

COA BOARD OF DIRECTORS SEPTEMBER MEETING MINUTES

The Board of Directors met at 3:00 p.m. on Thursday, September 15, 2016, at the Cloister Clubhouse. Present were President David Stansberry, Julia Armstrong, Brenda Butler, Sue Hegland, Ann Green, and Judith Smith. Also present was Association Secretary Mickey Beazley, Association Treasurer Peggy Hollis, and David Floyd, of Floyd and Associates, Inc. Absent was Dixie Frederiksen.

President David Stansberry opened the meeting and called for approval of the agenda, and approval of the meeting time for one and one-half hour with the flexibility, if necessary, to extend the meeting as needed.

Motion was made by Brenda Butler, and seconded by Judith Smith to approve the agenda and the meeting time. Motion carried.

MINUTES

The President called for correction and/or approval of the Minutes of the last month's meeting, of August 18, 2016.

Motion was made by Brenda Butler, and seconded by Ann Green, to approve the Minutes. Motion carried.

RESERVE STUDY PRESENTATION

Peggy Hollis introduced Andrew Hart, with Onsite Engineering, who helped in the Reserve Fund Study to determine how much should be put aside for capital expenditures, and to create a financial plan to protect our property without the necessity of individual assessments.

Mr. Hart provided an overview of the 63-page report which provides a 30-year projection for the Cloister reserve fund needs for capital expenditures only. The report provides three different options for keeping reserve funds at the desired level.

Peggy will have town hall meetings for the residents. Watch the newsletter for the dates and times.

David Floyd emphasized that Onsite Engineering is a local firm which performs engineering, as well as creating reserve studies, and is knowledgeable of Middle Tennessee costs and other regional factors affecting reserve requirements for a complex of our size and age.

David Stansberry says the Board is not going to take any action on this until November. The study has given us a lot of information and the Board will have to decide what to do.

David Stansberry praised the Finance Committee for a wonderful job with the reserve study.

David Stansberry announced that Donna Scott has resigned as chair of Good Neighbors, and Sharon Richardson has agreed to serve as chair. Donna and John Eley have purchased a second home in Virginia and will be traveling back and forth in the future.

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PROPERTY MANAGEMENT REPORT

- David Floyd announced that the Board has hired Rick Sanjek to be our Resident Manager. He will be handling the maintenance and variance requests. David reported that Rick has a degree from Yale, and has exhibited great organizational skills, people skills, and writing skills. And he will work with the best interest of homeowners.
- Brenda will reformat the maintenance report, making it easier to read.
- A Variance Request for a privacy fence at 312 Cana Circle with shared COA expense which deviated from specifications was approved last month, but it was learned that contractor required 50% up front which is not allowed at the Cloister. Pre-payment check was returned to owner.
- A new fence Variance Request for 310 Cana Circle, entirely at owner expense, was approved with same slight COA specification variation (vertical instead of horizontal alignment of cross-bracing) as approved last month for request described above.
- In Dixie's absence, David presented a need to approve 240 feet of pipe for the 718 Mt. Carmel project, which involves the wall, the driveway, drain line and sewer line. Tony Locke says it will be \$6,000 more.

MOTION

Motion is made to approve the 240 feet of pipe that needs to be installed at 718 Mt. Carmel, which involves the wall, the driveway, drain line and sewer line in that area, for an additional amount of \$6,000.

Motion was made by Judith Smith, and seconded by Ann Green, that the Motion be approved.

Motion carried.

CORRECTION: The motion should have been \$6,236.84 for additional repair work by J.R. Vaughn at 718 Mt. Carmel.

TREASURER'S REPORT

David Floyd gave the Financial Report showing checking/savings assets---\$659,200.06; Other assets--\$40,639.62; Total Assets--\$699,839.68; total liabilities of \$33,727.30; Reserve Ordinary

Expenses--\$125,000; Current Year Capital---\$286,604.25; Long-term (specific needs)-\$254,508.13; Total 2016 Reserve Balances--\$666,112.38; Total Liabilities and Equity---\$699,838.68.

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COMMITTEE REPORTS

Facilities Maintenance Committee – Chairman Ann Green

- HonorGuard has been on the premises several days in the last couple of weeks. They have been completing the drill/treat/plug process. The promise to finish by last Friday was, like so many others, not kept. Now it looks as if they will have to go into next week. As a “token” for delays and broken promises, they are giving us \$2,125.00 credit for the annual renewal fee for next year. We still have paper work ready to go to the lawyer if it becomes necessary.
- After discussion with several professionals last month about washing and painting siding, I was asked to find a couple of “guinea pigs” for trial painting. I visited Mrs. Miller at 282 Cana Circle, and she is more than willing. And William Steve at 512 Loyola is willing to be the second person for siding painting, depending on the success of the Cana Circle house. I now turn the matter over to the Infrastructure Committee.
- A new wood bench for the Nature Trail has been received and is currently being assembled. Another bench with cast iron frame has been donated by Virginia LePore and is currently in my garage waiting for cleaning and painting — to be done by volunteers.
- We are pursuing quotes for re-strapping – some, if not all – of the pool furniture. It would be best to have this taken care of before the furniture is put inside for the winter.
- I am launching another project to secure copies of current contracts from all who provide services to the Cloister -- if we do not already have one – and hopefully to get copies filed on site for quick reference.

