

Forest Oaks II

Homeowners Association

Board of Directors Meeting October 10, 2024 Minutes

DATE and TIME

A regular meeting of the Board of Directors for the Forest Oaks II Homeowners Association was held on Thursday, October 10, 2024, at 5:30 p.m. at the Clubhouse.

CALL to ORDER-PRESIDING OFFICER

President JoAnna Medlen called the meeting to order at 5:30 p.m. Judy Tabbert and the association attorney Mike Craig were present.

QUORUM

A quorum was established with the following directors present:

JoAnna Medlen - President
Nancy Miller – Vice-president
Secretary/Treasurer – Linda Johnston
Karen Stutzman – Director
Tonna Collins – Director

MINUTES

Motion by Tonna to accept the minutes, seconded by Karen, motion carried, unanimously approved.

PRESIDENT'S REPORT

There has been a lot of misinformation being shared about access to the patios. That homeowners were only being asked to leave their patios unlocked because of what happened during the painting. Access to the patios happened because of the dog poop on the patios and the smell it causes, firepits in patio area, motorcycles in patio area, grills being used in the patio area, and patios being used as storage all of which could cause us problems with our insurance except for the dog poop. We cannot lose our insurance because of activities going on in the patio area. Misinformation is also going around about what Judy does for the Board. Do not jump on her for something. She does what the Board asks and approves. Nancy Smith and Kathi Reagh, I would like to thank you for washing the fences at the end of the streets. JoAnna shared pictures of cut off shingles, rotten wood, and squirrel damage. The painting job itself is done and Renovia is now doing touch up and painting the rotten wood that has been repaired. JoAnna asked Judy to share the 78 identified areas of rot. Judy showed a list and a marked-up Platt on the screen. Each Friday a list of repaired rotten wood is being sent to Renovia to be painted. There has been several questions from homeowners about what the Board is doing about suspected illegal activity. The Board is working on it and is working with the association attorney to do what is legal to do. The association does not want a lawsuit because a homeowners rights were violated.

COMMITTEE REPORTS

No comments from Committees

FINANCIALS

Judy Tabbert presented the August and September financials. Judy stated that the large Accounts Receivable amount on the Balance Sheet was inflating the funds the association actually had on hand to work with. JoAnna recognized Elizabeth to address the financials. Elizabeth agreed with what Judy said about financial decision based on the money the Association currently has in the bank. Because the Board

and the Association's attorney stay on top of past due accounts, the current large balance in Accounts Receivable is very unusual and is almost solely related to one homeowner. To facilitate the Board's decision the Reserve Balance reports for both August and September have a new format: one column "Including Accounts Receivable", one column "Accounts Receivable," and one column "Excluding Accounts Receivable." Elizabeth recommended the Board make decisions based on balances in the column labeled "Excluding Accounts Receivable." Elizabeth noted that the balance in the Unappropriated Account as of September 30, 2024 was a negative \$10,197.72. She explained that the balance is negative because \$46,802 has been paid from January-September 2024 to repair sheds and rotten wood. Elizabeth recommended that the Board approve making the following transfers:

1. Effective October 31, 2024, transfer \$46,802 from the Painting Reserve to Unappropriated (the amount already paid for shed and rotten wood repair from January-September 2024)
2. In October 2024 and future months until the rotten wood repair project is completed, transfer amounts paid for shed and rotten wood repair from the Painting Reserve to Unappropriated each month

The end results of making these transfers would be:

1. Unappropriated will return to a positive balance reflecting ongoing operations
2. The Painting Reserve will become a negative balance accumulating the amount that the cost of painting + shed repair + rotten wood repairs exceed funding. After the rotten wood repair project is completed, the Painting Reserve balance will reflect the total amount of a recommended assessment for rotten wood repair. The date and amount of this assessment will be determined after the rotten wood repair project is completed.

No action was taken on Elizabeth's recommendation as the action was not included on the meeting's agenda. JoAnna directed Judy to include the recommendation's to add the recommended transfers to the next Board meeting agenda.

Elizabeth also discussed the total cost of the 2024 Painting plus shed/rotten wood repair project. As of December 31, 2023, the Painting Reserve's balance was \$156,995. After deducting \$18,756 that the Board transferred to Unappropriated in February 2024 to pay for 2023 shed repairs plus the \$126,125 to be paid to Renovia in 2024 per the painting contract, this left \$12,114 to pay for rotten wood discovered during painting. In order to avoid increasing homeowners' dues effective January 1, 2024, the Board approved a 2024 budget that funded \$0 to the Painting Reserve in 2024, with the understanding that funding to the Painting Reserve would resume in 2025. The Board hoped that rotten wood repairs in 2024 would cost only a modest amount and knew that if rotten wood repairs cost a large amount, an assessment would be needed. Once Renovia began pressure washing and painting, the extent of rotten wood became clear and repairs by Mike Baird began. From January-September 2024 the following amounts have been paid: \$6,292 for shed repair + \$40,510 for rotten wood repair = \$46,802 total. The repairs are continuing, and the total cost is not yet known. If, for example, an additional \$35,000 is spent from October - December 2024, the Painting Reserve would have a deficit of approximately \$69,688 at December 31, 2024, which could result in an assessment to homeowners of approximately \$600 per unit.

