

**Chase Farms Homeowner's Association
Annual Board Meeting Minutes – January 8, 2007**

The meeting was held at the Novi Civic Center

Call to Order: The meeting was called to order by Art Belloli at 7:05 p.m.

In Attendance:

Board Members: Art Belloli, Kelly Kroll, Stephen Letzeiser, Larry Lloyd and Dave Renner

Absent: Bob BuWalda

Homeowners: Carol Belloli, Rodney & Lisa Cooper, Jodi BuWalda, Linda & Grant Beard, Michelle Kramer, Kristin Stelmastek, Jennifer Stefanek, Bill Robbins, Chris Quinn, Bobbie Murphy, Bernice VanBuhler, Karen Pyett, Gilbert Wong, Alvin Spencer, Scott Horsburgh, Dr Ashok, Viju Karnik and Chris Renner.

Secretary's Report: Minutes from the December meeting were approved electronically prior to the meeting and have been posted to Chase Farms website.

The primary focus of the January Board meeting was to review the 2007 accomplishments and the plans for 2008. It also included a review of the Financial Budget, Maintenance & Beautification program, Capital Improvements and the need to fill open board positions.

- The entire Power Point presentation covering the agenda items will be posted on the CFHA web site. In addition to the presentation, listed below are some highlights of the meeting.

Budget

- Dave provided a comprehensive review of the 2007 CFHA finances, along with an update on the embezzlement, restitution and controls in place to prevent future embezzlement

Maintenance Summary

- Art provided a detailed review of the 2007 Maintenance and Beautification program.

Question and Answer Period:

- A great deal of discussion around selective enforcement of by laws.
- Discussion on homeowner Air Conditioner placement and “grand fathering” in those AC units that maybe in violation of the bylaws.
- Questions on Satellite Dish placement and the need to have a Welcome Wagon program.

- Concerns for road maintenance were discussed. It was recommended homeowners voice their displeasure with the condition of the roads with Novi's DPW.
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Open Board Positions

Action Item: Fill open positions. A number of individuals volunteered to become active in the Association in 2008, including Social.

Adjournment: The meeting was adjourned at 8:16 p.m.

Next Meeting: February 17th 2008 at 7:00 pm.

Location: Larry Lloyd's home 20934 Dundee Lane



CHASE FARMS
HOMEOWNERS • ASSOCIATION

Annual Meeting – 2008

Agenda

- Board Introductions
- Review 2007
 - Challenges And Accomplishments
 - Financial Review
 - Architectural Control
- Plans For 2008
- New Business
- Discussion / Comments / Questions
- Adjourn

Board Introductions

President **Art Belloli**

Vice President **Larry Lloyd**

Secretary **Stephen Letzeiser**

Treasurer **Dave Renner**

Bob BuWalda

Architectural Control **Kelly Kroll**

Review 2007

Challenges and Accomplishments

■ Internal And External Review

- Revealed Apparent Embezzlement
- Engaged Novi Police Department
- Former Treasurer Pled Guilty; Began Restitution
 - Recovered 66% Through December, 2007
 - Oakland County Prosecutor & CFHA Board Expect Full Restitution
- Upgraded Financial Controls To Prevent Recurrence

Review 2007 – *Continued*

Upgraded Financial Controls – *Detailed*

- Block Cash Withdrawals And EFTs From CFHA Bank Account
 - Install Bank-initiated Business Sweep Checking Account Process
- Accept Physical Bank Statements Only Mailed Directly From Bank:
 - One Copy Mailed Directly To Treasurer; Second Copy Mailed To Secretary
 - Second Copy Opened Only At Board Meeting
 - Both Copies Reconciled With Each Other And Treasurer's Financial Statement
- Dual Signatures Required For All Checks
- At Least Two Board Members Must Approve Any Work Contracted For CFHA
- Formally Review/Approve Financial Statements and Bank Reconciliations At Monthly Board Meeting
- Formally Review And Approve All Invoices At Board Meeting

Review 2007 – *Continued*

Property & Grounds – General

- Maintained Consistently Professional Appearance
- Monitor Entryways Daily/Nightly
- Identify And Respond To Maintenance Issues Promptly
- Ensure Stability
- Continued Contracts With Secure, Effective, Responsive Suppliers

