

Summer Pines – Board of Directors Meeting – November 22, 2016

Roll Call

Attendees: Gary Ujifasa; Chad Nieland; Adam Cybulski; Kyle Jentzsch; Carleen Walsh (Kingwood Management); Tina Bohl; 25 homeowners

Proof of Notice of Meeting

Reading of Minutes of Preceding Meeting

- Board reviewed minutes from September 15 prior to meeting – Motion by Chad Nieland, second by Adam Cybulski to waive reading of the minutes during meeting

Introduction of Board Members

- Gary Ujifasa (President); Chad Nieland (Member at Large); Adam Cybulski (Treasurer); Kyle Jentzsch (Member at Large); Tina Bohl (Secretary)

Unfinished Business

Landscaping/Snow Removal

- The Board introduced Mike Ganz, Settlement Hill, Summer Pines' - new landscaping/snow removal supplier
 - Settlement Hill has been working in the Hudson area for more than 30 years
 - Mike Ganz spoke to taking a more proactive approach to service than Summer Pines has seen in the past – if crews notice issues while out, they will contact the Board/Kingwood Management
 - Settlement Hill is aware of issues from the past, such as: snow placement; defined drive ways/walks; attention to trees (avoiding damage); quack grass/dandelions
 - Six trees have been identified as requiring pruning to avoid damage from lawn mowers traveling beneath low-hanging limbs, etc.
 - The Settlement Hill agreement includes irrigation system maintenance
 - Pails of sand will be placed at mail box clusters – for homeowner use in slippery areas
 - Mike Ganz recommended homeowners clear welcome mats or step décor in the winter and pet leashes, etc. in the summer – items can damage snowblowers/lawn equipment

Insurance

- The Board introduced Kristin Walker, American Family Insurance – Summer Pines insurance provider
 - Kristin Walker explained the increase in the Summer Pines insurance deductible from \$5,000 to \$10,000, which is standard for townhome associations – increase was made to better manage insurance premiums
 - Kristin Walker encouraged homeowners to look into individual HO 6 Loss Assessment coverage – inexpensive coverage
 - Kristin Walker shared her contact information and offered help with any documentation, or answering homeowner insurance questions (Attachment A)

Property Management

- Property Management Report – Carleen Walsh, Kinwood Management
 - Kingwood Management began managing Summer Pines in February, 2016. Expectations included better, more timely communication with Board/homeowners and to find savings
 - Carleen Walsh reviewed items from the 2016 Management Report (Attachment B)
 - Gary Ujifasa reflected on high points such as reduction in delinquencies, property lines identification
 - Carleen Walsh confirmed the Reserve Study was complete (Attachment C)
 - Chad Neiland explained that Summer Pines' law firm has been directed to file suit against those who owe the outstanding balance of \$7,000

Architectural Committee

- Gary Ujifasa introduced the Summer Pines Architectural Committee

Finance Committee

- Gary Ujifasa asked for volunteers for the Finance Committee

Voting – Board Positions

- Board Member Voting – Results: Gary Ujifasa (Member at Large – 25 Votes); Kyle Jentzsch (Member at Large – 25 Votes); Chad Neiland (Treasurer – 23 Votes); Adam Cybulski (President – 25 Votes)

New Business

- No new business

Motion by Chad Nieland, second by Adam Cybulski to adjourn

Adjourn

Access Anytime: 1-800-MYAMFAM (800-692-6326)
2015 American Star Certified Agency
Facebook: fb.com/KristenWalkerAgency
Email: Kwalker2@anfam.com

Office: (715) 377-0303
1810 Webster St Ste 15
Hudson, WI 54016

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Attachment A

Attachment B

Summer Pines Annual Meeting 2016 Management Report

1. Kingwood alerted the current Board of carry over of the additional account located in Green Bay, Wisconsin with approximately \$50,000.
2. Community Development, Inc. transferred over \$17,000 in delinquencies. Kingwood and Board have reduced delinquencies to about \$7,000. Systems have been put in place to collect the remaining amounts.
3. Kingwood has given homeowners ways to pay: Online through the Kingwood website, by check, ACH – automatic withdrawal, and billpay – homeowner sets up with bank to make association dues payment.
4. Roof Replacement – Buildtec found hail damage and worked with insurance company to get a claim filed. Association received \$78,641.63 for roof damage. 3 buildings had roofs replaced this summer. Board has a 4-year plan in place to replace all the roofs.
5. As a preventative to help with leaks / possible ice dams, Buildtec installed retro-fit boots over venting, and caulked needed areas on roofs.
6. Reserve Study (Attachment C) done through Reserve Advisors. Board was advised to take yearly 5% increase in order to increase the reserves for future improvements / projects. Working with homeowners to get new rental / lease information. Tina Bohl added a rental/lease registration application to the Summer Pines website.
7. Kingwood will be working on clarifying the rules and regulations according to the governing documents. This project is slated for January 2017.
8. Kingwood assisted in confirming Summer Pines' property lines.
9. 2017 Goals: Building up Association Reserve account, look at landscaping options, tree trimming, bush replacements. Further reduce delinquencies, communications with owners with renters. Work with snow/lawn care vendor, Settlement Hill, to insure smooth transition, and needs of association are met.

2018 Goals: Sealcoating, start sidewalk replacements



Long-term thinking. Everyday commitment.

