

**Minutes of Crestwood Village Five
Board of Trustees Open Quarterly Meeting
November 13, 2023**

- I. The meeting was called to order by President Steve Berwanger with the Pledge of Allegiance at 7:00 PM.
- II. Attendees: Steve Berwanger, President; Mary Ann Payne, Vice President; Betsy Gordon, 2nd Vice President; Karen Pedersen, Sergeant of Arms; Steve Carroll, Treasurer; Nancy Eldridge, Secretary; Administrator, Cathleen Blackwood and Guest: Skip Bauer, Mohel Elliott Bauer & Gass (MEBG), CV5 Accountant and 23 Residents
- III. The CV5 Audit Report was presented by Skip Bauer, MEBG, CV5 Auditor. Copies of the Audit Report are posted on the Clubhouse Bulletin Board
 - A. The purpose of the annual audit is to protect the financial interest of all residents/homeowners. The MEBG handles over 100 Homeowner Associations. The CPA looks at the financial health and does a deep dive into financial records. We read all records and minutes, for controls and non-compliance. The Audit process uses new at-risk standards and the Balance Sheet is now amortized. The audit showed Internal Controls of Assets, shows no theft, and no fraud. The Association Board and office staff have done an excellent job.
 - B. The budget had a built-in deficiency of \$39,000 to keep the increase of maintenance fees to bare minimum. However, the year end result was only a \$4,964 deficiency, better than expected. Past years had a weakness in receivables which has improved each year. At year end, only 24 units have past receivables totaling \$161,000 (previously \$214,876.) The Association has done an excellent job on collections.
 - C. Highlights of Audit Report:
 1. Pages 1, 2, 3 is the Independent Auditor Report. The Audit disclaimer is due to the use of estimates for future major repairs and replacements (not historical).
 2. Page 4 is the Balance sheet with Comparative Totals for 2022
 3. Pages 5 & 6 is a Statement of Revenues, Expenses and Changes in Fund Balances with comparative totals for 2022
 - a. Revenues totaled \$2,442,480
 - b. Expenses = \$2,303,006. Deferred Maintenance Fund Expenditures includes \$12,402 in gutter cleaning, previously included in the Maintenance Contract.
 - c. Major Repairs and Replacement Expenses include Clubhouse interior and exterior repairs and replacements, garbage cans, concrete, pool tables, Reserve Study and Rental Expenses.
 4. Page 7 is a Statement of Cash Flows that reconciles the increase and decrease of revenue over expenses. Cash and cash equivalents at end of year = \$1,037,751. Noted was an increase of \$43,124 in Assessment receivables.
 5. Page 8 - Notes:
 - a. Note 1 is the organization of the Association.
 - b. Note 2 identifies the three funds used: Operating, Deferred Maintenance and Replacement.
 - c. Note 3 identifies clubhouse and office equipment with depreciation, with net total of \$16,297.
 - d. Note 4 shows no New Jersey Corporate Tax liability.
 - e. Note 5 discusses the future major repairs and replacements. FWH Associates has conducted a study dated October 2022 which was finalized in August 2023 showing future replacement

needs. The Study shows \$20M in estimates over a 20-year period. A 10 percent funding threshold of \$1,966,746 is estimated.

- f. Note 6 Other Income: \$86,390
 - g. Note 7 Deferred Maintenance Fund Expenditures: Shows transfer of gutter cleaning
 - h. Note 8 Major Repairs and Replacements = = \$116,361
 - i. Note 9 Township Reimbursement decreased to \$12,353.
 - j. Note 10 Solar Panel Escrow: A \$500 non-refundable fee is charged to homeowners installing solar panels to cover roof repairs or replacement should the homeowner leave.
 - k. Note 11 Investments: Doing well with an Amortized Cost of \$1,408,000
 - l. Note 12 Office Leasing decreased to \$6,032 from \$9,692.
6. Page 14 Future Major Repairs and Replacements from the 2023 Reserve Study, estimates replacements costs (for a 20-year period) of \$19,667,459. The Replacement Fund balance as of June, 30, 2023 is \$1,850,421.
7. Page 15 Schedule of Revenue, Expenses & Allocations to Funds compared to Budget:
- a. The Operating Salaries increased as the custodial salaries were transferred to the Association.
 - b. Tree Maintenance increased due to condition of trees.
 - c. Legal fees increased by \$44,000. Legal fees have been billed to homeowners as appropriate and may be retrievable.

Questions:

Mark Poyner: Have the Custodial or Office Staff received salary increases at the COLA rate?

Steve B responded: The Association employees have received an increase as appropriate, COLA rates are not used.

Skip Bauer departed the meeting at 8:00 PM.

III. Trustee Reports:

A. Nancy Eldridge reported:

1. Ratifications:

- a. Only one quote was received from the 3 requested for the venting in the kitchen. Dash AC submitted a quote for \$11,890. The quote included a soffit built around the island, 4 intake vents, roof curbing and 2 exhausts. Steve Berwanger made a motion to accept the Dash quote and Betsy Gordon seconded the motion. All Approved.
- b. A Board of Trustee Meeting Calendar will be published in the Hilltopics, on the Website and on the Official CV5 Facebook Page. All residents are invited to attend the Executive Workshop Open Sessions at 10:00 AM every Tuesday. Mary Ann Payne made a motion to hold all Open Quarterly meetings in the evening at 7:00 PM, Steve Carrol seconded the motion. All Approved.

