

Tower Harbor Condo Association

Annual Meeting Minutes **PRELIMINARY** – June 19, 2021

Please note:

These Annual Meeting Minutes are being disseminated to share information in a timely manner, however, they do not contain the 2021-22 Annual Budget.

At the meeting, homeowners were asked their opinions on an increase in monthly assessments. Because the response was overwhelmingly positive, the new THCA Board of Directors will take up this issue at their first regular meeting in July. Based upon that vote, a budget will be created and approved. Following that process, a completed Annual Meeting Minutes with the budget will be sent out to co-owners.

1. Call to Order: 9:00 AM via Zoom Videoconference
2. Roll Call:
  - a. All Board members present on Video:
    - i. Executive Committee: Anne Seuryneck (Interim President), Bob Fish (Treasurer), Kathleen Mueller (Secretary)
    - ii. At Large Members: Carl Gustafson, John Street, Jere Whiteley, Greg Freeman
  - b. Kirk Lydy, representing Cornerstone Management Company
  - c. 23 homeowner units were represented online for 40% attendance. Quorum established.
3. New Owners since last Annual Meeting
  - a. Sigita & Karen Ancevicus 153 Harbor Court
  - b. Neftali & Charna Bouquette 184 Hamilton
  - c. Gary Graeff & Kimberly Krause 354 Mariner's Cove
  - d. Diane Meyer 348 C Mariner's Cove
4. 2021 Board Candidates:
  - a. Two candidates presented themselves for two open positions to serve three-year terms from 2021-2024: Kathleen Mueller and Greg Freeman
  - b. One candidate, who had been appointed to fill a vacant Board position, presented himself to complete the remainder of the term of two years: Jere Whiteley

- c. As there were only three candidates presented for three openings, there was no need for homeowner vote or collection of Proxies. By acclamation, the three presented candidates were confirmed.

5. Vote to Conduct Audit:

- a. A full audit through December 2020 was completed at the request of the 2020-2021 Board, so it was recommended that no additional audit be conducted this year.
- b. Proxies were sent to all homeowners asking for their input, and Proxies will continue to be collected by Cornerstone to determine the final homeowner vote.

6. Treasurer's Report: Budget Review:

- a. Emergency Reserve Fund has been increased every quarter, as planned, with the goal of securing a reserve that will cover one full year of the THCA Operating Budget. The Reserve Fund currently stands at \$78,670, with \$52,046 added in the last 2-1/2 years.
- b. Generally, we are on budget for income, however, unexpected (unbudgeted) expenditures have forced several capital projects to be postponed, including resurfacing of Mariner's Cove and Phase II of Exterior Lighting Upgrades
- c. Here are Completed Projects in 2020-2021, both budgeted and unbudgeted:

<b>Anticipated (Budgeted) Expenditures</b>	
Removal of 'blue poly' piping prior to Mariner's Cove resurfacing	7,380
Upgrading of Exterior (Post and Door) Lighting Complex-Wide	25,600
Trim Painting – Mariner's Cove	2,000
Deck Railing/Spindle Painting – Mariner's Cove	2,100
<b>TOTAL BUDGETED EXPENDITURES</b>	<b>\$37,080</b>
<b>Unanticipated (Non-Budgeted) Expenditures</b>	
Replacement of Sliders and Windows – Unit 202 Hamilton	34,643
Replacement of Sliders and Windows – Unit 184 Hamilton	3,925
<b>TOTAL NON-BUDGETED EXPENDITURES</b>	<b>\$38,568</b>

- d. For now, monthly assessments will remain at \$275. The newly seated Board will take up further discussion regarding a potential increase in monthly assessments
  - i. This situation was discussed openly with homeowners, and it was noted that our monthly assessments have remained unchanged for 10 years. In June of 2011 the increase was just \$25 - from \$250 to \$275
  - ii. THCA currently has the lowest monthly association fees of any condo association in the area. Most local associations do not have the extensive grounds which we maintain – with grounds maintenance being our largest, single operating expense. A comparison of local condo associations provided the following information:

Development Name	Notes	Monthly Assessment
Northern Lights (Douglas)	2 bedrooms	\$397
Clearbrook Green (Saugatuck)		\$325
East Shore (Saugatuck)	2 Bedrooms	\$385
Bay Meadows (Holland)		\$380
Harbourfront (Grand Haven)		\$300-\$345
Singapore Harbor (Saugatuck)		\$550
Windjammer (Saugatuck)		\$550

- iii. Best practice for condominium associations is that monthly assessments completely cover Operating Expenses, with Special Assessments reserved for Capital Improvement Projects.
- iv. Based on our aging complex and list of ongoing maintenance concerns (asphalt replacement, failing windows/sliders, leaking skylights) in order to fully cover THCA's Operating Expenses, monthly assessments would need to be \$360-\$375. This would not remove the need for Special Assessments. To eliminate the need for annual Special Assessments, the monthly assessment would need to be raised to \$445-460.
- v. Homeowner discussion on this topic was 100% supportive of an increase, with all comments recognizing the need for a significant increase in order to maintain the quality of our community. Several homeowners recommended that this be implemented in steps. The Board will review this situation, keeping in mind the best way to implement these needed increases.
- e. Proposed Capital Projects include items postponed from 2020-2021:

Asphalt Replacement – Mariner's Cove	\$67,000
Exterior Lighting Upgrade Phase II - Side/Rear Fixtures & House Numbers	\$16,000
Road Repair – Hamilton	\$1,000*
<i>* Place holder amount pending negotiation with Tower Marina</i>	

- f. To cover these Capital Projects, Board has voted to impose a \$1,000 Special Assessment this year. This assessment may be paid in four \$250 installments (August 1<sup>st</sup>, September 1<sup>st</sup>, October 1<sup>st</sup>, November 1<sup>st</sup>) or paid in lump sum. Any amount not paid in full by November 15<sup>th</sup>, 2021 will be assessed a one-time \$25 late fee.
7. Homeowner Discussion: Short-Term Rental Policy Development
- a. Working from the premise that clear policy and good communication make friendly neighbors and strong neighborhoods, the THCA Board has agreed to investigate updating of Policies for Vacation Rentals among THCA units via an Amendment to the Bylaws.
  - b. When THCA Master Deed and Bylaws were incorporated in 1982, a 'rental' was for a long-term lease of 6-12 months. The advent of Air B & B, VRBO, and other agencies,

short-term (one week or less) vacation rentals have become more prevalent in our condo community.

- c. There has recently been an uptick in complaints by THCA homeowners against short-term renters. There is a concern that rentals booked through online sites do not provide strong oversight of short-term renters. The Board feels that clarity on rules and expectations for those renting out their units will help our community maintain comity.
- d. As our condo association has potential liability with short-term renters staying in our community, it is to everyone's benefit to set up parameters and rules for those homeowners who choose to rent out their property on a short-term basis.
- e. In the near term, the Board has committed to seeing that all units being rented short-term be certified by the City of Douglas for such rental. Our Bylaws state that the Board is responsible for seeing that all activities on our grounds comply with local laws.
  - i. Currently, there are 11 condos being advertised on various rental sites, however only 3 of these are properly certified with the City of Douglas. Certification means applying to the City of Douglas and complying with all requirements following an inspection by the Saugatuck Township Fire District on a regular basis. The STFD determines compliance to all safety protocols (working smoke detectors, fire extinguishers, etc.), and determines the exact number of guests who may safely stay in the unit.
  - ii. These eight units will be receiving notification via certified mail to come into compliance with the codes of the City of Douglas within a brief time.
- f. In the long-term, the Board will begin the process of amending our Bylaws to put in place rules, regulations, and penalties for violations. It is anticipated that homeowners will be vote on this Bylaw Amendment by our next Annual Meeting. Passage would require 2/3 of unit owners' approval.

#### 8. Homeowner Discussion: Various Topics

- a. Mariner's Cove Railings: A homeowner requested clarity on painting of the Mariner's Cove railings. K Lydy indicated that the painting is underway, explaining that the first coat of paint applied had to 'cure' for a year prior to adding this second coat. The second coat will be completed by 6/25.
- b. Mariner's Cove Recycling: Homeowner wanted to know if recycling would be possible on Mariner's Cove. Units with garages are able to store their individual bins, but there is no recycling dumpster. Homeowner, Demetrhea Terrien noted that as a member of the Tri-County Recycling Board, she is currently working on a program to bring recycling dumpsters to other area condo communities. She promised to share any options with the Board.

- c. Homeowner Directory: A homeowner asked if it is possible to get a directory of THCA homeowners. K Lydy noted that because of privacy issues, a general directory is not possible. Past efforts to have homeowners to 'opt in' to a directory have not garnered much input. K Lydy indicated that he will try again to get homeowners to opt in to a directory when sending out paperwork to homeowners.
- d. Private THCA Facebook Group: A homeowner suggested that we have a homeowner Facebook group to facilitate communication among homeowners. Many agreed that this would be a good idea, so if any homeowner is interested in hosting this group, please contact K Lydy at Cornerstone.
- e. Landscaping Update: K Mueller notified homeowners that all landscaping requests for individual units received prior to June 1 have been inspected, bid out, and placed on the schedule. She noted that all landscaping projects have been put on hold until fall, as the budget had no allowance for any landscaping prior to the new fiscal year.

Meeting adjourned at 10:45 AM

Following the general meeting, Board met briefly to name officers for 2021-2022:

- President, Anne Seuryneck
- Treasurer, Bob Fish
- Secretary, Kathleen Mueller

Here are the current Board members with terms:

Board Member	Year Elected	Term Expires at Annual Meeting
Bob Fish, Treasurer	2019	2022
John Street	2019	2022
Anne Seuryneck, President	2019	2022
Carl Gustafson	2017	2023
Jere Whiteley (C Wigley's term)	2017	2023
Greg Freeman	2021	2024
Kathleen Mueller, Secretary	2021	2024

Next regular Board meeting will be July 12<sup>th</sup> at 6:00 PM via Zoom.