Motion by Nancy to approve financials, seconded by Tonna, motion carried, unanimously approved.

OLD BUSINESS

Tonna stated that it looked like the situation with pets and their owners cleaning up after them had improved and did not recommend taking any additional action at this time.

JoAnna asked Judy about the reserve study. Judy stated she had received an email from Reserve Study Group that the draft of the reserve study should be completed in a few days.

JoAnna stated that water mitigation has been a problem at Forest Oaks II for a long time.

1. There are water issues that actually are on Carriage Parkes property but is affecting Forest Oaks
2. The small pipes installed by the city is part of the problem and we hope they follow through on replacing those
3. Forest Oaks was not graded right, therefore the drainage then is wrong and then another layer of paving was put on the streets making the problem even worse.
- 4.

Huddleston -Stelle has provided an estimated cost to correct the water drainage problem before paving. The estimate only covers what Forest Oaks II can do, it does not cover what needs to be done on the Carriage Parke side and it does not cover the work the city needs to do. The cost for the water mitigation, which would include taking up the current pavement, would be \$360,000.00. This is a very general estimate and Huddleston-Steele did not have anyone they would recommend doing the work. Huddleston-Steele and Mr. Brooks recommended doing a section at a time instead of tackling everything at one time. No work should begin until the City has corrected the drainage issues up front. JoAnn asked Elizabeth to comment on the drainage and paving and how the two were handled in the budget.

Elizabeth noted that over the past 15 years when funding reserves, the Board has prioritized funding the Roofing and Painting Reserves. The Paving/concrete Reserve has a current balance of \$29,219, an amount far smaller than the approximately \$360,000 cost of the Huddleston-Steele Engineering water mitigation estimate received two days ago. If the Board approves the project, although there is a possibility the City of Murfreesboro may pay a portion, the remaining cost would be far more than the current balance in the Paving/concrete reserve, and a large assessment to homeowners would likely be needed.

JoAnna asked Elizabeth to address a proposal for the 2025 projected budget. Elizabeth said that in a normal year in October the next year's budget would be nearing completion. However, the 2025 budget process has been "on hold" since July for two reasons:

1. waiting to receive Huddleston-Steele Engineering's report regarding water mitigation
2. waiting to receive the outside consultant's reserves study (this study is required by a recent Tennessee law)

Elizabeth reported that preliminary work on the 2025 budget indicates a monthly dues increase of at least \$50-\$60 may be needed effective January 1, 2025. This is largely due to resuming funding the Painting Reserve in January 2025 after not funding it in 2024. She stated that this is not a surprise. At the December 2024 annual meeting it was communicated to homeowners that a large increase in monthly dues would be very likely be needed in January 2025. Work on the 2025 budget will resume after receiving the outside consultant's reserves study.

The Board moved to Executive Session with the attorney at 6:15 p.m.

Board returned from Executive Session at 6:35 p.m.

Motion by Nancy for the association attorney to proceed with taking all legal actions possible at his disposal to collect overdue accounts and enforce the governing documents of Forest Oaks II in regard to Unit 1026 and 1121, seconded by Linda, motion carried, unanimously approved.

NEW BUSINESS

Motion by Tonna to approve the Architectural Modification Request for Unit 1010 to install a new fence and Unit 933 to install new front and back security doors, seconded by Linda, motion carried, JoAnna aye, Nancy aye, Linda aye, Tonna aye, and Linda abstained.

JoAnna asked Judy to share pictures of delaminated wood and asked what is delaminated wood? A picture and definition of delaminated wood was displayed on the screen for all to see. Delaminated wood is wood that has been attacked by a fungus caused by moisture. A quote from Renovia to replace the identified delaminated wood for \$37,003.99 was presented by JoAnna. Motion by Tonna to not accept the quote from Renovia but to obtain additional quotes, seconded by Nancy, motion carried, unanimously approved.

Motion by Tonna to approve forms and timeline for the Annual Homeowners meeting, seconded by Nancy, motion carried, unanimously approved.