Corporate Office

Reserve Advisors, Inc.
735 N. Water Street, Suite 175
Milwaukee, WI 53202

1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Summer Pines Villas Homeowners Association (Summer Pines Villas)

Location: Hudson, Wisconsin

Reference: 111627

Property Basics: Summer Pines Villas Homeowners Association is a townhome style development of 125 units in 18 buildings. The exteriors of the buildings comprise vinyl siding, brick masonry and asphalt shingle roofs. The buildings were built from 2000 to 2003.

Reserve Components Identified: 20 Reserve Components.

Inspection Date: September 13, 2016. We conducted the original inspection on March 8, 2012.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes multiple threshold funding years due to replacement of asphalt pavement.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- current and future local costs of replacement
- 1.35% annual rate of return on invested reserves
- 1.8% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Cash Status of Reserve Fund: \$424,766 as of July 31, 2016.

Recommended Reserve Funding: The Association budgeted \$66,703 for Reserve Contributions in 2016. We recommend the Association budget annual phased increases in Reserve Contributions of approximately \$11,500 from 2017 through 2022. Afterwards, the Association should budget gradual annual increases in reserve funding that in part consider the effects of inflation through 2046, the limit of this study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$11,497 represents about a five percent (4.6%) adjustment in the 2016 total Operating Budget of \$248,295. This initial adjustment of \$11,497 is equivalent to an increase of \$7.66 in the monthly contributions per homeowner.

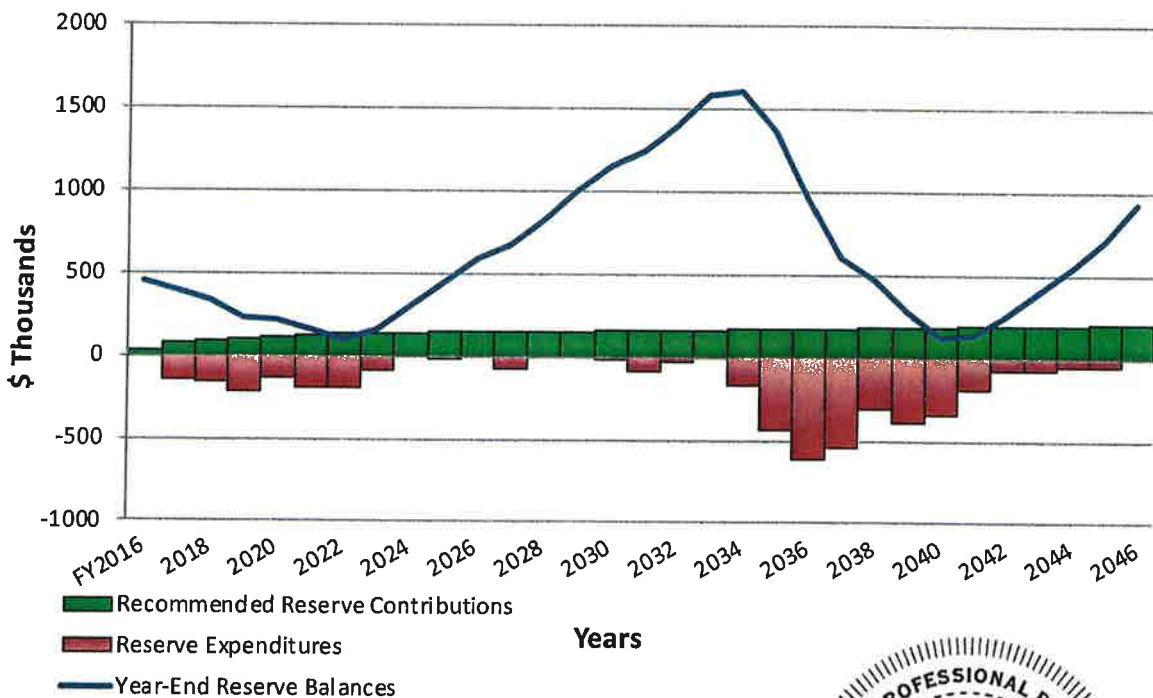
Our revised findings reflect both external market and internal property changes. The result is an overall decrease in the recommended Reserve Funding Plan since our last Reserve Study on March 8, 2012. The overall decrease relates primarily to a lower than anticipated roof replacement cost.

Certification: This *Full Reserve Study* exceeds the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."



Summer Pines Villas
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2017	78,200	398,403	2027	148,300	669,118	2037	177,300	597,591
2018	89,700	337,592	2028	151,000	830,170	2038	180,500	474,596
2019	101,200	229,851	2029	153,700	996,115	2039	183,700	280,977
2020	112,700	217,989	2030	156,500	1,151,610	2040	187,000	129,155
2021	124,200	159,526	2031	159,300	1,242,910	2041	190,400	133,070
2022	135,700	102,948	2032	162,200	1,396,198	2042	193,800	257,054
2023	138,100	159,806	2033	165,100	1,581,261	2043	197,300	387,678
2024	140,600	303,512	2034	168,100	1,605,615	2044	200,900	546,392
2025	143,100	437,490	2035	171,100	1,367,008	2045	204,500	709,995
2026	145,700	590,080	2036	174,200	952,669	2046	208,200	929,185



Respectfully submitted on September 29, 2016 by
RESERVE ADVISORS, INC.

Alan M. Ebert, PRA¹, RS², Director of Quality Assurance
Visual Inspection and Report by: Todd M. Walter, PRA, RS



¹PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.

² RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.