

**Sterling Woods II**  
**Master Board Meeting – Open Session**  
**Draft of the Minutes – January 19<sup>th</sup>, 2011**

**Call to order and establish a quorum** – George Holland called the meeting to order at 7:30 PM. Present were George Holland, President (President of the Summit); Andrew Taylor, Director (President of the Oaks); Mike Palica, Director (President of the Elms); Tony Brzezinski, Vice President of the Birches and Dave Renna, Vice President of the Willows.

Absent from the meeting was Steve Andrewson, Vice President (President of the Willows); Joe Wielock, Secretary (President of the Maples) and Stan Kishner, Treasurer (President of the Birches).

Kim Murray and Art Stueck attended on behalf of REI Property and Asset Management.

**Request of owners to speak –**

Steve Griffing, Unit Owner of 1504 Cypress Drive, had questions and concerns relating to the Maintenance Standards document that was sent to all Unit Owners for comment. The Board answered his questions and thanked him for his suggestions.

Doug Smith, 102 Logging Trail, informed the Board he was served to appear in court to represent Sterling Woods in regards to a matter on McKay Road because the litigants thought his property borders McKay Road. The Board asked REI to look into this matter for Doug. REI will contact the attorney who served Doug Smith to discuss this further.

**Ratification of the minutes –**

Mike Palica made a motion to ratify the minutes from the December 15<sup>th</sup>, 2010 Master Board Meeting Open Session. Andrew Taylor seconded the motion. Without objection, the meeting minutes were approved.

**Treasurer's Report – George Holland**

In December, the Association had \$115K of expenses. Income was \$58K for a monthly net operating loss of \$57K. The major expenses for the month were lawn and shrub maintenance, snow removal, general maintenance and painting railings. For the year 2010, we have an operating loss of \$32K. There was a budgeted expectation of a \$12K loss. General Maintenance was over budget by \$17K primarily due to two problems that surfaced – many privacy walls needed to be rebuilt because they were rotted and many deck footings needed to be replaced as they had disintegrated. Lawn and Shrub Maintenance was over by \$6.5K. The Association was able to cover the loss because we had retained earnings from prior years.

Total reserves are \$1.38M. Total assets are \$1.5M.

George discussed some emerging cost issues for 2011. Insurance was \$62K in 2009 and went up to \$72K in 2010. Our insurer cancelled our policy effective 1/15/2011 so expecting an increase we budgeted \$93K for 2011. The new insurance policy falls within this parameter but there is now a higher deductible which may impact maintenance costs.

The snow removal contract is a fixed price up to 55 inches. For anything over 55 inches, we will be charged approximately \$4,000 per inch of snow. There is strong likelihood that we will be over budget for snow removal services. There are no retained earnings this year to cover this possible overage. Excess snow removal costs will be tracked in a separate account. Once the winter season is over, and excess costs can be fully evaluated, the Board will consider alternatives for dealing with this budget overage.

In January, a Beechnut is anticipated to sell for \$319K. In February, an Acorn is anticipated to sell for \$270K.

### **Landscaping Committee Report -**

There was no report given at this time.

### **Maintenance Committee Report – George Torro**

George Torro stated that privacy walls needed to be replaced at five units on Bradford Drive because they were rotted.

### **Management Report –**

All REI follow ups, as a result of the last Board meeting and contained within the monthly status package, were reviewed.

### **Old/New Business –**

REI to follow up on the annual review and income tax return preparation once a new CPA has been selected.

REI will bring 2008 files to the Association's storage facility.

REI will follow up on entrance road reconciliation.

The Board reviewed and discussed the Unit Owner comments received in regards to the document titled Resolution of the Executive Board Adopting Maintenance, Repair and Replacement Standards. George Holland gave an overview of the changes made to the State Statue that went into effect on July 1, 2010. After reviewing comments received from Unit Owners, the following changes will be made to the Maintenance Standards document.

Regarding hot water heaters (item #1) – we will change the document to say installation date instead of manufacturer’s date. We will add a comment about tank-less hot water heaters and find out what the industry standard is for expected life of a tank-less hot water heater.

We will add refrigerator hose to item #2. REI will contact the Association’s plumber to see what these hoses should be changed to.

We will change item #6 to say liquid fuel heaters instead of kerosene.

We will seek technical advice on what specific appliances shouldn’t be left unattended when in operation and modify item #8 accordingly.

The Board decided there will be a grace period until May 1.

Mike Palica made a motion to approve the Maintenance Standards as modified. Andrew Taylor seconded the motion. Without objection, the Maintenance Standards, as modified, were approved.

At 9:00 PM, Mike Palica made a motion to adjourn. Andrew Taylor seconded the motion. All present voted in favor of the motion.