

West Port Village Board of Directors

Board of Directors Meeting Minutes

December 19, 2017

The Board of Directors Meeting of the Association of West Port Village was held at 5401 West H Avenue, Kalamazoo, MI 49009 on Tuesday, the 19th day of December at 10:00 AM. The following persons were present:

	Steve Visser	President
	Jeff Scheffers	Vice President
	Larry Kenaga	Treasurer
	Mary Knechtel	Member at Large
	Erica Corstange	West Port Village Administrator
Absent:	Kelli Scheffers	Secretary

Steve Visser called the meeting to order at 9:59 AM and welcomed everyone to the meeting.

Agenda Items

Review Minutes from November 21, 2017

The minutes were reviewed and it was noted that the date and month were incorrect. It should read that the meeting was held on Wednesday, the 21st of November. The board is still pursuing discussion with Tustin's, but due to their seasonal work we will pursue again in the spring. The street light on Stone Valley Lane is still not functioning correctly and the electrician has been made aware.

A co-owner requested more information regarding the recent project to remove trees in the village therefore, the following info is provided:

- Total trees removed 5
- Trees removed at co-owner expense 3.5
- Common area trees removed at WPV expense 1.5
- West side common area tree line groomed at WPV expense
- Total WPV expense = \$1865

Mary made a motion to approve the minutes, Jeff seconded the motion. Motion moved, supported, and passed (MMSP).

Budget Approval

Larry presented the 2018 budget. Mary made a motion to approve the budget, Jeff seconded the motion. MMSP.

The 2017 budget was constructed with an anticipated contribution to the reserve fund of 12% of the 2017 operating revenue. Larry recommended an additional \$1186 be added to bring the total contribution to 12.5%. Mary made a motion to approve with second from Jeff. MMSP.

Larry presented a revised version of the short term and long term goals that he presented at the meeting in November. One goal is to have a Reserve Study done on the WPV Reserve fund. Larry then presented the board with an article explaining the importance of a Reserve Study which can be done in-house or by an outside source. Mary made a motion to approve the goals and Jeff seconded the motion. MMSP.

2018 BOD Meeting Schedule

The schedule for 2018 Board Meetings was reviewed. Mary made a motion to approve the dates.

Larry seconded the motion. MMSP. The schedule is attached and will be posted on the bulletin board in the clubhouse.

Visser Parking Lot

Mary presented a drafted policy for WPV use of the Visser Parking lot. Larry made a motion to approve the draft and Jeff seconded the motion. MMSP. The policy is attached and will be posted on the bulletin board in the clubhouse.

The meeting was adjourned at 10:43 AM. The next meeting is January 16, 2018 at 10:00 AM.

Respectfully Submitted,
Kelli Scheffers, Secretary

December 19, 2017

Greetings WPV Condominium Association Members,

During the December 2017 WPV Board Meeting, the board approved a budget for 2018. The Board wanted to share that budget with each of you. The approved budget and the supporting documentation is attached.

We want to take the opportunity to offer some insight into the 2017 financials as well as the budgeting process that we employed for 2018.

Attached is a document entitled "2018 WPV Budget". This document provides:

- 1) a comparison of the 2017 actual expenses with the 2017 budget
- 2) the 2018 approved budget, and
- 3) a comparison of the 2017 budget and the 2018 budget

2017 was a good year for WPV financially. Overall, revenues were above budget projections and operating expenses were below budget projections. As a direct result, we are projecting to contribute approximately 12.5% of our monthly assessments into the WPV Reserve fund. Every co-owner should be complimented on this effort and the board hopes to see this trend continue.

In development of the budget, the board solicited bids for key services that are provided at WPV. The result of this effort has allowed us to continue to work with our current supplier base, keep our expenses cost-effective, and allows us to approve a budget that should place a minimum of 12% of our monthly dues into our Reserve Fund. For 2018, our projected revenues are expected to increase by 6.6% (with the anticipated addition of 3 units) while our projected expenses will increase by 7.1%, over 2017 actuals.

