

**FRANKLIN KNOLLS HOMEOWNER'S ASSOCIATION, INC.**

Minutes of the Annual Membership Meeting

Date: Wednesday, November 13, 2019

Place: Warner Middle School  
30303 14 Mile Rd,  
Farmington Hills, MI 48334

Attendance:

See attached resident sign in sheet

Board Members:

Katherine Demeter	President
Milt Levine	Vice President
Scott Wood	Treasurer
Carol Lundberg	Secretary
Sandy Ashcroft	Member at Large
Mark Giles	Member at Large

**Item I. Call meeting to order.**

The listed Board members were present at 7:00 PM, in accordance with the original Notice of Meeting distributed by regular mail and received on October 31, 2019 in accordance with our bylaws. Having reached the minimum quorum of 22 members (households) in attendance the meeting was called to order at 7:02 PM. In addition, 8 proxy votes were presented. The meeting proceeded with introductions of the FKHA board members.

**Item II Approval of the minutes of the November 14, 2018 Annual Meeting.**

The minutes of this meeting were distributed to every household by mail last spring. The chairperson then asked for comments or corrections to the minutes as printed. There being no comments. K. Demeter called for a motion of approval. C. Lundberg, lot 161, made a motion to approve and M. Levine, lot 111, seconded the motion that the minutes be accepted as presented. Put to the vote the minutes were approved with no objections and duly signed.

**Item III. Treasurer's Report: Recap of 2018-2019 Fiscal Year**

Scott Wood, Treasurer, Lot 127 presented the recap of expenses on the Statement of Revenues, Expenses and Net Assets report for the year ended September 30, 2019. S. Wood shared that total revenues were \$57,505 and the total operating expenses were \$67,546. Therefore, we were \$(10,041) expenses over revenue. Refer to attachment for details. S. Wood explained that there were additional expenses this year for the Pump House. These included a new electric heater, distribution pipe repair, replacement of 2 isolation valves and a well drop pipe had to be pulled & replaced.

#### Item IV. Old Business

- A. **Landscaping:** Scott Wood, Lot 127, reported that our landscaper, United Lawnscape made many improvements this past year including planting hydrangeas & other perennials, adding rocks at one of the entrances and moving some plants. Plan is to add bit by bit to keep landscaping fresh. It is also possible that some of the areas could have improvements made by residents. We are asking for volunteers to sign up to help if they are interested.
1. T. Scheffler, Lot 3, said she had volunteered to help with planting but was never contacted.
  2. R. Silverstein, Lot 112, has perennials that could be dug up and planted. Suggested that we do a perennial trade in the Fall and/or Spring.
  3. K. Demeter, Lot 119, asked that residents sign up on sheet so that Board would know who to contact in the future for assistance.
- B. **Water System Update:** S. Wood, Lot 127, shared that all the water tests have returned excellent results and the water is of high quality. Water testing has been conducted regularly and on time and follows all standards and regulations. Upgrades and modifications have been made to equipment as shared previously in Treasurer's report. Scott talked about cross connections and said he is available if anyone has any questions/concerns at their homes. A check valve is an important tool to help in preventing cross contaminations.
1. T. Scheffler, Lot 3, brought up research that she has done to convert our system to city water. Spoke with City of Farmington Hills, if 30% of neighborhood is interested in city water, they would set up a meeting & discuss cost to convert. To determine how many residents are interested, a petition will be circulated in the neighborhood.
  2. D. Espenshade, Lot 121, asked if water safe to drink? S. Wood, Lot 127, replied that water is safe to drink. It's a personal choice for residents to not drink from tap. C. Lundberg, Lot 161, said she uses tap water to cook, brush her teeth and take pills, but doesn't like the taste for drinking.
- C. **Sprinkler Systems:** Our representative at EGLE, who took over about a year ago is looking into feasibility for our neighborhood. She did find a letter that was sent from the DEQ in 2002 that said sprinklers were not feasible because of the capacity of our well system. Since then we have installed a new well, so waiting to hear back on feasibility.
- D. **Community Events:** K. Demeter, Lot 119, reported that we had a Garage Sale in June, an Earth Day cleanup with pizza after in April and an Ice Cream Social in the summer. She said that the Board is open to suggestions for other events and is always looking for volunteers. The Board had received feedback from one homeowner that the timing of Garage Sale not being good. No one at the meeting stated that they would prefer a new date.

