

CLOISTER OWNERS ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

October 20, 2016

The Board of Directors met at 3:00 p.m. on Thursday, October 20, 2016, at the Cloister Clubhouse. Present were President David Stansberry, Julia Armstrong, Brenda Butler, Sue Hegland, and Judith Smith. Also present was Association Secretary Mickey Beazley, Association Treasurer Peggy Hollis, and David Floyd, of Floyd and Associates, Inc. Absent were Ann Green and Dixie Frederiksen.

President David Stansberry opened the meeting with the announcement that Dixie Frederiksen has submitted her resignation, and following acceptance of her resignation that Thomas Keeling was recommended by the Board to fill the vacancy.

MOTION

Motion was made that Thomas Keeling be approved to fill the vacancy created as a result of the resignation of Board member Dixie Frederiksen.

Motion was made by Sue Hegland, and seconded by Brenda Butler, that the Motion be approved. Motion carried.

The President then 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 Sue Hegland, and seconded by Brenda Butler, 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 September 15, 2016.

Motion was made by Brenda Butler, and seconded by Sue Hegland, to approve the Minutes. Motion carried.

TREASURER'S REPORT

Peggy Hollis reported: Cash in Bank of \$649,000; Reserve Account is \$659,000. The Reserve Fund balance needs to be \$575,000 by the end of the year, so it is looking good.

There are 12 line items in ordinary expenses that are overspent and will be over budget at the end of the year. But about 10 line items are near or under budget, so may come out even at the year-end, if spending is controlled the remainder of the year wherever possible.

Capital Expenditures: Currently several large items have not yet been charged to the budget. Painting and rotten wood repair will exceed budget for the year by about \$60,000.

Stone wall replacement will hopefully be less than the \$100,000 budget, and hopefully slab raising will be less than the \$50,000 budget. If not, the expenditures this year could have a negative impact on the money that is available for the 2017 budget, so it is hoped that any expenditures not absolutely critical can be delayed until the 2017 budget.

RESIDENT MANAGER REPORT

Rick Sanjek, Resident Manager, reported the following activity:

- In the last five weeks I have spoken on the phone or in person with over thirty (30) residents regarding Variance or Maintenance Requests that are already Budget must maximize spending with goals to reduce wherever possible.
- Assisted Infrastructure Committee and Chair Dixie Frederiksen with the Section IV painting project. Dixie did a checklist of homeowners who had not trimmed trees and shrubs, and worked out an agreement with LSI for a group rate, where homeowners are being individually charged but at a good rate.
- I have met several times with David Floyd, Leigh Ann, and Charles Hilton, regarding process and procedures, and have been going over the various ledgers and am getting them up to date, and making them easier to read, etc.
- The following Ledgers will be posted on the Website by November 1st:
 - Revised Variance Request Ledger
 - Revised Maintenance Request Ledger
 - Historic Ledgers from 2005 to 2015 of all Capital Expenditures, including slabs, walls, fences, patios, decks, rotten wood, stoops, roofs, and driveways.
- Have handouts of remaining Capital Expenditure Budget for 4Q 2016. Need to go over with Infrastructure and Finance Committees to determine the funds that can be allocated for replacement and repair projects.
- I am outlining the repair needs that are the most hazardous and the greatest safety needs, and I am also in the process of interviewing handymen who will be able to do odd maintenance chores.
- Dixie Frederiksen has been going around, from house to house, and making notes and photographing things that are wrong other than the actual painting job itself.

PROPERTY MANAGEMENT REPORT

- The Maintenance Request and Variance Request forms are much more detailed. The Ledger is categorized to help the Finance Committee and residents . All the historical ledgers will be on the Website for all residents to see. This Board is moving from replacement frame of mind to proactive repair frame of mind.
- As a result of the Reserve Study plus the Town Hall meetings, the Finance Committee is recommending that the maintenance fee only go up \$10 per year.
- There is going to be a \$1,000 equity membership fee for all new home buyers, which will be paid by the buyer and not the seller. Thirteen homes have changed hands this year.
- The Cloister Board of Directors is no longer a vertical chain of command, but is now operating horizontally. We appreciate the fact that people are willing to listen, to protect their property values, a majority have already purchased the fee simple, and operating expenses are looking really well.
- The canopy of the tree tells where the roots are, and if it is over a driveway, it will buckle, and the cost is \$2,800 to take out and remove stump and roots.
- The time has again come to look at the pool company contract. Steve Stinson has always done a great job and would be hard to replace. That contract is \$4,800 per year or \$400 a month, and they are asking for a raise to \$5,400 per year, extending from January 1st to December 31st.