The Board has adopted short and long term goals. These goals, that are in alignment with the WPV Association By-laws, are a broad brush attempt to communicate what the Board holds as a priority and the key issues we believe are facing the association and our partnership with the developer in the coming year. The intent is to use these goals in our budgeting decisions going forward and are expected to change as time goes on. Please keep in mind that these goals are not cast in concrete and are subject to modification as priorities dictate.

As you review the 2018 budget and Board goals, please feel free to forward questions or comments to any board member.

Sincerely,

Steve Visser, Jeff Scheffers, Kelli Scheffers, Mary Knechtel, Larry Kenaga

Attachments:

2018 Budget

2018 Budget Notes

Board of Directors 2018 Goals

Link – Importance of Reserve Study - <https://micondolaw.com/2016/03/04/the-role-and-importance-of-the-reserve-study-in-determining-an-appropriate-reserve-fund/amp/>

West Port Village Condominium Association
2018 Budget

	2017 Actuals Projected	2017 Budget	2017 Budget vs. Actual Projected -over(under)-	2018 Budget	2018 vs. 2017 Budget -over(under)-	Percent Change	Note:
INCOME							
Operating Revenue							1
Monthly Dues	\$ 150,384.32	\$ 146,640.00	\$ 3,744.32	\$ 159,330.00	\$ 12,690.00	8.0%	2,4
Clubhouse Rental	\$ -	\$ 50.00	\$ (50.00)	\$ 50.00	\$ -	0.0%	
Entry Gate Cards	\$ 40.00	\$ 200.00	\$ (160.00)	\$ 200.00	\$ -	0.0%	
Total Operating Revenue	\$ 150,424.32	\$ 146,890.00	\$ 3,534.32	\$ 159,580.00	\$ 12,690.00	8.0%	
Direct to Reserve Revenue							
New Member Pre-Paid Assessment	\$ 4,230.00	\$ 1,410.00	\$ 2,820.00	\$ 1,410.00	\$ -	0.0%	3
Reserve Interest	\$ 300.00	\$ 300.00	\$ -	\$ 300.00	\$ -	0.0%	
Total Direct to Reserve Revenue	\$ 4,530.00	\$ 1,710.00	\$ 2,820.00	\$ 1,710.00	\$ -	0.0%	
Total Income	\$ 154,954.32	\$ 148,600.00	\$ 6,354.32	\$ 161,290.00	\$ 12,690.00	7.9%	
EXPENSES							
Administration - WPVCA, Salaries	\$ 12,900.00	\$ 12,900.00	\$ -	\$ 13,300.00	\$ 400.00	3.0%	
Administration - WPVCA, Accounting & Legal	\$ 540.00	\$ 800.00	\$ (260.00)	\$ 1,000.00	\$ 200.00	20.0%	
Administration - WPVCA, Office Supplies	\$ 30.00	\$ 100.00	\$ (70.00)	\$ 125.00	\$ 25.00	20.0%	
Insurance - WPVCA, Property & Liability	\$ 22,404.55	\$ 24,000.00	\$ (1,595.45)	\$ 22,000.00	\$ (2,000.00)	-9.1%	
Maintenance - Clubhouse Equipment	\$ 99.00	\$ 300.00	\$ (201.00)	\$ 200.00	\$ (100.00)	-50.0%	
Maintenance - Entry Gate Hardware	\$ 537.50	\$ 2,000.00	\$ (1,462.50)	\$ 750.00	\$ (1,250.00)	-166.7%	
Maintenance - Nature Trail Mulching	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ -	-	17
Maintenance - Street Repair & Sealing	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 1,500.00	\$ (3,500.00)	-233.3%	
Service - Arborist	\$ 85.00	\$ 1,400.00	\$ (1,315.00)	\$ 3,650.00	\$ 2,250.00	61.6%	18
Service - Condo Deck Cleaning	\$ 2,350.00	\$ 2,750.00	\$ (400.00)	\$ 2,700.00	\$ (50.00)	-1.9%	9
Service - Condo Window Cleaning	\$ 5,850.25	\$ 7,000.00	\$ (1,149.75)	\$ 7,350.00	\$ 350.00	4.8%	8
Service - Lawns and Grounds	\$ 37,627.00	\$ 35,625.00	\$ 2,002.00	\$ 37,000.00	\$ 1,375.00	3.7%	7
Service - Refuse/Recycling	\$ 7,229.72	\$ 7,100.00	\$ 129.72	\$ 7,900.00	\$ 800.00	10.1%	10
Service - Snow Removal and Salt	\$ 19,100.00	\$ 19,100.00	\$ -	\$ 21,500.00	\$ 2,400.00	11.2%	5
Service - Sprinkling System	\$ 6,441.00	\$ 6,500.00	\$ (59.00)	\$ 7,300.00	\$ 800.00	11.0%	6
Service - Tree Trim/Removal	\$ 1,865.00	\$ -	\$ 1,865.00	\$ 1,900.00	\$ 1,900.00	100.0%	19
Utilities - Cable TV (Fitness Area)	\$ 1,080.03	\$ 1,100.00	\$ (19.97)	\$ 1,100.00	\$ -	0.0%	
Utilities - Entry Gate Communications	\$ 1,063.78	\$ 900.00	\$ 163.78	\$ 1,350.00	\$ 450.00	33.3%	20
Utilities - Street Lights	\$ 709.05	\$ 751.00	\$ (41.95)	\$ 1,000.00	\$ 249.00	24.9%	11
Utilities - Water Sprinkling Common Areas	\$ 300.00	\$ 200.00	\$ 100.00	\$ 1,860.00	\$ 1,660.00	89.2%	12
Contingency - General	\$ -	\$ 1,700.00	\$ (1,700.00)	\$ 1,500.00	\$ (200.00)	-13.3%	13
Contingency - Lawn Fungus Control	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00	100.0%	
Total Expenses	\$ 127,211.88	\$ 129,226.00	\$ (2,014.12)	\$ 136,485.00	\$ 7,259.00	5.3%	
NET INCOME	\$ 27,742.44	\$ 19,374.00	\$ 8,368.44	\$ 24,805.00	\$ 5,431.00	21.9%	
RESERVE							
BOD Approved Allocation from Dues	\$ 18,850.00	\$ 17,664.00	\$ 1,186.00	\$ 19,228.00	\$ 1,564.00	8.1%	16,21
Percent of Operating Revenue	12.5%	12.0%	0.5%	12.0%	0.0%	-0.5%	14,15
Total Direct to Reserve Revenue	\$ 4,530.00	\$ 1,710.00	\$ 2,820.00	\$ 1,710.00	\$ -	0.0%	
Total Addition to Reserve	\$ 23,380.00	\$ 19,374.00	\$ 4,006.00	\$ 20,938.00	\$ 1,564.00	7.5%	
Reserve Balance	\$ 90,566.97			\$ 111,504.97			