Infrastructure Committee – Dixie Frederiksen, report given by Judith Smith

After interviewing several painters and visiting sites to see their work, the Infrastructure Committee recommends using CertaPro Painters to paint Section IV beginning in October. Their estimate of \$104,200 includes \$87,293 for painting and \$16,862 for visible rotten wood repair. The committee, concerned by the cost of this ongoing maintenance, is recommending that The Cloister be re-divided from four sections of 30 buildings each to five sections of 24 buildings each.

MOTION

Move that we accept the proposal presented by CertaPro Painters for painting of that portion of The Cloister designated “Section IV” in the estimated amount of \$104,155. Further move that the division of The Cloister into four separate units (24 buildings each) for painting and wood repair be changed to division into five separate units (24 buildings each) for painting and wood repair and that annual painting and repair be for a single 24 building unit.

Motion was made by Judith Smith, and seconded by Ann Green, that the Motion be approved.

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Motion carried.

Finance Committee – Chairman Peggy Hollis

Finance Committee recommendations based on the Reserve Fund Study:

- Increase Association Fees by \$10 per month each year from 2017 to 2020
 - Fee 2017 \$340 monthly
 - Fee 2018 \$350 monthly
 - Fee 2019 \$360 monthly
 - Fee 2020 \$370 monthly (if necessary)
- Engage Onsite Engineering for an updated Reserve Fund study in the summer of 2019, which will be an opportunity to evaluate the possible increase in fees after 2020.
- Recommend that the Board use the Capital Expenditures spread sheet as a planning guide for Capital Expenditures.
- Recommend that the Board explore/consider starting assessing NEW homebuyers a \$1000 Capital Investment Fee as part of their purchase price. This will go into the Reserve Fund.
- As part of finalizing 2017 budget, assign accountability to each budget item with a mandate that any expected expenditures that exceed the budget must be reviewed by the Finance Committee and approved by the Board.
- Encourage REPAIRS as prevention and/or in place of replacement of capital expenditures, i.e., driveways, fences, walls, etc.
- Encourage the new Board to think “economize”.
 - The operating Budget must maximize spending with the goals to reduce where possible.

These recommendations are based on the recently completed 2016 budget projection which includes a minimum of \$175,000 is to be added to the reserve fund on December 31, 2016.

Beautification Committee -- Chairman Julia Armstrong

- This week the dead tree at the Vaughn’s Gap Road Entrance was removed. The stump will be ground, and we will be working on a plan for the first stage of redecorating the entrance.
- We are also working on a list of trees that need to be pruned, and some that need to be removed. Unfortunately, the Cloister is home to quite a few dead trees. Some of these are the responsibility of the Homeowner, and letters will be going out to home-owners about their

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trees that need to be pruned, and about the trees that are dead and need to be removed. The trees on the approved list are the ones preferred for homeowners to use for replacement.

- There are also some trees that are the responsibility of the COA that need to be removed. We are working on plans for which trees will need to be removed this year, and which trees can be postponed until 2017 or later. We are also working on plans for replacing the ones that need to
- be removed. These trees are farther from the houses, so there is more flexibility available for larger replacement trees.

Communications Committee – Chairman Brenda Butler

- New committee member: Deb Stewart, at 704 Mt. Carmel.
- Website:
 - The first two quarterly financial reports and the August report are on the website.
 - Website host has explained that our website data is located on a server in Utah and is backed up every night. In case of a problem, data can be reloaded from the previous day's backup.
- Cloister Directory: The September 1st version is on the website. Committee will ask the Board to print small Directory booklets in January
- Homeowners' Manual: Latest draft has been provided to the Board and placed on the website
- 2017 Communication Budget: Beginning discussion shows a need of about \$125,000, including Comcast service of \$120,000. Committee will finalize when deadline has been set by Finance Committee.

MOTION

Brenda moved that the Board select and hire an outside auditing firm to audit the Cloister books because it has been many years since the last audit.

Motion was withdrawn after discussion revealed more information was needed.

Safety Committee – Chairman Judith Smith

Judith hopes to have a program in November about fire extinguishers.

Life Enrichment & Community Activity – Chairman Sue Hegland:

- We will continue having the movies on every other Friday evening.
- We will also continue the Game Days every first Tuesday.

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- Good Neighbors Committee will inquire to see how we can help residents to vote.

MOTION

Motion was made by Sue Hegland to have the tree at 302 Cana Circle root planed at COA expense, to prevent replacing the driveway. Motion was seconded but was not passed following Board recommendation to have an arborist render an opinion as to whether the roots can be redirected away from the driveway and building with proposed root planning. David Floyd was asked to contact Davey Tree Company and arrange for a consultation as soon as possible.

OTHER BUSINESS

Resales -- Sophia Keller gave the report of Units for sale as of September 10, 2016:

217 Cana Circle	C Model	\$239,900
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208 Cana Circle	C Model	\$252,000
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(By Owner --- call 931-636-1187)

414 Siena Drive	B Model	\$230,000
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Nominating Committee (Sophia Keller and Judith Smith)

Announced a deadline of October 20 for resumes to be submitted to the committee for those wishing to run for the Board. Candidates will be introduced in the November meeting, ballots will be provided in the December newsletter, and the election will occur at the Annual Homeowners' Meeting on January 8 at 2 p.m.

There being no further business to come before the Board, on motion made, the meeting was adjourned, and the floor opened for questions and/or comments from residents.

Respectfully submitted,

Mickey Beazley, Association Secretary