Review 2007 – Continued

Property & Grounds – Entryways

- New Irrigation Wells Function As Designed
 - Avoid Water Rate Increases
 - Noticeably Improved Water And Pressure
 - Monitored, Adjusted Rid-O-Rust System; Repaired Vandalism
 - Minimal Sprinkler Head Repairs Required
 - Bank Loan for Wells “Paid-off” - during April 2007
- Entryway Lawns Cut Weekly; Edged Bi-weekly; Fertilized 5 Times
- Flower Beds Rotated In Seasons And Color
- Weeded All Beds Bi-weekly And/Or As Needed
- Cleared 9-mile East Wooded Beds
- Completed Spring And Fall Clean-ups On All Lawns & Beds
- Replaced Vandalized 8-mile Sign Lettering

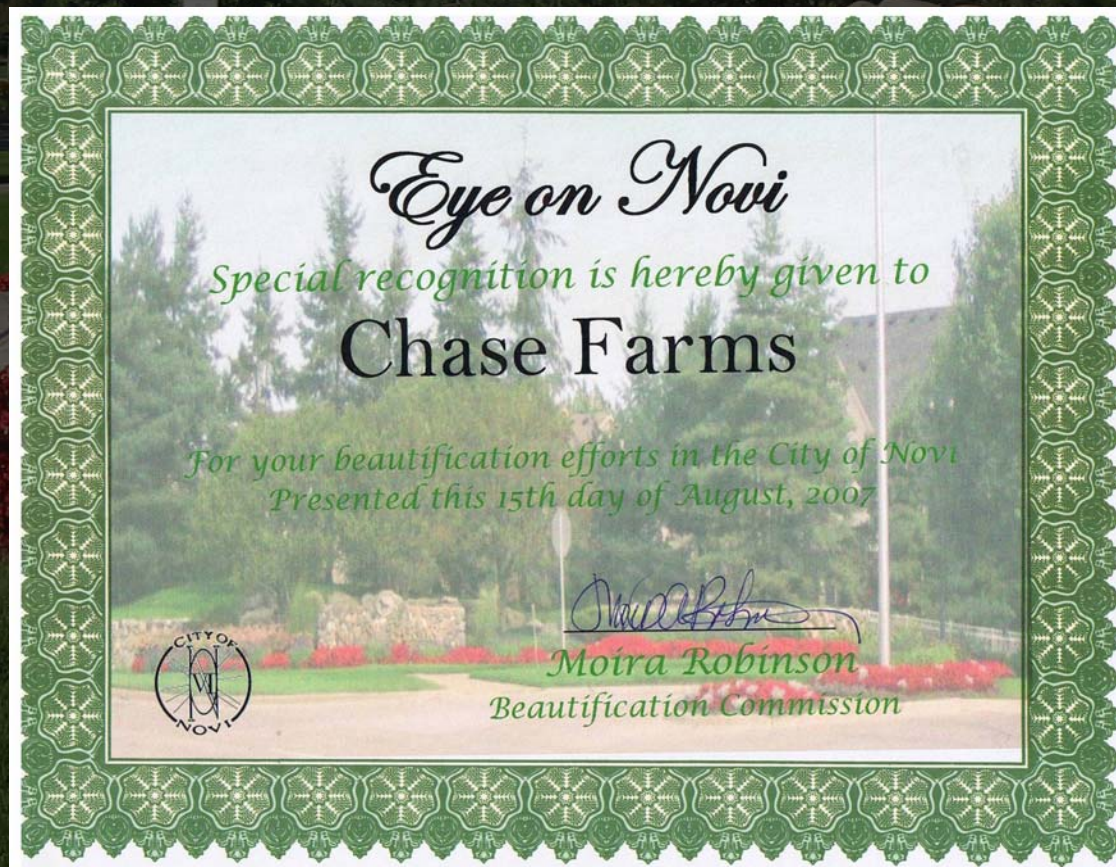
Review 2007 – *Continued*

Property & Grounds – Other

- Refreshed Mulch Around Trees/Shrubs In All Courts
- Sign And Pole Lighting Stable With Minimal And Rapid Repairs
- Repaired 25 Damaged Mailboxes
- Felled Or Removed 11 Hazardous Dead Ash Trees In Park
- Installed Holiday Lighting—Branch Wrap Style; Monitored Nightly

Review 2007 – Continued

- Received *Eye On Novi* Beautification Award



Thank You!

