

Tower Harbor Condo Association

Annual Meeting Minutes – June 29, 2019

1. Call to order: 9:03 AM at Old Douglas Schoolhouse
2. Roll Call:
 - a. All Board members present: A Lanciers (President), Bob Fish (Treasurer), Kathleen Mueller (Secretary), Bob Greene, Carl Gustafson, Anne Seurnyck, Craig Wigley
 - b. 24 units were represented in-person
 - c. Kirk Lydy represented Cornerstone Management
3. New Owners Introduced:
 - a. Kay Backus: 340A Mariner's Cove
 - b. Jeremiah Whitley: 366 Mariner's Cove
 - c. Edmund & Laura DeAngelis: 135 Harbor Court
 - d. Brian & Theresa Griffin: 190 Hamilton
 - e. Michelle Cassidy: 200 Hamilton
4. New Board Candidates
 - a. Three candidates presented themselves for three open Board positions to serve from 2019-2022: Bob Fish (current Board Treasurer), Ann Seurnyck (current Board member), John Street (new Board member)
 - b. As there were only three candidates for three Board openings, there was no need for homeowner vote or collection of Proxies. By acclamation, the 3 presented candidates were confirmed.
5. Vote to Conduct Audit
 - a. Following a vote count, and by majority vote, it was determined that there be no audit this year.
6. Treasurer's report: Budget Review – Details in Appendices:
 - a. Should any homeowner have questions regarding the THCA budget as detailed in Appendices, please feel free to contact Bob Fish, Treasurer to arrange a phone conversation. (bob.fish@bigby.com)
 - b. Monthly dues will remain at \$275 per unit. Board noted that THCA has the second lowest monthly assessments in the Saugatuck-Douglas area. The only condo association paying less per month is Northern Lights Condo Assn, which is significantly smaller with far less grounds to maintain.
 - c. Board has decided that a \$750 special assessment will be required this year. This assessment may be paid in three \$250 installments (August, 1st, September 1st, October 1st) or paid in lump sum. Any amount not paid in full by October 15th, 2019, will be assessed at one-time \$25 late fee.
7. General Exterior Upgrade Update
 - a. Landscaping:
 - K Mueller shared that for now, most of the major landscaping work has been completed. The only landscaping planned for the immediate future is unit specific – where homeowners have identified and requested landscaping upgrades.

- Should any homeowners wish to be considered for any additional landscaping, please contact Kathleen Mueller in the next 4-6 weeks. (klm4words@aol.com, 269-455-5141)
- b. Address Numbers:
- Currently, there is no uniformity of address numbers/letters across our complex. Upon the completion of painting on Mariner's Cove, matching address numbers and letters will be installed throughout the community.
- c. Exterior Lighting:
- Grounds inspections have revealed a general lack of conformity and beauty regarding exterior (front door) lighting. This lack of conformity is also seen in the pole lights on Harbor Court and Mariner's Cove.
 - In addition to upgrading the appearance of our lighting, we will plan to convert all lights to LED, which is more efficient and cost effective.
 - The goal will be to replace the wide variety of lights and numbers with attractive, high-quality fixtures that should be in place for the next 15-20 years.
 - This process will be ongoing through the fall. Should anyone be interested in helping with this process, please contact Kathleen Mueller. (klm4words@aol.com or 269-455-5141)
- d. Pool Code - 1036:
- While not actually an exterior upgrade, homeowners were notified of the pool code for the pool at Tower Marina.
 - Pool has been converted to salt water this year.
 - Please be reminded that Matt Peterson at Tower Marina has requested that only homeowners and their personal guests use the pool. He has requested that those offering units for short term rentals NOT to give out the pool code.
 - Again, this is the request of the pool's owner. Tower Harbor Condo Association pays for the privilege of using this facility, and does not make their rules.

8. Bylaws and Master Deed

- a. Bob Greene, who is retiring from THCA Board service, recommended that the new Board continue to move toward approving the updated Master Deed and Bylaws which his committee worked on several years ago.
- b. B Greene had packets prepared for all present (and all who would like to request one from Cornerstone), so that the approval process can continue
- c. Adoption of the new Master Deed and Bylaws would require a vote by 2/3 majority of all homeowners.
- d. A former committee pointed out that there were errors found in the proposed documents and recommended further review and correction prior to proceeding.
- e. The Board will conduct its review and not seek a vote until the review is completed.

9. Discussion Topics from Homeowners Present

- a. Irrigation:
 - Homeowner asked whether sprinkler was 'up and running'. A Lanciers noted that it has only recently come to the attention of the Board that the high water has put the entire pump underwater, and so it is non-functional.