Notes:

- 1 Budget includes Units (lots) closed (sold) + those under construction as of 12/31/17
- 2 2016 = 49 units, 2017 = 52 units, 2018 = 55 units + 3 units for 6 mo
- 3 Based on Units under construction 12/31/17
- 4 Montly Dues @ \$235/Mo*12Mo= \$2820/y/unit
- 5 \$21500 Quote from Visser, does not include Isle Harbor Pass/Court which will be developer responsiblity
- 6 \$ 55/unit startup, \$52/unit shut down = \$5720 + all maintenance extra (\$1573 in extras in 2017)
- 7 \$36807 Quote from DeVisser minus \$754 for developer mowing of Common Area
- 8 \$7350 per Crystal Clean Quote
- 9 Fish quote \$50/deck
- 10 Republic quote \$/Bin/mo for 2017 = \$4.00/recycling, \$7.50/refuse (Best Way quote \$14.75)
- 11 Approx \$240/light/year*3 lights= \$720, 5326 Harborview Pass, 2528 Westport Dr, 2593 Stone Valey Ln + Maintenance
- 12 Walking Path Common Area (\$2750 est x0.57 = \$1560) + \$60/year to: 2528 W Port Dr, 3026 Harborview Ct, 2479 Isle Harbor
- 13 Ct, 2563 Creek Shire Ct, 2530 Creek Shire Ct
- 13 Used for Tree Trim/Removal in 2017
- 14 BOD established 12% of operating revenue as target for 2017 Reserve Allocation
- 15 BOD has established 12% of operating revenue as target for 2018 Reserve Allocation
- 16 2017 Budget of \$17644 for Reserve Fund
- 17 \$2000 accrued/held over for Spring 2018
- 18 Previously included as part of grounds maintenance - Treat Blue Spruce for needle drop, treat ornamental trees for fungus, consult on large common area trees
- 19 Common Area Trees Only
- 20 Commercial Phone Line for Gate
- 21 Board Approved 12.5% allocation to reserve fund for 2017

