

Graysland Homeowners' Association Menomonee Falls, Wisconsin

Committee Meeting
August 12, 2020
Minutes

The meeting was called to order at 6:40 pm. Due to the COVID-19 pandemic, the meeting was held via Zoom. There were approximately seven owners present via Zoom.

Committee members present: Mary Jo Cleaver, Rachel Fenwick, Kevin LaMarre

The minutes for the February 12, 2020, and May 13, 2020, were approved.

- 1. Financial Report:** Kevin presented a year-to-date report on the budget. \$3,558 of the \$18,902 budgeted expenditures has been spent. The major budgeted item, removal of dead trees in the wooded area, will be carried out in approximately November. Total revenues received to date equal \$4,509, which consists of payments for 2019. Mary Jo indicated that assessment notices for 2020 will be mailed by the end of August. Expenses have been \$3,558, which is \$15,344 under budget so far. Remaining major expenses will be the removal of dead trees in the wooded area and spraying of invasive species.
- 2. Removal of Dead Trees and Invasive Species in the Wooded Area.** A bid from M&M Contractors has been submitted to remove a number of dead trees from the wooded area. This will be completed before the end of the year. \$10,000 has been approved for this activity. There is a severe buckthorn problem in the wooded area, this invasive species has grown unimpeded over the past several years and now occupies a significant area within the woods. It is anticipated that the buckthorn will be removed in February, assuming that funding will be approved when the 2021 budget is adopted at the November meeting.
- 3. Request to Repair Drainage Easement Behind Lot 15.** The owner of lot 15 has requested that the Association repair the drainage easement that begins at the side and continues to the back of lots 13, 14 and 15. There is supposed to be a swale through the drainage easement to carry water from the properties into the drainage basins. It is believed that erosion from the hill on lots 16 and 17 early in the years of the project filled in the swale. The Committee contacted the village engineer who indicated that the village has no interest in the issue as it is on private property. The Committee will consider the request and determine whether and when the requested repair will be done.
- 4. Request for Landscaping of Hill Behind Lots 13, 14 and 15.** The owner of lot 14 has requested that the Association take over landscaping of the hill between Lisbon Road and the back of lots 13, 14 and 15. There is a landscaping easement in that area, but the Committee needs to do more research to determine whether the landscaping easement includes the hill.
- 5. Options for Addressing Delinquent Dues.** There are several owners who owe back dues. The majority of these are only one year delinquent, for 2019. However, there are three that go back a number of years. Liens have been filed, but there was a discussion of whether there are other options to bring the owners up to date. With no other legal options, it was determined that we would contact the owners and attempt to set up a payment plan.
- 6. Association Responsibilities for the Common Areas, Including the Definition of Common Area.** The Declaration requires the Committee to:

Provide for the maintenance of improvements in the Common Area *which it may deem necessary or desirable* [emphasis added]. Such improvements consist of entryway monuments, fencing,

landscaping including plant material on landscaping easements, lighting, maintenance of the two outlots, all other landscaping and such other improvements as may be approved by the Committee.

The requests from the owners of Lots 14 and 15 revealed the fact that the Association has responsibilities for more than simply landscaping, occasional removal of dead trees and invasive species in the wooded area and the detention ponds. The Declaration and Plat provide for drainage easements and storm water detention easements on private property and defines them as Common Area for the purposes of maintenance. There are 25 lots that have such drainage easements. There are also additional landscaping easements (in addition to the pedestrian easements leading into outlot 2, the private park) that are included in the definition of Common Area. This is a considerable expansion of the assumed Association responsibilities and carries the potential for considerable expense. The Committee will need to consider these additional responsibilities as it plans and budgets going forward.

It was also noted that the Declaration places a high priority on Wetlands Preservation and Tree Preservation. It contains responsibilities and restrictions for both private property owners and the Association, for Association-owned property, to keep and maintain these natural resources.

7. **Draft Graysland HOA Committee Priorities Document.** Mary Jo presented a draft document containing a proposed statement of Committee priorities. If adopted, this document would guide Committee decision making, particularly as it reviews competing needs and the availability of funds. The Committee may take up this document at the November meeting.

Item A in the document provides that the Committee will “Maintain a full Management Committee through properly-noticed biennial elections as required in the Declaration” and includes regular tasks for the operation of the Committee.

