

FLORENCE GARDENS MOBILE HOME ASSOCIATION  
OPEN BOARD MEETING MINUTES  
November 25, 2009

CORRECTED December 9, 2009

1. The meeting was called to order by President Harold Hall at 10:02 a.m. Board members in attendance were: President Harold Hall, Vice President Mel Pittmon, Treasurer Fred Payne, Secretary Steve Krelovich, Building Operations Director Jim Baker, and Public Relations Director Marian Heyliger. Maintenance Director Bill Qualls was absent.

2. Harold Hall led the pledge of allegiance.

3. Harold Hall asked for approval of the October 28<sup>th</sup> and November 11<sup>th</sup> meetings' Minutes. Jim Baker made a **Motion** to approve both Minutes; Fred Payne Seconded the **Motion**. No Discussion. Vote approved the Minutes unanimously. **Motion** carried.

Steve Krelovich stated that they had a Closed Board Meeting to discuss the roof of the annex with the contractor, and with his attorney and our attorney. A decision was made that a check for \$34,000 would be made payable to Roofing Specialists. Fitzgibbons Law Office, representing the Roofing Specialists, will provide lien releases from Brutinel Plumbing and Al & Riley's to Charles Maxwell. Fitzgibbons Law Office will provide the check #2885, not cashed, to C. Maxwell. Fitzgibbons and Roofing Specialists, Inc. agreed to the above proposal. A **Motion** was made by Steve Krelovich, and Seconded by Mel Pittmon to accept the vote proposal. No Discussion, and the vote was unanimous, **Motion** carried. Steve added, "I would like a correction to this to put the Board of Directors' names who attended that meeting onto those Minutes". Harold Hall so-noted the correction. Mel Pittmon made a **Motion** to accept the correction to the Minutes of the Special Closed Board Meeting.

Franklin Glass asked for the date of that meeting. Steve answered, "November 18, 2009" starting at 12:15 pm and closed at 2:15 pm.

Jim Baker seconded the **Motion**. Harold Hall asked for discussion.

There was a discussion about the total amount of the 2 contracts that we paid for the roof replacement.

Harold Hall went on to say what a good job this contractor did on the replacement roof. The roof was well worth what we paid for it. Marian Heyliger stated that Charles Maxwell did an excellent job of negotiation with the contractor and his attorney, and we were able to reduce the amount approximately \$2,000 from the original bill. Harold Hall added that Charles Maxwell also did a great job of keeping his costs down.

Chuck Greco, 3870 N. Illinois, said, "I feel that we should know the total cost of that roof. Fred Payne said that the total cost of the roof is approximately \$34,000 plus \$11,000, so it is approximately \$45,000.

There was a discussion about why the roof replacement was not covered by our insurance.

Fred Payne said that we have no insurance on the roof because the construction was faulty. Fred added that if we don't pay, a lien goes on every one of your homes; Not just

the association, because the association doesn't own anything. We own it; each member owns part of it. Any lawsuits that come against the association come against you.

Chuck Greco continued the discussion about what our insurance does and does not cover us against.

Jack Gustavson, 3829 Wisconsin Ave, explained that the insurance policy that we have here is the best coverage for a homeowners association. You have to have a reason why it happened. The roof wasn't designed right, and that's why it leaked. We don't have a claim because it was not one of the covered perils.

Bonna Strange, 3719 N. Michigan, asked for an exact figure of the cost of the roof replacement. Mel Pittmon stated, "I doubled the 2 bids of \$23,777.95, comes to \$47,555.90. Minus the \$1,600 that was credited, leaving a figure of \$45,955.90 plus attorney's fees unknown at this time.

Mel Pittmon re-stated that the **Motion** was to accept the Minutes of the Special Closed Board Meeting with the corrections to include the names of all Board members that attended. And, that it was seconded by Jim Baker. The vote passed unanimously.