MOTION

Motion was made to approve the annual pool contract increase with Steve Stinson from the current \$4,800 annually to \$5,400 a year, from January 1st to December 31st, to become effective January 1st, 2017. *Motion was made by Sue Hegland, and seconded by Judith Smith, that the Motion be approved. Motion carried.*

COMMITTEE REPORTS

Finance Committee Report --- Peggy Hollis, Association Treasurer

There have been six Town Hall meetings discussing the Reserve Study and the following recommendations:

- Increase the Association Fee by \$10 per month each year from 2017 to 2020, from \$340 monthly in 2017, to \$370 monthly in 2020 (if necessary);
- Engage Onsite Engineering for an updated Reserve Study during summer of 2019 to evaluate future fee increases after 2020.
- Recommend the Board use the Capital Expenditures spreadsheet as a planning guide for Capital Expenditures;
- Recommend that the Board consider starting assessing new Homebuyers a \$1,000 Working Capital Investment Fee as part of their purchase price, which will go into the Reserve Fund;
- As a part of finalizing the 2017 budget, accountability should be assigned 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 instead of replacement to capital expenditures, such as driveways, fences, walls, etc.
- Encourage new Board to think “economize”, and when possible maximize spending for the Operating Budget with goals to reduce wherever possible.

MOTION

Motion made to accept the Finance Committee recommendations listed above.

Motion was made by Sue Hegland, and seconded by Judith Smith, that Motion be approved. Motion carried.

MOTION

Motion was made to approve hiring Rick Sanjek as a consultant Resident Manager, for \$2,500 monthly for a four (4) months contract starting September 15st and ending January 14.

Motion was made by Sue Hegland, and seconded by Brenda Butler, that the Motion be approved. Motion carried.

MOTION

Motion was made that the Managing Agent, David Floyd, receive the first increase in his salary in ten years, with a 20% raise to an annual salary of \$41,580, to be retroactive to July 1st of 2016.

Motion was made by Julia Armstrong, and seconded by Sue Hegland, that the Motion be approved. Motion carried.

Facilities Maintenance Committee – Chairman Ann Green

In the absence of Ann Green, Sue Hegland gave her report:

- Due to a medical problem, Shannon with HonorGuard is not appearing at the Board meeting today, as previously scheduled.

- A note from Leigh Ann Floyd was read, thanking the COA for the gift card which was forwarded to her in appreciation for the extensive work she had done changing Clubhouse phone service from ATT to Comcast and saving the COA half the previous cost.
- Rick Sanjek came to our last meeting and explained some of the new procedures, and fielded questions. We welcome and look forward to working with him. We also welcome Tom Keeling to the Board.
- Last month I reported that we were going to try to get the pool furniture re-strapped. Steve Stinson, the pool maintenance man, referred me to Poolside Nashville, LLC, owned by Todd Hess. I contacted Todd and he came and checked the furniture, and he stated that there is not much strap breakage at this time, but there were cracks in several pieces of the furniture and many showed dry rot, and that sitting on one of those could cause injury.
- There have been no other estimates, as the Poolside Nashville estimate proved to be reasonable, which is as follows: total to replace vinyl straps on 5 lounges - \$1,245 (\$95 each) and 14 chairs (\$55 each), with the agreement terms to accept one-half payment upon acceptance and defer one-half after the first of the year. This will allow us to split expense between two years, as 2016 is over-budget \$950 , which also includes \$350 Metro Pool Permit. The proposed 2017 budget is \$5,500, which will only cover Steve Stinson's contract, so it is recommended to adjust that budget to \$6,500 to include the permit and balance of furniture repair.

MOTION

Motion was made to approve the acceptance of the Poolside Nashville estimate for the recommended furniture repair.

Motion was made by Sue Hegland, and seconded by Brenda Butler, that the Motion be approved. Motion carried.

Infrastructure Committee – Chairman: Tom Keeling

The unit located at 412 and 414 Siena Drive is in need of slab raising.

MOTION

Motion was made to approve the bid for \$1,000 for the slab raising of 412 Siena Drive, and \$5,350 for the slab raising at 414 Siena Drive.

Motion was made by Tom Keeling, and seconded by Judith Smith, that the Motion be approved. Motion carried.

Beautification Committee -- Chairman Julia Armstrong

- We have had two consults on dead tree removal for HOA trees. I will be getting a third opinion. When this process is complete, we will make a motion recommending a course of action.
- Regarding the 302 Tulip Poplar tree near the driveway at 302 Cana Circle:
 - 1) I discussed this issue with an arborist from Quality Tree Surgery. This tree is in healthy condition and has a life expectancy of about 65 more years. It is not replaceable, and is very unlikely to survive root planning. It is a beautiful specimen tree and enhances the property values of our entire community. Although in case of a tornado, as with any tree, it could fall, this tree does not threaten the house.
 - 2) The driveway has several one inch or greater trip hazards. Even if we kill the tree, the driveway will need to be replaced. The driveway will probably continue to have problems about every ten

years or so if the tree is left as is.

