

# CHERRY HILL VILLAGE HOMEOWNERS ASSOCIATION

## Board of Directors Meeting Minutes

Monday, September 16, 2019; 6:00 p.m.

Canton Human Services Building, 50430 School House Rd., 2<sup>nd</sup> Floor Conference Room

### 1. **Call to Order and Roll Call**

President Barb Babut called the meeting to order at 6:05 p.m.

Present were Directors Ms. Barb Babut, Ms. Monica Wolfson, Mr. Leland Ropp, Mr. Jason Abate, Mr. Tim Bojanowski, Ms. Karen Davis, Mr. Rick Miller and Mr. Mike Sielaff. Director Michael Kyle was absent. Present for management: Jeff McDuff, Site Manager and Dan Herriman, Herriman & Associates, Inc., Management Agent

### 2. **Approval of Agenda**

Director Babut moved and Director Ropp seconded to approve the agenda with the addition of agenda item 9.6 "Ponds". The motion was unanimously approved.

### 3. **Co-owner Comments**

3.1 Christine Kroll, 392 Filmore, expressed concern about a neighbor who uses four charcoal grills, sometimes simultaneously, and the odor and risk of fire. She said the neighbor also uses the balcony for storage and that the frequent odor of marijuana smoke is offensive. Directors responded that they are considering this evening a regulation pertaining to marijuana. Mr. McDuff will send a letter and follow-up.

3.2 Kristen Velkey, 348 Filmore, expressed concern regarding the residents above her unit, specifically the frequent odor of marijuana smoke while smoking on the balcony. She also said their toilet runs continuously. Mr. McDuff will send a letter and follow-up.

3.3 Jennifer Leonard, 431 Roosevelt, expressed concern regarding street trees obscuring stop signs, unauthorized modifications, specifically non-compliant windows (no muntins) at a home on Buchanan, and a brown fence that was apparently approved. (It was approved.) Directors responded that management is communicating with owners about elevating street trees. Mr. McDuff will follow-up on the unauthorized windows.

3.4 Matthew O'Rourke, 432 Roosevelt, addressed his receipt of a parking violation notice. He cited the severe shortage of parking in the vicinity of Roosevelt and Filmore Streets. Both he and Ms. Leonard advocated a new survey about parking issues in this area.

### 4. **Approval of Minutes of Preceding Meeting(s)** (June 17, 2019)

Director Ropp moved and Director Abate seconded to approve the minutes of the meeting of June 17, 2019. The motion was unanimously approved.

Mr. Ropp moved and Mr. Sielaff seconded the following: Only the Site Manager (Jeff McDuff) shall issue parking tickets. The motion was unanimously approved.

### 5. **CHV I and CHV II - Review of Preceding Month Financial Report**

Director Ropp presented an overview of August and year-to-date financial results for both CHV I and CHV II. The financial reports reveal that:

CHV I experienced a positive variance in August, in comparing actual operating results (including reserves transactions) to budget, of \$909. For the year-to-date period, the variance is positive by \$5,788. Operating equity as of the end of the month was \$81,758 and reserve fund equity was \$683,529.

CHV II experienced a negative variance in August, in comparing actual operating results to budget, of \$4,635 (excluding reserves transactions; there was a material variance in reserves transactions for

concrete, being over budget by \$17,790, however, the expense included concrete budgeted for the preceding year as well as for the current year, with the preceding year budget not having been carried forward) to budget, of \$4,635. For the year-to-date period, the operating results variance is negative by \$11,415. Operating equity as of the end of the month was \$33,908 and reserve fund equity was \$60,307. CHV II's year-to-date negative operating results variance is largely explained as follows. Ten owners paid off their proportionate share of debt after the 2019 budget was approved but before January 1, 2019. Such proceeds were applied to the principal of the Association's loan in 2018. As a result, monthly assessment income in 2019 is \$1,290 (10 times the \$129 per month reduction) less than budget each month relative to those ten accounts.

Director Bojanowski moved and Director Wolfson seconded to approve the financial reports. The motion was unanimously approved.