Item B provides that the Committee will “Provide for the Regular Maintenance of the Common Areas in ... Priority Order.” Of particular note is a priority to “provide for the preservation of our natural resources, including the wooded area, any wetlands in Common Areas, and the storm water detention ponds...” and, as the budget allows, increasing the pond reserve and creating a reserve for unscheduled maintenance items to forestall the need for future dues increases.

8. **Five-Year Spending and Revenue Options.** Mary Jo presented two five-year spending scenarios (for 2021-2025) and six five-year revenue scenarios. Note: each year the Committee must adopt a budget for the following year and establish an assessment amount that will pay for the budgeted items in the following year. Thus, a five-year budget scenario is a working plan, not an adopted budget.

Spending Scenarios:

- a. The first spending scenario (titled Status Quo-No Increase in Spending) would assume that spending would continue as it had been for the past number of years. There would be no funds proposed for preservation of the woods, buckthorn eradication, additional maintenance of the Common Areas, including those newly-revealed Common Areas, or a reserve (beyond the \$15,000 reserve for possible maintenance of the pond in outlot 1) to address unanticipated needs. Thus, the annual spending for the five years would be about \$8,600.
- b. The second spending scenario (titled Estimated Spending to Meet Identified Needs and Priorities) would budget \$10,000 in 2021 for removal of buckthorn in the wooded area; \$10,000 in 2022 for repair of the drainage easement behind lots 13, 14 and 15 (subject to the Committee’s determination that the repair should be done); an additional \$1,000 for landscaping in 2023-2025 subject to the Committee’s determination that the landscaping easement behind lots 13, 14 and 15 are Common Area and that landscaping work is needed; and \$5,000 in 2023-2025 for estimated non-landscaping costs to maintain Common Areas. Thus, the total annual spending for 2021 and 2022 would be \$18,700 and for 2023 to 2025 would be \$14,500.

Neither scenario includes assumed inflationary increases.

There was a discussion of the \$15,000 pond reserve and how long it had been a part of the budget. A present owner indicated that the reserve had been created shortly after the development was completed. At that time, there had been some research into the cost of dredging the pond and the cost was estimated to be \$100,000 or more.

Revenue Scenarios:

- a. The first revenue scenario assumes adoption of the first spending scenario, Status Quo-No Increase in Spending. In this case maintaining the current \$100 annual dues assessment is sufficient to cover the costs and maintain a \$15,000 pond reserve.

The second through sixth revenue scenarios assume adoption of the second spending scenario, Estimated Spending to Meet Identified Needs and Priorities, but assume different levels of dues.

- b. The second scenario also maintains the current \$100 annual dues assessment for the five years. In this case, it becomes immediately apparent that \$15,000 pond reserve will be depleted by 2022 and that there would be insufficient funds to pay for the identified needs and priorities after 2022.
- c. The third scenario increases the annual dues to \$125. In this case, there would be funds to pay the identified needs and priorities but only by spending down the pond reserve.
- d. The fourth scenario increases the annual dues to \$150. In this case, there are sufficient funds to pay for the identified needs and priorities by drawing from the reserve for three years, then the dues would be sufficient to pay the identified needs and priorities while maintaining the reserve, assuming no unanticipated costs arise.
- e. The fifth scenario increases the annual dues to \$175. In this case, there are sufficient funds to pay for the identified needs and priorities while maintaining the \$15,000 reserve and building cash balance that can be used to address some additional or unanticipated needs beginning in 2023 or 2024.
- f. The sixth scenario increases annual dues to \$200. In this case, there are sufficient funds to pay for identified needs and priorities while increasing the pond reserve and beginning to build an additional reserve that can be used to address additional or unanticipated needs that may arise.

9. Questions and Discussion from Owners Present.

Will owners receive a copy of the minutes? The minutes will be placed on the website.

In response to a question/comment about the fence that previously ran alongside Lisbon Road, Dale Kuglitsch, who has been working with the Committee on landscaping issues, indicated that he began to take down the fencing as it became unstable. Eventually parts of the fence started coming down and it was removed altogether.

An owner asked if there would be a special assessment to pay for the repair of the drainage easement. It was pointed out that allowing special assessments had been explored a number of years ago, but would have required an ownership vote and there was little support for it.

The meeting adjourned at 8:05 pm.