- West Ottawa (our sprinkler contractor) has stated that a replacement pump would possibly be \$2500 plus electrical. (*Subsequently, the actual quote is between \$12,000 - \$13,000*).
 - The Board will continue to push for digging of a well to handle our sprinkler.
- b. Irrigation/Well Update:
- To the above issue: Over a year ago, the City of Douglas imposed a moratorium on all well-drilling; their concerns included the possibility of intrusion into the aquifer and issues with the chemical plume from the old factory on Blue Star. The investigation of drilling a well will be reopened.
- c. Drainage:
- Several homeowners brought up the problems with drainage on Mariner's Cove during heavy storms. A Lanciers acknowledged awareness of these ongoing issues. While the problem is recognized that the intake/outflow pipe is too small to handle water from storms, the remedy is not apparent, short of digging up the Mariner's Cove parking lot and excavating beneath the 342 building. A Lanciers said the Board will continue to review options.
- d. Gutters:
- Several homeowners commented that gutters are not cleaned often enough. Leaves and debris frequently overflow. One homeowner suggested that the Board investigate installing gutter covers to keep them from filling. B Fish had previously placed funds in next year's budget for gutters and drains, so Board will review.
- e. Mariner's Cove Dumpster Area:
- Homeowner pointed out that the dumpster area is not kept clean, with food debris often remaining on the ground for long periods of time. Cornerstone agreed to look into this situation.
- f. Overgrown Fire Access Road:
- Homeowner noted that the Fire Access road at the cul-de-sac on Mariner's Cove has become overgrown. A Lanciers noted this and commented that Aim High will be told to include this area in their regular lawn maintenance.
 - It was generally noted that Aim High could be more diligent in their complex maintenance. A Lanciers agreed to press Aim High for improved service.
- g. Confusion over "Homeowner Responsibility" vs. "Association Responsibility"
- A Lanciers and K Lydy of Cornerstone helped clarify the difference between areas that are homeowner responsibility versus those that are the responsibility of the THCA:
 1. Rear decks and patios are the full responsibility of the homeowner to maintain, because these are considered 'limited common elements'.
 2. While exterior windows are the THCA responsibility, interior sills (unless damaged through window failure) are the homeowner's responsibility
 3. Exterior 'closet' doors (Mariner's Cove) are THCA responsibility.

10. General Questions Submitted to Cornerstone

- a. Please review how maintenance requests are tracked, prioritized, approved, and co-owner notified upon completion.

- A Lanciers noted that at each Board meeting, a list of 'open jobs' that have been submitted to Cornerstone are reviewed. If there is a significant expenditure, the Board then votes to approve. Once approved, work is scheduled as quickly as possible by Cornerstone. He also noted that in cases where quick response is required, he has the ability to make approvals up to a fixed dollar amount.
 - At all times, the correct response is for homeowner's to contact Kirk Lydy at Cornerstone with any and all issues. The Board works closely with Cornerstone to have all work completed in a timely manner.
- b. Please review how long-term maintenance is organized, example: how are issues discovered (Has there been a review/inspection of buildings by independent audit?). How are they prioritized? How do your co-owners know or have access to this info (if not on the Board)
- A Lanciers indicated that our building has not had an independent audit for our facilities. Issues are gathered from concerned homeowner, as well as involved Board Members, and relayed to Cornerstone. At Board meetings, these issues are brought up, discussed, and voted upon. All information from Board meetings – including issues and votes – are available in the Board Meeting Minutes. These are sent via email to all homeowners as quickly as they are available. Minutes are also always posted on our website: towerharborcondo.com. The password for homeowner entry is: tower@harbor.
- c. Can co-owners be informed of Board meeting agendas and meeting dates?
- The date of the Board's next meeting is always at the end of the previous meeting's Minutes. The agenda is compiled shortly before the meetings, based on issues that have arisen, therefore, cannot be disseminated to homeowners prior to the meeting.
 - Homeowners are always welcome to attend meetings; the Board only asks that it be appraised of the intent to attend, so that proper time can be allotted to the issues under debate. Following that specific discussion, the homeowner may leave.
- d. Have you considered modifying our lighting outside to move in the direction of Dark Sky? (Darksky.org).
- Per the earlier discussion regarding exterior lighting upgrades, the committee will investigate all options.
- e. Building 342 – Trees were removed. Where are the replacement trees?
- Those trees have been replaced with larger trees than initially presented. The new trees are a 3-4 years more mature than originally planned.
- f. Building grounds around 342 are sinking an average of 2" per year.
- Board has previously discussed this issue during the Annual Meeting, and will continue to look for solutions to this issue.
- g. Mulch at waterfront creates bugs and ants. Need rock or exterminator regularly.
- THCA has an exterminator available. Homeowners should notify Cornerstone of any infestations, so that they can be handled quickly.
 - Rock will be assessed for specific areas where mulch is deemed inappropriate or washes away in heavy rains.
- h. Special assessment is not an annual event except here!
- A Lanciers pointed out that of all area condo associations, only Northern Lights on Blue Star has lower monthly assessments – and they have far less common area/landscaping than we do.