6. **CHV I and CHV II - Committee Reports, if any**

For the ADRC, President Babut reported there have been many applications and approvals since the last report in June.

7. **CHV I and CHV II - Management Report**

Mr. McDuff highlighted several items from his recent weekly reports to the board including about a CHV II owner who installed a gas line without a permit which installation failed a Township inspection. He will continue to follow-up on this matter. Mr. McDuff explained that at least one of four owners amongst the owners of CHV I lots 16-19 has asked that the Association maintain a natural open space area behind these homes by clearing volunteer trees and undergrowth and mowing the area.

Director Ropp moved and Director Wolfson seconded to proceed to maintain the open space behind CHV I lots 16-19. The motion was unanimously approved.

Mr. Herriman provided an overview of other current matters. Both provided additional information on "New Business" topics.

8. **CHV I and CHV II - Unfinished Business**

8.1 Complaint to Quiet Title – Unbuilt Units 148-157

Makower attorney Todd Skowronski filed a lawsuit against Bank of Ann Arbor, the former "owner" of these former unbuilt units, on behalf of CHV II, to quiet title to the "lot". This is a prerequisite to CHV II taking title to the property.

Mr. Skowronski provided an update and opinion regarding this matter in August. His recommendation was embraced by Board members via email replies. Mr. Skowronski was advised of the Board's decision to accept his recommendation on August 15, 2019. Such action should be captured in board meeting minutes.

It was moved by Director Ropp and seconded by Director Babut to affirm that the Board of Directors accepted the advice of the Association's law firm regarding unbuilt CHV II units 148-157, as herein explained and described. Bank of Ann Arbor has stated it will tender a quit claim deed upon the condition that the Association agrees to be liable for any unpaid taxes, in settlement of the Association's lawsuit against Bank of Ann Arbor to quiet title to the lot upon which the units were to have been built. The Association's law firm reports that the property tax records show no unpaid taxes. Further, the tax records show no ongoing taxes accruing going forward (as the property is now part of Cherry Hill Village II's General Common Elements). The motion was unanimously approved.

8.2 River Hill Ridge – Roadway Easement Payment Obligations to CHV

Makower attorney Ed Lee sent a letter to Pulte Homes on May 17, 2019 to follow-up with Pulte's David Graham on their telephone conversation of May 7, 2019 regarding the use of CHV roads for ingress and egress by River Hill Ridge homeowners and River Hill Ridge's obligation to share in the expenses relative to maintaining, repairing and replacing the roadways in CHV. Mr. Lee offered the following opinion.

Based on the information provided by Jeff McDuff, I've created a map showing the roads most affected/used by River Hill Ridge ("RHR"). I've asked Pulte's attorney for ideas about defining the parties' cost-sharing obligations, but I haven't received a response yet (so I just sent him a follow-up request). While we wait for his response, here are my thoughts:

There are 651 units in Cherry Hill Village ("CHV"). There are at least 106 units in RHR, but RHR's Master Deed indicates that RHR can be expanded to a maximum of 229 units. Under Section 6.5 of RHR's Master Deed, the road maintenance cost-sharing ratio is "determined pro rata according to the total number of dwelling units [in each project] using such portion of the Cherry Hill Village streets."

Depending on the total number of units in RHR, RHR's share of CHV's expenses for maintaining the highlighted portions of the roadways will be anywhere from 14% (if there are only 106 units in RHR) to 26% (if there are 229 units in RHR).

The Board indicated this approach is satisfactory.

9. **CHV I and CHV II - New Business**

9.1 CHV I and CHV II Contract Issues

Mr. McDuff provided an update on current contract work. Tree planting is to be performed by October 1.

9.2 Approve Date of 2019 Annual Meeting

It was moved by Director Ropp and seconded by Director Sielaff to conduct the 2019 annual meeting on October 29, 2019. The motion was unanimously approved. Director Wolfson indicated she will not be seeking election.