Westport Village Condominium Association

Board of Directors Goals

Short Term Goals

1) Groom Nature Trail

The intent is to place mulch the entire length of the Nature Trail per co-owner suggestions. This is scheduled for spring 2018.

2) Lawn Fungus Control

In the summer of 2017 we observed an advanced case of lawn fungus in the village. There is a threat of lawn fungus spreading to other lawns. An aggressive program may be needed to control the threat before extensive problems develop. Contingency monies have been incorporated into the 2018 budget.

3) Common Area Large Tree Trimming/Removal

This effort is to survey, identify, prune, shore-up or remove problem trees in common areas to ensure they do not become a liability to the association. This includes perimeter grooming where common area trees encroach upon co-owner property. The efforts started in 2017 will continue in 2018. To minimize budget impact the work is to be spread out over time. Thus, lower priority work may be carried over to 2019.

4) Maintain 12% of Annual Operating Budget Allocation to Reserve Fund Through 2018

Typically, condominium associations place 10% to 25% of their annual operating budget into a reserve fund. To adjust for previous year's shortfall in this area, the WPV board increased the association dues in 2014 with the intent to "catch up". The increase has allowed us to continue with aggressive building of the reserve fund. Assuming the village continues its current rate of growth and we have no unforeseen expenses, we should be caught up by year end 2019.

5) Perform Reserve Study in 2019

In order to determine what the contributions to the reserve fund should be in 2020 and beyond, the board plans for a Reserve Study to be performed. The study findings will be available for long term budgeting efforts. If practical, this study may be performed in-house by the association.

Long Term Goals

1) Procure and Manage Appropriate Level of Service for WPV

Services and budget are reviewed and revised according to need. The current level of service provided for in the 2018 budget are a reflection of what the board feels is the needs/desires of the association members.

2) Establish Appropriate Level of Association Dues

The monthly dues paid by association members in 2017 appears adequate to meet the level of service established by the board for 2018.

3) Maintain Cost Effective Service Agreements

It is vital for continued growth of the Reserve Fund to take an aggressive approach to obtaining cost affective services.

4) Provide for Administration of Association Business

As the village grows, so does the need for administrative services. The board intends to maintain an ongoing discussion with association members of how we manage services and service providers to ensure reasonable cost effective services.

5) Continue to Partner with Developer to Promote WPV Success

- a. In 2017, the board and developer agreed to a Phase I split for putting a seal coat on Phase I roads. This split was 72% and 38% for the association and developer, respectively.
- b. The board and developer have agreed to a Phase I + Phase II split for the cost of maintaining the Phase II developed common area and gazebo. In 2018 this split will be 57% and 43% for the association and developer, respectively. The split costs will be adjusted annually according to the sale of new units.

WPV Parking Policy

Scope - To help ensure the safety of WPV residents and visitors, as well as safe and efficient access to streets for snow plowing and other maintenance, overnight parking on WPV streets is discouraged. For these reasons, parking (on a limited basis) is available to WPV residents and guests in the WPV clubhouse parking lot.

When extra parking is needed to accommodate residents and guests, space is available in the club house parking lot.

- A. Cars parking in the club house parking lot must be licensed and insured
- B. Prior notification is not needed for overnight or weekend / holiday parking. If duration of parking exceeds 1 or 2 days, please notify WPV office staff of the car owner name and contact information, make and model of car, license plate number, and anticipated duration of parking in this lot.
- C. Please use parking spots furthest from clubhouse entrance to minimize any impact to WPV association and Visser business activities.

Board of Directors

2018 Meeting Schedule

(3rd Tuesday; 10:00 AM; Visser Offices)

January 16

April 17

ANNUAL MEETING: May 15 @ 6:30 PM

June 19

September 18

November 20

December 18