### **Old Business:**

4. **Treasurer's Report:** Fred Payne asked to combine the Treasurer's Report with #5 the 2010 Budget Amendment. Fred said, "With the withdrawal of the moneys from the Reserve Account, it has a balance of \$46,324.00. That Reserve Account should be at least \$100,000. that's 10% of our total assets which are in excess of \$1,000,000". Fred added that the Budget was passed unanimously, but, now there is some confusion over different items in the Budget and on the Budget itself. We have a figure for Depreciation, which could be changed to Reserve Account, savings that we hope to have built up for next year. Fred added, "To get money into our Reserve Account, we have to be able to get it from our assessments, and hopefully we'll leave the assessments alone where they are and we'll have some money we can put back into our Reserve Account". Fred mentioned future projects that can only take place after we get the Reserve Account back up where it should be.

Phil Winn said that he has 3 copies of budgets that have been proposed by this Board, none of which are dated or identified. He asked that when they put out a proposed budget, it be dated. Fred Payne said that there are 4 proposed budgets.

Mel Pitmon commended the finance committee and the treasurer for putting together this wish list, however; (1) Sick Leave and Vacation were included in the Annual Salaries, \$14,333 that should not have been enumerated as expenses; (2) Another proposal to support an increase of only \$24 per year making the assessments \$276.00 per lot, to reflect a Budget of \$480,078; and (3) Along with the revision to take out the Depreciation, which is not an item for a Budget, and change that to Reserve Fund. The Proposed Budget would transfer the Building Fund \$14,007 to the Reserve Fund \$55,750 and Capital Improvements of \$22,000. If you look at the aggregate number, that is increasing the Reserves over a period of one year. In my opinion, the budget does not have to have the \$100,000 acquired in one year because that Reserve Fund was accrued over a period of years. This would still allow you to have approximately \$90,000 in the Reserve Fund which is a fair number. Mel made a **Motion** that the Budget adopted on October 28<sup>th</sup> be amended to reflect these figures.

Fred said that that was a real good wish list, but that will never happen. It can't take place.

Steve Krelovich seconded the **Motion**.

Mel Pittmon re-stated the **Motion** to include the figures; Transfer to the Reserve Fund \$55,750, transfer to Building Fund \$14,007, Capitol Improvements \$22,000. Total transfers and expenses of \$480,078. In order to cover that expense, the income stream would be balanced with the \$24 per lot per year increase for a \$276 per lot per year total assessment.

Betty Louderback asked for the total income, originally \$381,900 of assessments. Was that based on a \$300 per year assessment? What other figure is being dropped? Mel Pittmon answered, "\$351,348 total income/expenses".

Marian Heyliger said that Depreciation is a legitimate expense in accrual accounting. Marian added, "I agree that there are some things that could be changed later on, but I feel we should stay with what we have already approved. If it's going to be anything, it's going to be more that what we show as expenses."

Steve Krelovich commented on how hard the office personnel worked on the changes in this Budget for \$480,078. Steve said that we're working on a cash basis. The documents say that the revenue coming in must equal the revenue going out.

Doris Jordan said that it was agreed at the Budget Meeting after the last Board Meeting that they would only need to raise the assessments by \$8 per month. And, she doesn't agree that we have to have \$100,000 in the Reserve Fund.

Fred Payne said that we're only asking for a \$4 increase in the budget per month. We voted on \$300 per year.

Steve Krelovich read from Article 13, and noted that the pro-rata share of the assessment income is based on 1273, the total number of lots.

Franklin Glass, 3808 N. Kansas, said, "The Board, in October, adopted a Budget with an assessment that was \$300 per lot. That is right now in effect. The Motion today is to lower that assessment down to \$276 per lot. After the Board adopts an income figure on our assessment, then they can turn around and allocate where the money goes. You've got to pick an assessment figure. Right now, it's \$300. The Motion is to lower that. Where the money goes or where it's allocated is beside the point. Should we lower it to \$276 or shall we leave it at \$300".

Shirley Hadley asked why we didn't get a copy of all these figures.

Bonna Strange, 3719 N. Michigan, asked, "...if there turns out to be excess money, will there be a refund?" Harold Hall said, "no, there will be no refund. Any money left will go into the Reserve Fund."

There was a discussion about where any extra money goes.

Jim Baker said, "We need to pass this today. The office needs this information to put in the letter that goes out to all of the members, so, we're going to have to do something one way or the other".

Doris Jordan complained about the possible 20% increase per year in the assessment. Phil Winn said that it's a State Law.

