

Sterling Woods II
Master Board Meeting – Open Session
July 20, 2016

Draft of the Minutes

Call to order and establish a quorum – Mike Palica called the meeting to order at 7:35 PM. Present were Mike Palica, President (President of the Elms); Jake McGuigan, Vice President (President of the Summit); Stan Kishner, Treasurer (President of the Birches); Steve Griffing, Secretary (President of the Willows) and Valerie Dawson, Director (President of the Maples).

Absent from the meeting was Bill Karten, Director (Oaks).

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

Request of owners to speak –

Cheryl Fried and Jack Murphy, Unit Owners of 5006 Hancock Drive, requested to speak to the Board. They spoke to the Board regarding the insurance claim that was submitted for their unit due to water damage from their furnace failing. They were concerned that the insurance company is allowing insufficient coverage for certain line items. The owners were concerned that the work restoring their unit would stop if the insurance company didn't allow sufficient coverage. REI will continue to work with the insurance company to resolve any discrepancies in regards to allowances. The Unit Owners also stated they want the insulation that was added in their attic which was a part of the Greenstar Energy Program to help alleviate ice damming removed. They feel this contributed to their furnace failing and stated debris from the insulation is getting into their vents. The Board will research the facts further before making their decision in regards to this request.

Ratification of the Minutes – Jake McGuigan made a motion to accept the draft of the June 15, 2016 Open Session Meeting Minutes. Valerie Dawson seconded the motion. Without objection, the meeting minutes from the June 15, 2016 Master Board Open Session were approved.

Treasurer's Report – provided by Stan Kishner and read by Mike Palica

In June, the Association had \$157K in operating expenses. Income was \$125K for a monthly operating loss of \$32K. Expenses were dominated by lawn and shrub maintenance, the quarterly water bill and general maintenance. For the year-to-date, we have an operating gain of \$66K. Retained earnings from 2015 are \$50K.

We continue to buy shares in the S&P 500 by dollar-cost-averaging with monthly purchases. So far this year we have made purchases totaling \$59,348. The total value of these shares as of Monday, July 18 was \$63,346. This represents a 6.7% gain of almost

\$4,000. We plan four more monthly purchases for a total of about \$100K. Total assets are \$1.3M and the reserve fund balance is \$1M. Both of these amounts have decreased by about \$400K because of expenditures for road paving.

In June, a Beechnut sold for \$287K. We expect a Chestnut to sell in August for \$242.5K.

Landscaping Committee Report – Julia Brzezinska

Mowing begins on Pinnacle Way this month. In August, mowing will start on Hancock Drive. On July 12th, shrub pruning began and was completed by July 18th. Shrub pruning was to start on June 30th but did not start then because of the excessive dry conditions which would have caused added stress to the shrubs. Another pruning will occur sometime in September. We do maintain a “no pruning list” and if a homeowner wants to be put on it please notify Kim before the next pruning in September. Continuing on a weekly basis is the policing of SWII for trash as well as cleaning or blowing away debris from the pool area.

August 16th is the next scheduled date for a blanket application of fertilizer with crab grass control to all turf areas. In addition, broadleaf weed control will be sprayed as needed and liquid post emergent of crabgrass will be spot sprayed on or between visits. Lawn Doctor does monitor inspections of our lawns and has commented that because of the drought conditions areas of lawns have turned yellow and some fungus has been detected but the lawns will recover.

Summer pruning of ornamental trees has been completed. Also, the second foliar treatment to designated spruces to suppress needle cast disease was done. In addition, this month the pruning of designated evergreens and arborvitae will be done as well as the third of four monitor inspections of all ornamental trees and shrubs located at fronts and sides of units for insect and mite pests, diseases and cultural problems that could impact plant health.

Unfortunately, there are two trees on the 80/20 zone (located on the island/median where there is the entering and leaving SWII sign) that have died and need to be replaced. Our arborist examined the trees and found damage to the trunks of both trees which suggest a car or truck may have damaged them some time ago and created extra stress on the trees and affected their root systems.