Thank you to each of our home-owners and residents. You carefully maintain and improve your homes and property. You keep Chase Farms the beautiful and premier subdivision that it is.

Financial Review - 2007

	2007	
	<u>Budget</u>	<u>Actuals</u>
Income		
4000 - Homeowners Dues	64,000.00	66,902.00
4050 - Special Recovery		
4051 - Recovery Amount	0.00	53,049.00
4052 - Well Loan Pay-off	0.00	(19,481.10)
Total 4050 - Special Recovery	<u>0.00</u>	<u>33,567.90</u>
4099 - Interest Income	0.00	1.07
Total Income	<u>64,000.00</u>	<u>100,470.97</u>

Financial Review - 2007

	2007	
	<u>Budget</u>	<u>Actuals</u>
6100 - Administration		
6110 - Insurance	3,200.00	3,339.13
6120 - Legal Fees	3,000.00	781.90
6121 - Special Legal & Bank Fees	0.00	3,912.57
6122 - Financial Review	0.00	0.00
6125 - Newsletter & Website	850.00	1,609.76
6140 - Bank Charges	100.00	230.00
6145 - Fed & Mich Filing Fees	0.00	40.00
6150 - Postage & Mailing	1,200.00	1,125.33
6155 - Office Supplies	500.00	126.55
Total 6100 - Administration	<u>8,850.00</u>	<u>11,165.24</u>

Financial Review - 2007

	2007	
	Budget	Actuals
6200 - Utilities & Repairs		
6210 - Electricity 8 & 9 Mile	2,760.00	2,221.99
6220 - Electrical Repair	3,000.00	1,589.00
6225 - Mailbox Repairs		
6221 - Repair Costs	2,000.00	1,867.76
6222 - Reimbursements	0.00	(452.05)
6225 - Mailbox Repairs	2,000.00	1,415.71
6230 - Sprinkler & Well Repairs	1,800.00	1,727.60
6231 - Well Rid O Rust	2,600.00	3,618.90
6235 - Street Sign Repair	150.00	0.00
Total 6200 - Utilities & Repairs	12,310.00	10,573.20

Financial Review - 2007

	2007	
	<u>Budget</u>	<u>Actuals</u>
6400 - Landscaping		
6410 - Lawn - Mowing / Fertilizer	8,781.00	8,204.00
6415 - Flowers - Clean -up, Weeding	12,842.00	11,412.00
6440 - Christmas Lights	3,629.00	2,832.00
6445 -Misc. Landscaping	725.00	350.00
Total 6400 - Landscaping	<u>25,977.00</u>	<u>22,798.00</u>

Financial Review - 2007

	2007	
	Budget	Actuals
6500 - Storage Locker & Misc.	850.00	635.00
6600 - Park Maintenance	2,200.00	1,535.00
6700 - Emergency Reserve	3,000.00	2,248.00
6800 - Capital Expenditures		
6810 - Entry Sign Repair	600.00	511.60
6830 - Well Loan Repayment	5,400.00	1,694.92
Total 6800 - Capital Expenditures	6,000.00	2,206.52
Reconciliation Discrepancies	0.00	0.10
Total Expenses	59,387.00	51,161.06
Revenue less Expenditures	4,613.00	49,309.91
Cash in Bank - January 1, 2007		\$9,375.91
Cash in Bank - December 31, 2007		\$58,685.82

Financial Review – 2007

Embezzlement & Restitution Status

Funds Embezzled from CFHA	\$64,331.26
Interest Accrued (thru April 1, 2007- Court Date)	\$10,486.40
<i>Direct out of pocket costs incurred by CFHA:</i>	
Credit Union Fees (research & statement costs)	\$754.30
Legal Fees (initial consultations only)	\$1,957.50
Accounting Services - J. Hoffman	\$350.00
National City Bank - Loan Fees and Interest	\$1,176.02
Homeowner Notification & Mailing Costs	\$1,125.00
	<hr/>
Total Damages - Recognized by Prosecutor	\$80,180.48
Less Repayments to Date	<hr/> <u>(\$53,049.00)</u>
Balance of Restitution Still Due to CFHA	<hr/> <u>\$27,131.48</u>
<i>(as of December 31, 2007)</i>	