#### Item V. New Business

- A. **Financial management update:** S. Wood, Treasurer, Lot 127, reviewed the Balance Sheet as of September 30, 2019. Total Assets were \$157,716 (\$126,164 in cash, \$4,151 in accounts receivable and \$27,401 in permanent assets).
- B. **Annual Budget 2019-2020:** S. Wood, Treasurer, Lot 127, reviewed the Fiscal Year (FY)19 Budget with the FY19 Actual Results, along with the FY20 Budget (proposed). We budgeted \$73,050.00

for FY19 and our actual total expenses were \$66,834.52. We budgeted \$116,250.00 for FY20. Some of the expenses in the new budget include:

1. Line item 004 Pump House:
  - a. Shrewsbury fire hydrant & isolation valve (Complete) ~\$12,000.
  - b. Three more hydrants to be replaced (Planned) ~\$21,000.
  - c. Manager cost - \$11,280
2. Line Item 002 Misc.
  - a. Fall landscaping (Complete) ~\$3,000.

N. Scheffler, Lot 3, pointed out that if we were on city water the hydrants would have been repaired by the city.

M. Williams, Lot 63, expressed concern about expenses being greater than income. S. Wood stated that expenses have varied greatly over the years. There have been years where we have had a surplus, but expenses have been increasing.

- C. **Resident Requests to Board:** S. Ashcroft, Lot 128, shared that the Board is asking residents to put their requests in writing whenever possible. This gives the Board time to review and respond appropriately. K. Demeter, Lot 119, said urgent issues may still be called to members. S. Wood, Lot 127, said that messages addressed to [franklinknollshoa@gmail.com](mailto:franklinknollshoa@gmail.com) are sent to all board members.

NOTE: M. Van Dyke, Lot 55, asked if we needed to approve the budget? K. Demeter, Lot 119, made a motion to approve budget as proposed. Motion was seconded by M. Levine, Lot 111. Budget was approved as presented.

- D. **Water Testing:** K. Demeter, Lot 119, said that we need additional homes to be “house sample sites” for water testing. S. Wood, Lot 127, clarified that we currently the requirement is to test 10 homes, but a new requirement from EGLE is to have a list of 20 homes on record to sample from.

- E. **Water Flushing** is done three times/year. We offer volunteers a credit to their account for assisting in the flushing. This is for up to three volunteers each time. Each homeowner is limited to a maximum of two credits per year. The credit is equal to 6 months of HOA dues.

1. R. Silverstein, Lot 112, asked what the dates were for replacing hydrants? S. Wood, Lot 127, said that parts are on order, so there is no date yet. De’Angelo Brothers is the preferred provider and they’re backed up. Once the repairs are complete a boil water advisory is issued to any homes that lost water pressure due to the repair. Water sample testing is then required. At a minimum the samples are taken at 24 & 48 hours following the repair. The boil water advisory will be lifted once clear. The boil water advisory notice will be taken door to door to affected houses.

F. **Proposals**

1. Water System Operations Manager Compensation: C. Lundberg, Lot 161, explained that over the past couple of years, it has become apparent that as a result of our aging infrastructure and increased regulatory requirements from EGLE (Department of Environment, Great Lakes & Energy), managing our water system is a lot to ask for from a volunteer. We did some research, including talking to Briarcliff subdivision, and getting a quote from a water systems management company, Infrastructure Alternatives. The board would like to move forward with one of two options: we could go with Infrastructure Alternatives, which we estimate could be up to \$2700 per month to

handle the management of the water system. Or we can hire our treasurer's company Scott Wood Services to manage it at a fixed rate of \$940/month, which is a significant savings.