Harold Hall read a letter submitted by Bill Qualls, who could not be at the meeting. Bill Qualls asked that we leave the dues at \$300 as previously passed. This would allow our Reserve Fund to replenish itself and to provide the funding for the solar power pool heating and the installation of UV lights for the control of bacteria in the swimming pool which we already have, a shade cover for the shuffleboard court, and a maintenance building. With the cost of inflation rising at a record rate, it is my opinion that we need this increase in order to continue to provide the services to our members to which they have become accustomed.

Steve Krelovich stated that there was money left over at the end of last year. It could have been given back to the members, but, it was decided to roll it over into this year's budget.

Mel Pittmon added a further comment. "The Budget that was passed at the regular Board meeting on October 28<sup>th</sup> had several wrong inclusions. Upon closer review, a special meeting in accordance with Bylaws Article 8, Section 2 was called for November 4<sup>th</sup>, 2009, and notices were posted on Sunday in accordance with the 3-day requirement. Someone removed the notices on Monday. Re-posting of the notices, with the Bylaw provision quoted, was done on Monday. The subject was to review the Budget by Board members. Members in attendance were Bill Qualls, Jim Baker, Steve Krelovich, and Mel Pittmon. Frank Glass was asked to be parliamentarian. If a quorum was present, the answer was yes. Discussion was held but no decision was made. It was deferred to the next general meeting with a workshop to immediately follow the Board meeting. This deferral was made to request the absent members and finance chairman to clarify the wrong inclusions. The agenda was posted with the workshop on the heading for November 11<sup>th</sup> 2009. Upon closing the regular board meeting, Harold Hall, Marian Heyliger, and Finance Chairman Greco immediately left without participating. Discussion was held with the association members and the remaining board members. Two schedules were presented by Steve Krelovich and Mel Pittmon. No action could be taken as this was the workshop. With that, I would defer back to you to conduct the vote".

Mel Pittmon re-stated the **Motion**. The **Motion** adopted on October 28<sup>th</sup>, 2009 be amended, a revised budget to show removal of the Expense of Sick Leave and Vacation Leave in the amount of \$14,333. Additionally, remove the Depreciation and replace that figure as additional Reserve Fund. The Budget to reflect the figures of \$480,078 as revenue and expenses. This is to reflect an increase of \$24 per lot to be assessed at \$276 annually.

Franklin Glass asked for a roll call vote. Mel Pittmon Yes, Steve Krelovich Yes, Marian Heyliger No, Jim Baker Yes, Fred Payne No. Harold said that according to Bill Qualls' letter, he votes No. Franklin Glass stated that absentee board members cannot vote at the meeting. Harold Hall stated that the **Motion** passed 3 to 2.

### **New Business:**

#### 6. Mel Pittmon reported:

Garage Sale Notices: The people who place their signage at the entrance to the park have created a safety problem. Prior to the White Elephant Sale there were 12 to 14 sales advertised. People stopped to read the signs creating a traffic jam. We would require that you would please put your notices around the corner where the clubhouse map and the signage board is located that allow you to park off to the side where you won't get rear ended. Please pass the word to those who are conducting garage sales and those who are not in attendance.

Activity Updates: The Activity Committee has submitted a new policy, requesting any special activities or changes to the existing schedule, beginning December 1<sup>st</sup>. You must go to the office and ask for an Activity Request Form, fill out all the necessary information, and return it to the office before 4 pm on Friday. That request will then be reviewed by the committee on the following Monday at their 8 a.m. meeting. Someone from the committee will contact you and let you know if they can accommodate your

request, or not. Please do not call anyone on the committee or the Board Liaison. Decisions will be made by the committee, not by individuals. Illustrations would be for Birthday Parties and activities where you need more space.

Dinner Schedule: There will be no dinner on the last Wednesday of December. That's the day prior to New Year's Eve. There will be a dance and a function on New Year's Eve here in the clubhouse.

The White Elephant Report was referred to Mary Hynek. Mary reported that there were 45 volunteers putting in over 300 hours in setting-up for the sale. Profit from the sale was \$2,227.04. She explained about the problem of 85 boxes of left over stuff that was not picked up by Coolidge Thrift Store as planned. Another arrangement was made with Salvation Army who came to get the stuff on Friday. She apologized for the inconvenience. Mary said that clothing will be added to the sale next year.