Motion by Karen for Judy to send out all notifications and materials related to the Annual Homeowners meeting by USPS except for those homeowners who have requested that all association related information be emailed, seconded by Linda, motion carried, unanimously approved.

ADJOURNMENT

The next regularly scheduled meeting will be held on Thursday, December 12, 2024, at 5:30 p.m. at the Clubhouse. A motion by Nancy to adjourn, seconded by Tonna, motion carried, unanimously approved.

President's Signature

Date

Secretary's Signature

Date

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Motion by Tonna to approve forms and timeline for the Annual Homeowners meeting, seconded by Nancy, motion carried, unanimously approved.

Motion by Karen for Judy to send out all notifications and materials related to the Annual Homeowners meeting by USPS except for those homeowners who have requested that all association related information be emailed, seconded by Linda, motion carried, unanimously approved.

ADJOURNMENT

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President's Signature

12-12-24
Date



Secretary's Signature

12-12-24
Date

Forest Oaks II
Homeowners' Association
P. O. Box 12321, Murfreesboro, TN 31729
www.forestoaks2.com

SPECIAL CALLED BOARD of DIRECTORS MEETING

November 4, 2024 Minutes

DATE and TIME

A special called meeting of the Board of Directors for the Forest Oaks II Homeowners Associations was held on Monday, November 4, 2024, at 10:00 a.m. at the Clubhouse.

CALL to ORDER – PRESIDING OFFICIER

JoAnna Medlen called the meeting to order at 10:29 a.m. and Judy Tabbert was in attendance.

QUORUM

A quorum was established with the following directors present:

JoAnna Medlen – President

Linda Johnston – Secretary/Treasurer

Karen Stutzman – Director

JoAnna asked for a motion to add the HOA schedule fee to the agenda and a motion to add an electric car connection to the agenda.

Motion by Karen to add the HOA fee schedule to the agenda, seconded by Linda, motion carried, unanimously approved.

Motion by Karen to add an electric car connection request to the agenda, seconded by Linda, motion carried, unanimously approved.

ITEMS for SPECIAL CALLED MEETING

Budget transfer

JoAnna asked Elizabeth to review the requested budget transfers. Elizabeth stated the Painting Reserve had a negative balance

The proposed transfers would return the Unappropriated fund to a positive balance reflecting ongoing operations and the Painting Reserve will become a negative balance accumulating the amount that the cost of painting, shed repair, and rotten wood repairs.

Motion by Karen to Effective October 31, 2024, transfer \$46,802 from the Painting Reserve to Unappropriated (the amount already paid for shed and rotten wood repair from January-September 2024), seconded by Linda, motion carried, unanimously approved.

Motion by Linda that beginning with the month of October 2024 and future months until the rotten wood repair project is completed, transfer amounts paid for shed and rotten wood repair from the Painting Reserve to Unappropriated each month, seconded by Karen, motion carried unanimously approved.

Motion by Karen to approve the Fee Schedule presented and to provide the association attorney with the approved fee schedule, seconded by Linda, motion carried, unanimously approved.

Before beginning consideration of the electric car request JoAnna called Mr. Rothberg, the associations insurance agent, to gather insurance information about coverage for electric cars charging at Forest Oaks II. Mr. Rothberg stated that homeowners would need to obtain an additional \$10,000.00 in insurance coverage on the unit to cover charging the EV at the unit.

An Architectural modification was not provided by Unit 919. An email from the owners of Unit 919 was provided to the Board. The homeowners noted they were using an internal outlet, but it was reported by the Board that electrical work had been completed in the shed at Unit 919 without prior approval from the Board. Motion by Karen to fine Unit 919 for not submitting an Architectural Modification Request for prior approval, request that the homeowners document that the work completed was done by a licensed electrician, obtain additional insurance coverage, and to submit an Architectural Modification Request, seconded by Linda, motion carried, unanimously approved.

Motion by Karen to develop Rules and Regulations for electric vehicles (EV) and to send draft of the proposed EV rules and regulations to the association attorney to put in legal terms, seconded by Linda, motion carried, unanimously approved.

Motion by Linda to send the association attorney the revised Access to Limited Common Elements Policy to review if it is reasonable and stated properly, seconded by Karen, motion carried, unanimously approved.

ADJOURNMENT

Motion by Karen to adjourn, seconded by Linda, motion carried, unanimously approved.

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SPECIAL CALLED BOARD of DIRECTORS MEETING

November 14, 2024 Minutes

DATE and TIME

A special called meeting of the Board of Directors for the Forest Oaks II Homeowners Associations was held on Thursday, November 14, 2024, at 4:00 p.m. at the Clubhouse.

CALL to ORDER – PRESIDING OFFICIER

JoAnna Medlen called the meeting to order at 4:10 p.m. and Judy Tabbert was in attendance.