- a. N. Scheffler, Lot 3, expressed concern about conflict of interest in hiring a board member to provide service. K. Demeter explained that Scott would recuse himself from issues pertaining to his company.
- b. M. Van Dyke, Lot 55, asked if there were any state requirements or licensing? It was explained that this would be an oversight position and not the official water systems operator. Geoff Todd from Aquatest Laboratories is our licensed water systems operator and will continue to do so. Scott Wood Services is a LLC which is insured and is considered a subcontractor under the association. There are extra forms & requirements needed for EGLE which take more time than historically. M. Van Dyke, Lot 55 asked if we should try to get more quotes from other management companies? S. Wood, Lot 127, stated that it's hard to find other options. Many water systems have local staff that manage their own systems.
- c. It was decided that we should research & put actual numbers together on converting to City water. D. Espenshade, Lot 121, suggested that we set a timeline so we're not in same position a year from now. S. Wood stated that this was something that he also wanted to look into, but it would be hard to give a time estimate on this due to most of the work would be from the city.

M. Van Dyke made a motion that we name Scott Wood Services the water system operations manager company. R. Fortuna, Lot 88, seconded motion. Motion passed with 3 opposing.

2. Storage Shed for Pump House Property: S. Wood, Lot 127, explained that we need somewhere to store equipment and supplies used by the association. Currently, they are being stored at board member homes, which is not ideal because there is no central repository that is accessible by all of the board members who need access to those supplies. We have looked into pricing for wood structures that would be in keeping with aesthetic standards of our neighborhood and have identified some options that are in the \$5,000 price range.
  - a. M. Williams, Lot 63, asked if this was already in the budget? Yes.
  - b. The city gave us acceptable locations for placement of the shed.

Motion: K. Demeter, Lot 119, made a motion to approve \$5,000 for the purchase and construction of a permanent storage shed to be located near the pump house. M. Levine, Lot 111, seconded the motion. Motion passed with 1 opposition.

3. Change Semi-annual HOA Dues from \$175 to \$200 (\$50 increase annually): K. Demeter, Lot 119, explained that our water system and other infrastructure is 65 years old, and many of the big-ticket items are coming to the end of their life. Recently we have had to replace four fire hydrants, three isolation valves and had some fairly major work done on one of our wells. We need to prepare for the

impending replacement of costly components of the system. Our last dues increase was back in 2006, when semi-annual dues were raised from \$150 to \$175. Since then, we've been lucky, but we need to prepare for some significant expenditures. At the same time, the cost of things like insurance and maintenance has increased. Briarcliff, which has a water system very similar to ours has semi-annual HOA fees of \$310.

a. T Scheffler, Lot 3, pointed out that we wouldn't need to fix aging infrastructure if we converted to city water.

K. Demeter made a motion that we approve an increase in semi-annual dues from \$175 to \$200, starting with the next billing in April 2020. Motion passed with 3 opposing.

**G. Slate of officers for 2019-2020 Board of Directors**

President:	Katherine Demeter
Vice President:	Milt Levine
Secretary:	Carol Lundberg
Treasurer:	Scott Wood
Member at Large	Mark Giles
Member at Large	Sandy Ashcroft
Member at Large	Brent Slater

H. **Nominations from the floor:** Louise Collins, Lot 144, volunteered to be on the board. We need her to sign a "Willingness to Serve" form.

I. **Vote for Officers:** K. Demeter, Lot 119, made a motion to accept the slate as presented. M. Levine, Lot 111, seconded the motion. Motion was approved.

**J. Items from the floor**

1. Water System

a. T. Scheffler clarified that we need a petition with 30% of residents interested in city water, not 30% of neighborhood attending a meeting. Then we can go to city and ask for a meeting with specific information. A. Espenshade, Lot 121, suggested that we ask for a committee of volunteers to do a survey. Waiting until spring to do makes more sense.

b. M. Ashcroft, Lot 128, reiterated D. Espenshade's comment from earlier that we not wait another year before finding out about city water.

c. It was asked if we could have a special meeting where a presentation could be made on what the cost would be for converting to city water. Board agreed that we could do that.

2. N. Scheffler, Lot 3, said that the streetlight at Shrewsbury & Northwestern Hwy was out. Board will need to notify city.

3. M. Williams, Lot 63, thanked the board for what we do.

K. **Adjournment:** M. VanDyke, Lot 55, made a motion to adjourn the meeting. Motion was seconded by M. Levine, Lot 111. Motion passed. Meeting was adjourned at 8:57 PM.