Maintenance Committee Report –

Kim Murray stated we are still waiting for bids for concrete/caulking work.

Roads Update -

There was no report given this month.

Roof Committee Report –

There was no report given this month.

Decks Committee – Steve Griffing

There was no report given this month.

Pool Committee – update given by Mike Palica

Mike Palica stated the Pool Committee will review the pool rules and suggestions from Unit Owners in the near future.

Solar Panel Committee –

- There was no report given this month.

Management Report – REI

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

Unfinished/New Business –

The Board reviewed an e-mail from Alice Lara, the Association's insurance agent, informing them that CAU, the Association's current insurance carrier, is non-renewing the policy with Sterling Woods due to their loss history. The policy expires on 10/1/16. REI will ask Alice if it is a possibility to split insurance coverage per village and if so would this be beneficial to the Association. REI will send the Association's governing documents to Alice Lara.

On April 14, 2016, the Connecticut Supreme court released its decision in the case of The Neighborhood Association, Inc. vs. Jill Limberger that had wide ranging implications for Connecticut's community associations. In summary, in order for an Association to foreclose on a Unit without having to vote every time when a Unit is sent into foreclosure, the Association must adopt a foreclosure policy and make it a rule. REI has worked with multiple law firms who specialize in community associations and developed a foreclosure/collection policy which was provided to the Board. The Board reviewed the suggested foreclosure policy and asked that REI send this to Unit Owners for notice and comment.

Until the foreclosure policy is adopted as a rule. The Board must vote to send a Unit Owner into foreclosure. After reviewing the balances owed on 1801 Revere and 1003 Bradford's accounts, the following vote took place. Jake McGuigan made a motion to authorize foreclosure on 1801 Revere Road. Stan Kishner seconded the motion. All

present voted in favor of the motion. Jake McGuigan made a motion to authorize foreclosure on 1003 Bradford Drive. Stan Kishner seconded the motion. All present voted in favor of the motion. REI will inform Cathy Stueck, Manager of Collections, who will inform the Association's attorney.

The Board reviewed a suggested new maintenance standard stating if a Unit Owner is away from their unit for more than one week, they should turn off the water in their unit by shutting the main water valve. The Board asked REI to make a few changes to the wording of this new maintenance standard, send the revised wording of the standard to the Board for approval then send it out to owners for notice and comment.

The Board reviewed a proposal from Signarama to replace a few signs in the community for \$835.29. Jake McGuigan made a motion to approve this proposal. Stan Kishner seconded the motion. All present voted in favor of the motion.

The Boards reviewed proposals from GMA Painting (\$4,190.00), D.B. Osborne (\$4,599.00) and Yankee Paint (\$5,216.00) for miscellaneous painting work throughout the community. Jake McGuigan made a motion to hire GMA Painting to do the miscellaneous painting work. Valerie Dawson seconded the motion. All present voted in favor of the motion. REI will inform the contractor and put together a contract.

The Board reviewed and approved the Flu Shot Clinic flyer. REI will include this in the newsletter.

The Board reviewed the City of Danbury Annual Water Quality Report. Kim Murray stated this report is posted on the website and will mention this in the upcoming newsletter.

REI will follow up with Bartlett tree experts to see how often they feel the trees should be watered in the entranceway because of the heat. REI will follow up with the irrigation company in regards to when they are scheduling the mid-season check.

The Board asked REI to schedule a fall dumpster day on October 22, 2016. REI will inform Winter Brothers and let Unit Owners know so they can hold the date. More details will be sent to owners as we get closer to the date.

REI will have the filter changed on the HVAC system in August.

REI will ask the Association's CPA firm for an annual engagement letter for budgeting purposes (an audit will be done in 2017).

Jake McGuigan stated he feels the coping around the pool is not in a good condition and the tile around the pool is rough. REI will contact the pool vendor in regards to this and ask him for his suggestions and a proposal for the work (replacing the coping, etc.).

At 9:00 PM, Valerie Dawson made a motion to adjourn the meeting. Steve Griffing seconded the motion. All present voted in favor of the motion.