QUORUM

A quorum was established with the following directors present:

JoAnna Medlen – President

Nancy Medlen - Vice president

Linda Johnston – Secretary/Treasurer

Karen Stutzman – Director

Tonna Collins - Director

ITEMS for SPECIAL CALLED MEETING

Reserve Study

All Board members had received a revised copy of the draft 2025 Reserve Study report dated November 14, 2025. The Board received a draft copy of the Reserve Study on October 29, 2024 and were asked to review the draft and to recommend any changes to the draft as the Reserve Study Group recognized that the Board has more detailed information about the condominiums than they did. Board members, Elizabeth, and Judy compiled a list of items that further explanation of was requested or items that did not align with the information the Board had. One such example was the Reserves on hand shown in the draft report did not reflect that the Painting Reserves had been drained during the summer to pay for the painting and repairing rotten wood damage. So, the Reserve Balance did not show what the current Reserve balance was and what it would be as of January 1, 2025.

Elizabeth and Judy reviewed the changes and feedback Reserve Study Group provided in response to the Board's enquiry. Elizabeth and Judy then pointed out changes in the Reserve Study Report dated November 14, 2024. The November 14, 2024 reserve study report was a good representation of Forest Oaks II. Elizabeth stated the format, and the layout of the study was good.

Nancy asked Elizabeth why some of the numbers in the study looked different from what had been projected before like the roof. Elizabeth stated that the last roof estimate she had was from 2020. Elizabeth asked JoAnna if a new roof estimate could be obtained from a local roofer. JoAnna stated she would get a new roof estimate.

Judy stated that there will be some difference in the study numbers but not anything significant. In the report it states the estimates are based on typical cost data and that the actual cost may vary. That estimates from local contractors could be more or could be less than the typical cost data.

Motion by Tonna that after Elizabeth and Judy reviewed the reserve study report again that the Board approve the reserve study for 2025, seconded by Nancy, motion carried, unanimously approved

JoAnna asked Elizabeth to provide the Board with the budget proposals she had worked on since receiving the draft reserve study. In the past the reserves had been focused on painting and roofing, but the reserve study included siding, the pool, paving and other items mentioned in the report. She was unaware that there was a need to start replacing siding, but there is. Elizabeth pointed out the Fully Funded Reserve balance on page 5 and the maximum contribution for full funding and minimum contribution for baseline funding on page 6. Elizabeth explained the difference between the two. Elizabeth was asked if the new state law required reserves be fully funded. Elizabeth answered the new Tennessee law was not as onerous as the Florida law that reserves be fully funded.

Elizabeth then provided the Board with 3 options for them to consider for the 2025 budget. Option 1 increases dues but does not fully fund or provide baseline funding of the reserves, Option 2 increases dues and will fund the reserves at baseline funding, and Option 3 increase dues and would fully fund the reserves. These are just preliminary proposals. If JoAnna can get a new roof estimate, then these numbers could change.

Linda asked if increasing the dues would affect the sale of units. JoAnna stated yes it could. She asked Judy how this could affect mortgages. Judy stated a mortgage company had already turned down one loan because the association did not have a reserve study. So, it could also affect homeowners getting a loan if the reserve study is not in place and reserve balances are not being addressed.

Nancy stated the dues increase in option 1 would not fully fund the reserves and what could be done. It was proposed that dues be increased yearly by a minimum of \$50.00 for the next five years in an attempt to fully fund the reserves, might be a way? Elizabeth stated that in five years a new reserve study is to be done but the amount needed to fully fund the reserves may change by then. Linda stated that it may need to be a combination of dues increases each year and an assessment. It was asked could a \$500.00 assessment be done in June of each year if needed? Elizabeth stated these were all options but would need to wait and see if assessments were needed or not. Judy stated that assessments are not to be used to cover the cost of repairs that could be anticipated. Assessments may be used for projects involving rotten wood where the shingles had been cut too short or the delaminated wood that was a surprise. Elizabeth said that an assessment for 2025 was probable as the Painting Reserve has a negative balance. But that would need to be decided after the cost of the unexpected rotten wood and delaminated wood was known. Elizabeth asked each Board member to review the proposed budget options on the budget analysis and if any Board member has a question to please contact her.

JoAnna asked Judy to share the revised Access to Limited Common Elements Policy that was sent to the association attorney as all Board members were not present at the last meeting. Nancy made a suggested change to the revised policy. Motion by Nancy to make the suggested change and send to the association attorney, seconded by Tonna, motion carried, unanimously approved.

ADJOURNMENT

Motion by Karen to adjourn, seconded by Nancy, motion carried, unanimously approved.