

Sterling Woods II
Master Board Meeting – Open Session
Draft of the Minutes – July 13th, 2011

Call to order and establish a quorum – George Holland called the meeting to order at 7:00 PM. Present were George Holland, President (President of the Summit); Steve Andrewson, Vice President (President of the Willows); Stan Kishner, Treasurer (President of the Birches); Joe Wielock, Secretary (President of the Maples); Andrew Taylor, Director (President of the Oaks) and Mike Palica, Director (President of the Elms).

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

Request of owners to speak –

Martin Fromm, 1701 Bradford, suggested the Board more fully explain proxies when they are sent to Unit Owners. He also asked for clarification as to who is responsible to repair a leak in a Unit if a roof leaks. The Board informed him the Association is responsible for repairs due to a roof leak.

Maria Rizzo, 1605 Bradford, expressed a number of concerns about the cleanliness of her unit after major repairs were recently performed and asked to be reimbursed for expenses she incurred for cleaning her clothes. Kim Murray will set up an appointment for Art Stueck to meet Maria at her Unit in the near future.

Ratification of the Minutes – Joe Wielock made a motion to accept the draft of the June 15th, 2011 Open Session Meeting minutes. Steve Andrewson seconded the motion. Without objection, the meeting minutes from the June 15th, 2011 Master Board Open Session were approved.

Treasurer's Report – Stan Kishner

In June, the Association had \$134K of expenses. Income was \$111K for a monthly net operating loss of \$23K. Expenses for the month were dominated by \$18K for lawn and shrub maintenance and \$40K for snow emergency-related repair costs. For the year-to-date, expenses are \$266K over budget due to the expenses related to the snow storms as well as the need to pay our insurance premium earlier than planned. Our year-to-date operating loss is \$206K.

The reserve fund is at \$1.47M.

In June, a Chestnut sold for \$290K. In July, we expect a Beechnut to sell for \$286K, an Acorn to sell for \$267K and a Hickory to sell for \$295K.

Our accountants, Tomasetti, Kulas & Co. completed an audit of the Association's financial statements for 2010. They concluded that our financial statements provided a

fair representation of our financial position, operations and cash flow and are in conformity with generally accepted accounting principles.

The auditors also made four recommendations, three of which the Association will probably reject for the reasons given:

1. The auditors recommended that we should consider changing our financial statements from a cash basis to an accrual basis. While this makes our finances easier to audit, we have decided over the years that operating on a cash basis is easier for the Association.
2. The auditors recommended that we increase our annual reserve contribution to the level recommended in our 2008 Reserve Study. This would mean contributing \$309K in 2010 instead of the \$180K that we did contribute. The Association rejects the approach taken by Reserve Advisors in the 2008 study, since they refused to consider the use of loans to finance the large investments required in the out years (2030 and beyond) for new siding and windows.
3. The auditors recommended that we budget for uncollectible accounts receivable. We do not consider any of our accounts receivable to be uncollectable.
4. The auditors recommended that we avoid deficits in the operating account. We did budget for the deficit in 2010 because of large positive retained earnings from 2009.

Landscaping Committee Report – presented by Carole Torro

Turf repairs are complete. Plant replacements are complete. Pruning is complete with the exception of spirea which will not be trimmed until flowering is over (typically sometime in August). However, they will be pruned at unit owner's request.

Mowing and weeding continues weekly as well as policing grounds for litter and landscape debris. All e-mails are addressed. All unit owner concerns are addressed and discussed at the weekly meetings.

An application of insect control to all ornamental beds was applied on July 12, 2011. This application was a systemic soil drench.

Bartlett will be in the community in the month of July to take care of removals and replacements, and to prune. The 80/20 zone has 5 or 6 trees that have been red tagged for removal and replacement and about 10 others that will be pruned. There are 16 community trees (non 80/20) that are designated for removal with no replacements. They are in open areas or areas that have been overplanted and they did not do well. They are located as follows: 3 in Bradford, 1 in Hancock, 5 in Pinnacle, 1 in Cypress, 2 in Logging Trail and 4 in Heartwood.

Matt Flanagan from Bartlett is researching why many trees along Pinnacle turned brown after they started to bloom.

Maintenance Committee Report – presented by George Torro

REI will contact Paul Szymanski, Engineer, and ask him to create specs and blueprints to re-pave the rest of Silversmith Drive. Once the specs are received, REI will send them out for bid.

George Torro and Kim met with Rich Houghtaling from Do It Right. Rich has caulked cracks on the landings of steps in the past few years. The Maintenance Committee is finding that the caulking and skim coating does not last. Rich feels this is because the steps are still settling or the footings are possibly moving. The contractor suggests that we fill the cracks and then seal the concrete. Another meeting is scheduled for July 21 to review Rich's proposal.

REI and George Torro met with Vinny from LoStocco Metal Works and he explained why he could not use a stainless steel weld on the rails. He confirmed that all the railing plates are stainless steel.

REI is waiting for a proposal from Bob Williams from Complete Excavation, our concrete vendor, for concrete replacement in a few locations.

Harry Shaker completed power washing and deck staining on Hancock Drive. He is now working on Revere Road then will move onto Silversmith Drive and Logging Trail Road. He will also stain the fence at the end of Revere.

The handyman painted all the sign posts on Silversmith as well as all the villages. Next he will start straightening and painting the mailbox posts in the Birches.

Mailbox stations throughout the community will be painted beginning on July 15, 2011.

The contract for deck power washing and staining and building power washing expires this year. REI was asked to add painting handrails to the new cycle deck staining contract.

The pool pump needs to be replaced. This will be done by the end of July.

All the painting and staining needs of the community were discussed. Some items, e.g. deck staining and railing painting will continue to be performed on a cyclical total village basis. Other items e.g. front doors, trim, and columns, will be performed on an as needed basis.

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 will also follow up on the clubhouse alarm contract – it expires on 9/30/11.

The Board reviewed an e-mail from a Unit Owner informing them that it is illegal to put old smoke detectors in the trash. The e-mail stated that they can be sent back to the manufacturer for proper disposal but you need to call them first. REI was asked to double check with the City of Danbury and our trash contractor about where a Unit Owner can properly dispose of old smoke detectors. REI will inform the Unit Owners about this in a newsletter once all the information is collected.

REI will contact Winter Brothers, our trash contractor, to ask if he will provide Unit Owners with recycling bins at no cost or at a reasonable cost.

REI will include the Annual Summer Social flyer in the upcoming newsletter again.

REI will include a signup sheet for the Flu Shot Clinic in the August newsletter.

Residents will be reminded not to wash their flip flops in the pool.

Joe Wielock made a motion to adjourn the meeting. Andrew Taylor seconded the motion. All present voted in favor of the motion.