3) There have been conflicting assessments of this tree. I will get a third opinion at the same time that I get another quote on the removal of the dead HOA trees.

- A list of residents' trees that need pruning or removal is being compiled, and letters will be sent out to residents when it is ready.
- LSI has removed all the diseased rose bushes from the clubhouse and entrances at no cost. Also, the spiral evergreens at the clubhouse were unhealthy and were removed at no cost. This summer some cutting back of resident shrubs from walkways was done, also at no cost. The Vaughn's Gap entrance dead tree has been removed, and a plan for redesigning this entrance is in progress. LSI will guarantee their installation as long as it is done at the recommended time of year, which is in January. When the plan is complete, a motion will be made to invest in this entrance redesign for 2017.

Life Enrichment & Community Activity – Chairman Sue Hegland:

- There is a Music for Seniors Program, with many genres of music, that some residents might enjoy, at the JCC on November 11th from 10:30 a.m. to 11:30. a.m.
- On Saturday, December 10th, together with the Good Neighbors Committee, we will have a community-wide Christmas cookie exchange for all residents.
- The movies for November will be "Waking Ned Devine" at 6:45 pm the first Friday and "Mrs. Doubtfire" the third Friday. There will be no movies in December.

Safety Committee --- Chairman Judith Smith

On behalf of Nominating Committee Chair Sophia Keller, Judith Smith announced the Election of COA Board of Director Members, which will be held at the Annual Business Meeting on Sunday, January 8th, 2017 at 2:00 p.m.

She stated that today, October 20th, was the deadline for submission of resumes by anyone interested in running for the Board; the candidates will be introduced at the November Board meeting; and the ballot will be in the December newsletter for early voting or residents can vote at Annual Meeting.

Communications Committee – Chairman Brenda Butler

- Website: We had the Website Demonstration/Training today. All forms have been uploaded to the site in "fillable" format, which means:
 - 1) you can type your information into the form on the website if you desire, then print and drop it in the office slot; or
 - 2) you can save your "filled-in" form to your computer and attach it to an email to cloisterhoa@gmail.com; or
 - 3) you can just print the form, fill in by hand, and forward appropriately.
- New bulletin board is here and will be installed in the next few days. Our committee will use the new board for only COA information and activities. We will also post resumes and pictures of 2017 Board candidates on the new board when announced in November newsletter. The older board will continue to be used for community flyers, business cards, notices, etc.
- New local Comcast representative name and phone number will be provided in the newsletter.

- Homeowners' Manual We need to have a good definition of "limited common elements," rather than just the grassy area around your house.

MOTION

Motion was made to adopt a new definition for "limited common elements" in the Homeowners' Manual.

Motion was made by Brenda Butler, and seconded by Sue Hegland, that the Motion be approved. After discussion both the second and the motion were withdrawn.

MOTION

Brenda Butler made a motion that the Board move forward to locate someone to examine the Cloister 2016 Financials using the following Audit Scope:

"The 2016 audit of financials records is to provide an accurate statement of the following:

- 1) Assurance that all dues required have been collected and deposited into a Cloister bank account and provide a list of delinquent accounts with amounts due.
- 2) Assurance that all checks and any other withdraws from any Cloister bank account have been in direct support of board-approved actions including auto payment of utilities. "

Motion was made by Brenda Butler, and seconded by Sue Hegland, that the Motion be approved. Motion carried.

OTHER BUSINESS

Sophia Keller gave the report of Units currently on the market:

103 Cloister Drive	B Model	\$195,900	414 Siena Drive	B Model	\$220,000
277 Cana Circle	C Model	\$235,000	447 Siena Drive	C Model	\$195,000
311 Cana Circle	B Model	\$229,900			

Report on Committee Descriptions Rewrite --- Brenda Starnes

Brenda Starnes described her procedure for rewriting in more detail the description of the committees established January 1st, 2016 by the COA Board of Directors. She is including the role each committee will play and its responsibilities.

Contract Review Task Team

MOTION

Motion was made to establish a Contract Review Task Team, to be led by Brenda Butler with Sue Hegland, Julia Armstrong, and Brenda Starnes serving on the committee.

Motion was made by Brenda Butler, and seconded by Sue Hegland, that the Motion be approved. Motion carried.

There being no further business to come before the Board, motion made to adjourn:

MOTION

Motion was made that the meeting adjourn, and the floor opened for questions and/or comments. *Motion was made by Julia Armstrong, and seconded by Judith Smith, that the Motion be approved. Motion carried.*

-- Respectfully submitted, Mickey Beazley, Association Secretary