

**Habitat 1 Section A
Board Meeting Minutes
September 22, 2022**

The Board of Directors Meeting of Habitat 1 Section A was held following the Show Cause Hearing and Ruppert discussion on Thursday, September 22, 2022 via Zoom conference call.

Present:

Dick Olney	President
Larry Thomasson	Vice President
Patrick Schmitt	Treasurer
Scott Gibson	Secretary
Casey Perryman	Brodie Management
Brittany Stoltzfus	Recording Secretary

- I. **Establishment of a Quorum and Call to Order:** Quorum of the Board was established, and Mr. Olney called the meeting to order at 8:12 p.m.

II. **Minutes:**

- Mr. Olney made a motion to approve the August 18, 2022 Show Cause Hearing Minutes with the adjustment of moving the verbiage after the asterisk to the section for action taken. Mr. Schmitt seconded. All in favor. Motion carried. Mr. Schmitt made a motion to approve the August 18, 2022 regular Board meeting minutes as presented. Mr. Olney seconded. All in favor. Motion carried. Mr. Olney made a motion to approve the August 18, 2022 Executive session minutes as presented. Mr. Schmitt seconded. All in favor. Motion carried.

III. **Financials:**

- Ms. Perryman provided an overview of the financials ending August 31, 2022. The operating account has \$144,333.54 and reserves total \$829,350.65. The total cash assets ending August 31st were \$973,684.19. The utilities YTD actual is \$36,441 vs a YTD budget of \$33,917 leaving a negative variance of \$2,524 due to the hose leak on Happy Lane. Contracts had a YTD actual of \$35,265 vs a YTD budget of \$27,933 leaving a negative variance of \$7,331. This amount will likely change due to misclassification/corrections of a Marty Mows invoice. Repairs/Maintenance had a YTD actual of \$154,725 vs a YTD budget of \$38,164 leaving a negative variance of \$116,561. Mr. Schmitt noted this number is inflated as a reserve/operating transfer will be done. Administrative expenses had a YTD actual of \$70,928 vs a YTD budget of \$69,892 leaving a negative variance of \$1,036. The total expenses for the month of August were \$36,803 vs a budget of \$36,973 leaving a positive variance for the month of \$170. The YTD actual expenses were \$344,358 vs a budget of \$216,906 leaving a negative variance YTD of \$127,452. The net surplus/deficit YTD actual was \$123,999 vs a budget of \$276 leaving a negative variance YTD of \$124,275.

- 2023 Draft Budget – Mr. Schmitt stated there is a proposed 6.2-6.4% increase depending on the unit's square footage. Mr. Schmitt noted the main change is an increase in the transfer to reserves amount. Mr. Gibson asked if there could be a future version of the budget showing previous year's numbers side by side with the proposed new budget as it would be helpful to see it all together. Mr. Gibson also added he recommends the Board not increase the transfer to reserves amount until after seeing the results of the reserve study. Mr. Schmitt replied the increased amount is directly from the increase in fees, which have not gone up for 6+ years, the reserve transfer amount also has not gone up over the same timeframe. Mr. Gibson proposed a 3% increase instead adding that the audit is not yet completed and 6% is a large increase. Mr. Thomasson asked what the increase amount would be, which Mr. Schmitt answered \$20 or under for most units. Mr. Schmitt agreed 6% is a large jump, but with not increasing fees for several years, it is needed. Mr. Thomasson noted with inflation, owners will likely expect an increase. Mr. Olney is fine with the budget as presented noting a lot of money was spent this year and costs will continue to increase for all categories moving forward. Mr. Gibson proposed a 3% increase for 2023 and an additional 3% increase in 2024. Mr. Olney stated in comparison with other communities and based on the current reserve study, Habitat is comparable. Mr. Gibson stated if the Board continues to have 1 roof replaced per year, that should be sufficient especially considering the shingle replacement was already done. Mr. Olney stated expenses have been going up every year, but the fee has not been, a lot of unexpected costs arose this year, so he is in favor of the 6% increase. Mr. Thomasson agrees with the 6% increase noting that it can be reconsidered next year adding the Board lowered fees before, they could always do that again. Mr. Gibson stated there are other ways the Board can save money (snow removal). Mr. Schmitt replied legally, per the Documents, an outside contractor must be used for snow removal and the Association also pays approximately \$45 per unit needing additional plowing for elderly/handicap residents. Mr. Schmitt noted they can investigate ways to save on these costs, but he does not want to see legal issues arise. Mr. Schmitt made a motion to approve the draft budget as proposed for distribution to owners. Mr. Olney seconded the motion. 3 voted in favor/ 1 opposed (Gibson). Motion carried.
- Reserve Study: The MillerDodson proposal was sent to the Board prior to the meeting. The proposal is for \$2,875 to complete a revision of the current study which will be good from 2023 through 2028. The Board agreed it would be easiest to stay with the company who provided the last study in order to have a revision done rather than an entire new study. Also, there are only 3 or 4 companies in the area with the certification to complete the study under the new law. Mr. Schmitt made a motion to approve MillerDodson for the reserve study. Mr. Gibson seconded the motion. All in favor. Motion carried.