7. Procedure to allow split lot owners to vote a half-vote for their portion of the lot. Steve Krelovich read a letter from Phil Winn and Franklin Glass on the explanation of Half Lot Voting. By Laws Article 5 says that each lot is entitled to one vote. A procedure has been developed where each split lot owner will be allowed to vote a half-vote for their portion of the lot. Two half-votes equal one vote. A request was made to **Motion** this memo as written so the record reflects the interpretation of the Bylaws. Steve made the **Motion**. Mel Pittmon seconded the **Motion**.

Marian Heyliger said that according to the Articles, which have to be voted on by the members, a divided lot has to be voted on by one member or the other with a letter designating which member will be voting that lot. Any change to the Articles has to be included on the ballot and voted on by the membership.

Phil Winn explained what the Bylaws state. For us to count a vote for that lot, those two owners have to get together and decide which owner is going to vote that lot and notify the association, in writing. The Bylaws go on to say that if we receive more than one vote for a lot, both votes are thrown out. Over time and changes in ownership, some split lot owners don't get along. The Documents Committee has been struggling with this problem that some of the approximate 90 split lot owners get their votes thrown out. They decided on this procedure of a Half-Vote. The only way to get a vote is to add two half-votes together. This procedure establishes the Board's interpretation of the Bylaws and makes it a matter of record.

Steve Krelovich referenced the current Rules and Regulations, 23.3, When an original lot is subdivided into two equal halves, joining each half lot to an adjoining lot, creating one and a half lots, owners of said split lot shall be entitled to one half-vote in all matters to which the full lot owners are entitled. Each half-lot has been split and must be combined with the adjacent lot which faces the same street resulting in no loss and is only one half of the original size. Under no circumstances will the number of votes in the association be increased as a result of the split lots.

Harold called for the vote. The vote passed and the **Motion** was carried. Marian Heyliger abstained.

8. Cancellation of the CC&R's that were voted on at the Annual Meeting in 2009 and to abide by the CC&R's as amended on April 16, 1998.

Steve Krelovich said that there needed to be approval of the proposed CC&R's by 1071 votes of 1531 lots. Only 457 votes of approval have been received. Steve made a **Motion** for the cancellation of the CC&R's that were voted on at the Annual Meeting of

2009, and to continue abiding by the CC&R's as amended on April 16, 1998. Seconded by Mel Pittmon. Marian Heyliger said that they'll consider re-writing some of the CC&R's in the future that will incorporate some of the problems with the proposed CC&R's. Harold called for the vote. The vote passed and the **Motion** was carried.

#### 9. **Member Comments:**

Mary Hynek requested the purchase of 5 real cash boxes for the White Elephant Sale. Also, she mentioned that she has addresses for recovering soldiers for us to send Christmas cards to. She also has the address of ACLU for us to send a "Christmas" (not Happy Holidays) card. She asked if the Block Leaders could deliver the annual mailing to save postage.

Agnes Eeg questioned the Board about the problem of flooding resulting from the construction of a culvert at Maricopa and Colorado Ave. Jim Baker said that the culvert was put in at the request of the Town of Florence. Harold Hall asked Jim Baker to check it out with the city.

#### 10. **Board Comments:**

Jim Baker has a request to put before the Board and members about closing the pool at 8 p.m. in order to save money heating the pools and hot tubs. Fred Payne said that it costs \$200 a month to keep the pools open for those last 2 hours at night. Jim said that the pools will be closed at 8 p.m. through the winter months.

Phil Winn talked about the shuffleboard lessons on Friday's at 1 p.m.

Stan Hergott told us that there were no incidents over the summer. He asked us to thank the volunteer security members and to keep called the police department when we see something unusual in the park.

Mel Pittmon said that Napa is not accepting personal checks from Florence Gardens members, and he's looking into it.

Fred Payne read an article in the Homeowners Magazine about Assessments.

Mel Pittmon took over the meeting in Harold Hall's absence.

Mel mentioned that an advertisement has been placed for a part-time clerical position in the Florence Gardens office.

11. Mel Pittmon asked for a **Motion** to adjourn. The **Motion** was seconded by Fred Payne. The meeting was adjourned at 11:15 a.m.

Respectfully Submitted  
By June Lewis