Financial Review - 2008 Budget

	2007	2008
	<u>Budget</u>	<u>Budget</u>
Income		
4000 - Homeowners Dues	64,000.00	64,000.00
4050 - Special Recovery		
4051 - Recovery Amount	0.00	0.00
4052 - Well Loan Pay-off	0.00	0.00
Total 4050 - Special Recovery	<u>0.00</u>	<u>0.00</u>
4099 - Interest Income	0.00	1,000.00
Total Income	<u>64,000.00</u>	<u>65,000.00</u>

Financial Review - 2008 Budget

	<u>2007</u> <u>Budget</u>	<u>2008</u> <u>Budget</u>
Expenses		
6100 - Administration		
6110 - Insurance	3,200.00	3,400.00
6120 - Legal Fees	3,000.00	3,000.00
6121 - Special Legal & Bank Fees	0.00	0.00
6122 - Financial Review	0.00	1,000.00
6125 - Newsleter & Website	850.00	1,600.00
6140 - Bank Charges	100.00	250.00
6145 - Fed & Mich Filing Fees	0.00	0.00
6150 - Postage & Mailing	1,200.00	1,200.00
6155 - Office Supplies	500.00	500.00
Total 6100 - Administration	<u>8,850.00</u>	<u>10,950.00</u>

Financial Review - 2008 Budget

	2007 Budget	2008 Budget
Expenses		
6200 - Utilities & Repairs		
6210 - Electricity 8 & 9 Mile	2,760.00	2,920.00
6220 - Electrical Repair	3,000.00	3,000.00
6225 - Mailbox Repairs		
6221 - Repair Costs	2,000.00	2,800.00
6222 - Reimbursements	0.00	0.00
6225 - Mailbox Repairs	2,000.00	2,800.00
6230 - Sprinkler & Well Repairs	1,800.00	1,800.00
6231 - Well Rid O Rust	2,600.00	3,000.00
6235 - Street Sign Repair	150.00	150.00
Total 6200 - Utilities & Repairs	12,310.00	13,670.00

Financial Review - 2008 Budget

	2007	2008
	Budget	Budget
Expenses		
6300 - Special Events	200.00	200.00
6400 - Landscaping		
6410 - Lawn - Mowing / Fertilizer	8,781.00	8,900.00
6415 - Flowers - Clean -up, Weeding	12,842.00	15,762.00
6440 - Christmas Lights	3,629.00	3,272.00
6445 - Misc. Landscaping	725.00	725.00
Total 6400 - Landscaping	25,977.00	28,659.00

Financial Review - 2008 Budget

	2007	2008
	<u>Budget</u>	<u>Budget</u>
Expenses		
6500 - Storage Locker & Misc.	850.00	850.00
6600 - Park Maintenance	2,200.00	2,200.00
6700 - Emergency Reserve	3,000.00	4,000.00
6800 - Capital Expenditures		
6810 - Entry Sign Repair	600.00	600.00
6830 - Well Loan Repayment	5,400.00	0.00
Total 6800 - Capital Expenditures	<u>6,000.00</u>	<u>600.00</u>
Reconciliation Discrepancies	0.00	0.00
Total Expenses	<u><u>59,387.00</u></u>	<u><u>61,129.00</u></u>
Revenue less Expenditures	<u><u>4,613.00</u></u>	<u><u>3,871.00</u></u>
Cash Balance - December 31, 2007	<u><u>\$58,685.82</u></u>	

Architectural Control

■ Accomplishments in 2007

- Promptly Responded to Homeowner's Change Requests with New Online Notification and Voting Procedure
 - Goal: Less Than 72 Hour Turn-Around

■ Plans for 2008

- Continue Satellite Dish Placement Enforcement
- More Aggressive Enforcement of Exterior Property Maintenance Requirements

Plans for 2008

- Continue Rigorous Financial Controls
- Continue Annual Outside Financial Review
- Pursue Full Restitution Of Embezzled Funds
- No Dues Increase For 2008
- Maintain Entryway Professional Appearance
- Trim Entryway Pear & Crab Trees; Drop Dead Trees Behind 9-mile West Sign
- Pursue Architectural Control Compliance
- Continue Award-winning Plan

New Business

■ Additional Board Positions

■ Social Chair

- Organize and Manage Events
 - Easter Egg Hunt
 - Garage Sale
 - Independence Day Parade
 - Oktoberfest

Open Discussion

■ Comments

- Questions
- Concerns
- Suggestions

■ Adjourn



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Annual Meeting – 2008