9.3 Decide whether or not to Develop Policy to Restrict Smoking and Growing of Marijuana

It was moved by Director Ropp and seconded by Director Abate to approve the following resolution:

Whereas, the Board of Directors believes that the odor of marijuana smoke and vapor is offensive to the majority of the Co-owners in the Condominium, and

Whereas, the Board of Directors has, pursuant to the Condominium Bylaws at Article VI, Section 10, the authority to make rules and regulations to reflect the needs and desires of the majority of the Co-owners in the Condominium,

Therefore, be it resolved that:

1. The smoking or vaping of marijuana on General Common Elements (including streets, alleys, "public" sidewalks, common lawn areas, parks and other open space) is prohibited,

2. The smoking or vaping of marijuana on Limited Common Elements appurtenant to attached units (Cherry Hill Village II), including decks, patios, balconies, porches, service walks and driveways, is prohibited,
3. The smoking or vaping of marijuana in exclusive-use areas appurtenant to detached units (Cherry Hill Village I) within 35' of another attached or detached Condominium Unit's windows or doors is prohibited,
4. Owners and residents of detached units ("Cherry Hill Village I") and their guests may smoke or vape marijuana inside their detached Condominium Units and in their exclusive-use out-of-doors space (on their porches, patios, decks, balconies and driveways, and in their yard areas), except that the smoking or vaping of marijuana may not take place within 35' of another attached or detached Condominium Unit's windows or doors,
5. Owners and residents of attached units ("Cherry Hill Village II") and their guests may smoke or vape marijuana only inside their Condominium Units,
6. Violations of this rule/regulation shall, pursuant to the Condominium Bylaws at Article VI, Section 11, entitle the Association or another Co-owner or Co-owners to the reliefs set forth in such Article, including, but not limited to, legal action.

The motion was unanimously approved.

9.4 Review First Draft of Proposed 2020 Budget for CHV I; instruct management with any changes  
Concern was expressed about water and sewer rates. Management shall document the change in rates made in 2019. An updated draft is to be submitted to directors in October.

9.5 Review First Draft of Proposed 2020 Budget for CHV II; instruct management with any changes  
There was a consensus amongst directors to not decrease monthly assessments to \$306 for November and December of 2020, when all loan debt will be paid off, since a larger amount will be necessary in order to provide needed funds for the reserves fund. (\$306 is the amount that owners whom have paid off their proportionate share of debt currently pay.) It was suggested that the monthly assessment be reduced from \$435 (the amount that owners whom did not pay off their proportionate share of debt currently pay) to \$385 beginning in November 2020.

Mr. Herriman was asked to determine how much CHV II ought to contribute to the reserve fund, beginning in November 2020, to avoid any additional assessments to fund roof replacements and wood replacements and exterior painting.

9.6 Ponds  
Management received a proposal from Nowak & Fraus Engineers and is expecting a proposal from Soil & Materials Engineers. The Nowak & Fraus proposal had been sent to directors.

Director Ropp moved and Director Wolfson seconded to authorize management to accept the proposal of either Nowak and Fraus Engineers or Soil & Materials Engineers, whichever is the lower price, to do the following:

1. Perform a topographic survey of the three detention basins. This will identify the current area, sideslopes, bottom elevations, top of bank elevations and control structure elevations.
2. Ascertain the pond design based on engineering drawings furnished by us. Compare the original design to the current geometrics of the detention basins as established by the topographic survey. Prepare plans, specifications and bid documents for restoration of the basins to the original design volume and elevations.
3. Provide bid related services and prepare a construction contract document, review bidders' proposals and qualifications and prepare a recommendation relative to awarding the contract.
4. Provide part time inspection of the contractor's work in progress, review contractor submittals, review/certify contractor applications for payment, prepare punchlist following substantial completion of the project.

The motion was unanimously approved.

10. **Next Meeting**

The next Board meeting shall be Monday, October 21, 2019 (third Monday) at 6:00 p.m. at Canton Human Services Building.

11. **Executive Session** (Delinquent owner accounts were reviewed. No actions were taken.)

The meeting was adjourned at 8:40 p.m.