IV. Brodie Management's Operations Report:

- There were 4 resale packages requested in August: 2068 Happy, 2050 Friendly, 1735 Leisure and 2051 Happy.
- Violations discussed in the Executive Session.

- The architectural request was discussed during tonight's Show Cause Hearing.
- Building 27 roof replacement is complete. The engineer will do the final walkthrough next week. Mr. Schmitt noted the engineer meeting is the same time as the tentatively scheduled landscape meeting; Ms. Perryman will reschedule with Ruppert.
- 2062 Friendly – slider/garage work complete. The window arrived today and will be replaced next Tuesday or Wednesday.
- 1733 – 1739 Leisure Garages – work completed; insurance check received. Ms. Perryman received photos from AAction's work and the owner was given a courtesy call to ensure all was well. Mr. Olney asked that the report/photos be forwarded to the Board.
- Drainage – Estimates from Aggressive Construction were received, Board action required.
- 2066 Happy – the tree was removed on September 13th. The sidewalk estimate was provided for review. Mr. Olney noted the tree contractor did a nice job, but as is usual with tree work, sawdust was left behind. Mr. Olney requested Ruppert look at this area during the upcoming walkthrough.
- 1720 Leisure – Slider above the garage was replaced. The other slider is still in production.
- 1723 Aberdeen Court – estimate for the sidewalk repairs provided for review.
- 1726 Leisure Way – A plumber was on site and repaired the leak, Ms. Perryman has not heard anymore from either owner.
- 2064 Happy – A large tree branch fell from a Community tree needing trimming, causing damage to the fence and lights. Mr. Schmitt made a motion to approve the provided proposal in the amount of \$685 to trim the tree. Mr. Olney seconded the motion. All in favor. Motion carried.
- 1701 tree – Mr. Schmitt stated the Board needs to make a decision on what to do with the tree and/or what to tell the owner to do with the tree. The owners are not opposed to the tree being removed, but they are under the assumption the Association will pay for removal. The estimate provided for removal is for \$2665. The tree is healthy, just overgrown. Mr. Schmitt is concerned the decision made on this tree will set a precedent for others moving forward. Mr. Schmitt stated there are two options: 1 – the association pays to remove the tree and the owner replaces their fence or 2 – The Association pays to trim the tree for \$1800 less than removal, but it will need to be done again in the future. Mr. Schmitt does not want to tear down a healthy tree. Mr. Gibson noted the tree is too close to the building, he is okay with removing. Mr. Gibson added he recently used a company that did a tree removal at a more affordable cost, he will send the contact information to Ms. Perryman. After further discussion, Mr. Schmitt made a motion to remove the tree at the Association's cost as well as handling any roof damage repairs if needed. Mr. Gibson seconded the motion. 3 in favor, 1 opposed (Olney). Motion carried.
- Ruppert Landscaping starts October 1st.

- Brodie is adding GLs to the budget for repairs/maintenance, discussed with Mr. Schmitt.
- Ms. Perryman has not yet received responses/approval for the maintenance responsibility letter. The Board will recirculate the draft.
- The 2021 audit is nearing completion. More updates to follow. Mr. Schmitt already requested an engagement letter for the 2022 audit.
- Jetting was finished on September 12th. Ms. Perryman, Mr. Schmitt, and a tech from the contractor did a walkthrough this week. The contractor was unable to find cleanouts for 6 buildings along Leisure. The contractors will likely need access to the garage of these units in order to run a camera through the line to find the cleanout as they are possibly covered/buried/disconnected. There were 4 different locations where the cleanout was located, but the opening was damaged (crushed/cracked); 2 on Friendly, 1 on Happy and 1 on Leisure. Mr. Schmitt added a plumber is needed to provide a price for the damaged cleanouts. There were no other surprises throughout the Community; the contractors recommended jetting every 3 or 4 years. Mr. Schmitt believes these repairs/cleanout investigations will be a reserve cost. The Board agreed to move forward with collecting pricing/information on the outstanding items.

VI. Adjournment: Mr. Schmitt made a motion to move to a closed session at 9:27 pm. Mr. Olney seconded. All in favor.

The next Board meeting of Habitat 1 Section A will be the held-on **October 26, 2022** at **7:00 p.m. via Zoom conference call. This will also be the budget meeting.**

These minutes were recorded and transcribed according to accepted business practice and were read/edited for accuracy by the Board prior to distribution.
Habitat 1 Section A, September 22, 2022

Approved as written: Richard Olney Date: 12-14-22

Approved as amended: _____ Date: _____

Minutes respectfully submitted by Brittany Stoltzfus.