

TRUSTEE MEETING MINUTES – OCTOBER 3, 2005

Start time: 7:00 pm

End time: 9:05 pm

1. October Financial Update

Mike Ritchie provided the following figures:

Total of all accounts (checking, money market, CD's) = \$180,468.21

Total in checking: \$58,491.88

Total interest earned: \$979.93 Total assessments paid to date: \$122,750.00

If all assessments paid: \$124,250 Total clubhouse rentals: \$2,350.00

Question from audience: Legal fees to date just for advice? Answer: Legal fees are broken down by category. Indenture Amendment: \$3,039.92; Indenture Dispute: \$2,152.56. It was explained that trustees were acting prudently by seeking advice when lawsuits are threatened.

2. Terrace Homes Committee Update

Keith Brown, committee chair, announced that to date, committee members have spent 260 man-hours on research, ideas and writing of amendment for color and siding choices on cedar terrace homes. The committee has amendment written but it needs "tweaking" and they will be getting legal opinion, free of charge, for further wording advice. A future meeting with trustees is planned but not yet scheduled.

3. Pool Business Review

Two bids for pool service have been received. Mike provided the differences, by cost, between each.

Lifeguards Unlimited: \$37,400 (2006), \$38,700 (2007)

Bi-State Pools: \$37,990 (2006), \$38,130 (2007), \$40,300 (2008)

It was explained that the trustees wished to have a meeting with officials from both pool companies by the end of October. Lifeguards Unlimited has provided good service for four years, but many complaints were heard by residents about improper lifeguard behavior. A resident, Karen Paszek, asked to be allowed to participate in these meetings because she was witness to several incidences: Lifeguards falling asleep on tower, autistic child flailing awkwardly and parents first to respond rather than lifeguard. The trustees have agreed to her presence, as it will be helpful.

4. 2006 Budget Presentation

- a. 2006 Budget Presentation
- b. Newsletter with 2006 Budget, 2005 YTD Financials and Notice of Future Budget Meetings, October 21st
- c. 2006 Budget Q & A Meeting, November 7th
- d. Postcard mailing of 2006 Budget Voting Meeting, week of November 14th
- e. Budget Voting Meeting, December 5th

Mike Ritchie presented 2006 budget projections. There are two options for homeowners to review before voting. One option provides for 2006 operating expenses and one project: restoration of tennis courts with removal of basketball court. This option will keep the assessment at \$250.00. Trustees explained historic problem of basketball court location inside tennis court. Problems include children prying up chain link fence to gain entrance, and tennis nets and poles needing repair after children sit or lean upon them repeatedly. The second budget option will increase assessment to \$275.00 with additional project of constructing new half-moon basketball court where volleyball net is currently

located. The main purpose of the November trustee/homeowner meeting will be to answer any questions homeowners have about the budget and voting procedures. The December trustee/homeowner meeting will be voting time for homeowners to choose which budget they prefer to enact. Homeowners must be present at the clubhouse for the December meeting in order to vote. No proxies are permitted. Several attendees suggested to the trustees that this December meeting should be for voting only. The scheduled time allotment for homeowners to drop by and vote is between the hours of 6pm – 9pm. The trustees agreed and will be present to answer any questions. Volunteers will be needed to help count ballots. Resident Harold Boll asked trustees to provide a copy of the check register at future monthly meetings so that residents may see exactly what checks were written during past month. Trustees agreed. Mike explained how he and Cris Finnegan collaborated on 2006 budget and gave details of projected end-of-year costs for 2005. Items such as clubhouse rentals will not be fixed until end of December. Questions asked about 2005 Service Expenses (see attached budget). Mike explained “Commissions” were fees charged by City & Village for collecting assessments. “Charges” included fees for liens, recordings, etc.

Other issues raised and discussed: Utility expenses for 2006 have been increased by 18% over 2005 actual for higher natural gas fees. Eric explained that landscaping charges might increase in late 2006, when landscaping contract is up for renewal. Our landscaper, Lawn Enforcement, has had to impose fuel charges for 2005 as the cost of gasoline greatly increased. Mike explained the preferential treatment and ultra-dependable services we receive from Lawn Enforcement. Estimated \$3,000 in legal fees in 2006 for Cedar Terrace Homes possible Indenture amendment. Question raised: How/where does money come from to pay for items not budgeted? Mike/Eric explained extra money can come from cost savings on other budgeted items, or from reserves. One resident did not understand voting on proposed budget, even when several other audience members attempted to explain.

5. Other New Business

Eric mentioned email trustees received from Ward 2 aldermen Mike Clement and Marilyn Ottenad. They are seeking opinions for a proposal from a developer seeking to develop the vacant property on the corner of Big Bend Rd. and Country Stone Drive. The property belongs to Valley Park, and Valley Park would receive revenue and taxes from any kind of development project. Manchester owns Country Stone Drive, and would be expected to develop and maintain any storm sewers, sidewalks and driveways for entrance/exit to proposed development, without benefit of revenue. The trustees responded that any development on that lot with ingress and egress on Country Stone Drive could drastically increase automobile traffic up and down the length of the street, creating hazardous conditions for many residents who live there. Trustees will be putting notice of this in newsletter slated to be in homes by Oct. 21.

Meeting adjourned.