It really counts a lot when it comes to our Association and our community.

Bev asked if there is a motion from the floor to adjourn the meeting. A motion was made by Larry Boyd to adjourn the meeting. David Sherman 2nd the motion. All Ayes, 0 Nays – **Meeting adjourned at 11:22 p.m.**