- Board has maintained \$275 fee per month for over 6 years, without one increase.
- Lack of monthly increase does not mean our aging complex does not need additional revenue. Improvements necessary to keep property values high must come from somewhere. Rather than increasing the monthly, the Board has opted to request Special Assessments as needed to maintain our facilities.
- In the past two years, Board has kept the assessment at \$750 – which is less than the \$1,000 the Board is allowed to assess.
- B Fish, Treasurer, indicated a willingness to consider tying increases in the monthly assessments to a Cost of Living Index, which would slowly raise the monthly assessments over time.

Meeting adjourned at 10:30

Elected Board met following Annual Meeting to elect officers for the 2019-2020 fiscal year.

- President, Art Lanciers
- Treasurer, Bob Fish
- Secretary, Kathleen Mueller

Next Board meeting: August 24, 9:00 AM at Cornerstone office on James Street in Holland.

Appendix A: 2020 Operating Budget

Operating Budget		(Projected) Total Year
	June, 2020	
Revenue		
Dues	\$15,950	\$ 191,400
Late Fees		\$ -
Special Assesment		\$ 44,250
Other Income		\$ -
Buy in Fees		\$ -
Total Revenue	\$15,950	\$ 235,650
Operating Expenses		
Water/Sewer	\$8	\$96
Electric	\$310	\$3,720
Insurance Property/Board	\$0	\$25,000
Accounting Fees	\$0	\$250
Lawn Care-Maintenance	\$2,500	\$22,500
Professional Services	\$100	\$1,200
Snow Removal	\$0	\$12,000
Managment Fee	\$1,300	\$15,600
Office Supplies & Expense	\$75	\$1,125
Contruction Mgt Fee	\$300	\$3,600
Pool	\$0	\$3,000
Sprinkler Repairs/Maint	\$1,000	\$3,000
Pest Control	\$500	\$1,500
Refuse Removal	\$650	\$7,800
Building Maintenance	\$500	\$6,000
Grounds Maintenance	\$2,000	\$24,000
Major Building Repair	\$3,000	\$36,000
Tree Service	\$500	\$4,000
Pond Maintenance	\$250	\$2,000
		\$0
		\$0
Total Operating Expenses	\$12,993	\$172,391
Capital Improvement Expenses		
Concrete Repairs Garages		\$50,000
Deck Painting		\$12,000
Beautification		\$0
Exterior Lighting		\$15,000
House Numbers		\$1,500
Road Repair (Hamilton)		\$3,000
Gutters and Drains	\$15,000	\$15,000
		\$0
		\$0
		\$0
Total Capital Expenses	\$15,000	\$96,500

Appendix B:

	June, 2019	
Working Account Balance (Beginning)	\$128,802	\$150,000
+ Total Revenue	\$15,950	\$235,650
- Total Operating Expenses	-\$12,993	-\$172,391
- Total Capital Expenses	-\$15,000	-\$96,500
Working Account Balance (Ending)	\$116,759	\$116,759
Money Market - PNC		
PNC - CD 72314		
PNC - CD 72315		
PNC - CD 72316		
+ Legal Reserve	\$48,107	\$48,122
+ Interest	\$15.00	
Total Cash + Investment	\$164,881	\$164,881

Appendix C: Augmented Reserve Plan

2018-2019		
Working Capital	\$ 170,000	est
Reserve Contribution	\$ (20,000)	
Ending Working Capital	\$ 150,000	
2019 - 2020		
Starting Working Capital	\$ 150,000	
Dues	\$ 191,400	
Special Assesment	\$ 44,250	
Total Working Capital	\$ 385,650	
Less:		
Operating Expenses	\$ (172,391)	
Capital Improvements	\$ (96,500)	
Working Capital	\$ 116,759	
Less:		
Reserve Contribution	\$ (20,000)	
Ending Working Capital	\$ 96,759	

2018-2019	
Starting Reserve	\$ 28,000
Reserve Contribution	\$ 20,000
Reserve	\$ 48,000
2019 - 2020	
Starting Reserve	\$ 48,000
Reserve Contribution	\$ 20,000
Reserve	\$ 68,000
	\$ 164,759