2. Firewise Update:

The Firewise Grant of \$4,000 has not yet been received. CV6 received their grant last week, so hopefully we will see ours soon. They have requested a report on what we have done this year. We will be happy to report that we did have a Community Cleanup in the Common Areas and Lowes volunteers were a big help. Also, our landscapers do 2 yard cleanups. The next cleanup is due in December, hopefully after the leaves fall. We also have the landscaper cleanout gutters. Thanks to Lowes donations, we have eco-friendly leaf bags that residents may pick up at the office if you need them. Please call the office first, so they may make arrangements to pull them from the shed.

B. Steve Carroll reported:

1. Treasurer Report:

- a. Expenses included \$7,000 for installation of a mini-split heating and AC system in the BC room. The new roof for the clubhouse totaled \$42,000. These costs will be transferred from the operating expense to the Reserve Fund Expenses.
 - b. The Master Insurance Policy cost increased from \$390,000 to \$438,000. The increase came in after the annual budget was completed and will impact next year.
2. Gutter cleaning will begin in early December. John's Landscaping will vacuum leaves and do the gutter cleaning.

C. Betsy Gordon reported:

1. The Holiday decorating contest will be judged on December 15th. There will be two categories: Traditional and Creative
2. The Ceramics Club will share pictures of their Events in the Hilltopics.
3. The Association and the Resident's Club will hold a Holiday Party on December 2nd for CV5 Residents/Homeowners only. Admission is a donation to the Food Pantry. Please complete the Registration Form and hand into the Office.

D. Mary Ann Payne reported: Stout's Bus Service ridership is very low. Some tops are not utilized. Mary Ann is discussing routes and ridership with other Villages. All suggestions are welcome and may be submitted to the office. On November 30th, there will be a trip to Columbus Market, please register at the office.

E. Karen Pedersen reported: Be wary of information posted on Facebook. There is much misinformation out there. Please contact the office if you have questions. Mary Ann thanked everyone for coming to the meeting and showing interest.

F. Steve Berwanger reported:

1. The Hilltopics has a new publisher. We now have a dedicated designer and can use Word Documents and JPEG pictures instead of Microsoft Publisher. The Publisher pays CV5 \$300 per month as a revenue sharing project. Six color pages are included. The Publisher also does websites, which we may consider to enhance our website in the future, e.g. fillable forms.
2. The Board of Trustee Meetings Schedule is posted on the Website. All are welcome to attend the Open Session each Tuesday.
3. A moratorium has been declared for Solar Panel installation due to problems with roof damage. Other HOA's are also having problems.

4. Enforcement of the Bylaw Fencing regulations is on a temporary hold. The Bylaw call for a seasonal 2-foot rabbit fence around gardens during growing season only. Proposed Bylaw changes will include removing the fencing Bylaw and including fencing restrictions in the Rules and Regulations.
5. The proposed Bylaw changes have been submitted to CV5 attorneys for legal review. They will be presented to all homeowners for vote. Each Bylaw change will be voted on individually. If there are less than 10% NO's the change will pass.
6. The Village 6 road project may close Sunset Avenue in Village 6 starting this week.

IV. Questions:

- A. Carmine Coppola: When will the Bylaws be presented for vote?
R/ Not sure, may be in the First Quarter.
- B. Steven Gray: Will gutters with leaf filters be cleaned, concerned with ladders damaging gutter?
R/ Will discuss with John's Landscaping.
- C. Candace Gibbons: The gutters and downspouts are not being cleaned completely, grass cutting is not done properly either.
R/ Will discuss with John's Landscaping
- D. Julie Velez: Will there be a list of the Bylaws to be changed?
R/ Yes, but the Gender neutral changes won't be on the list.
Julie suggested an event to present the Bylaw changes and she offered to cook for the event.
- E. Resident: What is the Solar Panel Issue?
R/ In one situation, the roof leaked after Solar panels were installed, the Solar Co is not taking responsibility. In other cases, the companies have gone out of business and/or they are not hitting beams during installation.
- F. Mark Poyner: Can the Association bring in an independent contractor to inspect the solar panel installation at the homeowners expense?
R/ Betsy Gordon responded that she had an inspector come in prior to installing and they did not recommend it.
- G. Julie Velez: Can CV5 get another Cable Company?
R/ No it is geographical. The Mayor and previous Mayor both have tried.
- H. Candace Gibbons: Can the Executive Workshop meetings be held in the evening.
R/ The Workshops will continue at 10:00 AM as they may last as much as four hours. The Quarterly meetings will be at night at 7:00 PM.
- I. Julie Velez: The Resident Club meeting is tomorrow at 2:00 PM. Ocean County will talk about Scams and privacy protection. Betsy Gordon advised that CV5 master insurance policy covers Identification theft for the Association Computer System.
- J. Jules Diaz: The Food Pantry is giving an option for ham or turkey and fresh items, such as milk, bread, and eggs.

Meeting adjourned at 8:30 PM.

Nancy Eldridge
Secretary