

## 2017 ANNUAL REPORT TO MEMBERSHIP

Shadow Woods Subdivision Association

October 19, 2017

This is the annual report to the membership of the Shadow Woods Subdivision Association required under the By-Laws of the Association. This report contains: a review of operations in 2017; details of common area maintenance, storm drain update and capital improvements for 2017; spending for 2017; dues and budget for 2018; a proxy and a ballot for the election of members to the Board of Directors.

**The annual membership meeting of the Shadow Woods Homeowners Association will be held at Rochester Hills City Hall Auditorium on Wednesday, November 15, 2017 at 7:30pm. Please be prompt, doors will be locked at 7:45 PM.**

### Review of Operations for 2017

#### **Officers and Board members for 2017:**

President	Terry Lanker
Vice-President	Jeff Ouimet
Treasurer	Hilary Kotik*
Secretary	Beth Tilove

#### **Committees**

Treasurer's Committee	Hilary Kotik*
Social Committee	Chelsea Scally
Communication Committee	Beth Tilove & Chelsea Scally
Maintenance Committee	Steve Yuhasz**
Capital Improvement Committee	Jeff Ouimet
Greeting Committee	Beth Tilove
Neighborhood Committee	Bruce Brown*
Safety & Security Committee	Doug Thedford
Storm Drains & Special Projects	Al Wolfe

### General Operations

To avoid a future shortfall of funds, the board has developed a savings account for the Deferred Maintenance Fund. This fund has been established to pay for future dredging of the commons storm water basins, repairs to the Shadow Woods private storm sewer system, major cleanups following (ice) storms and/or other unexpected expenses. As of the end of September, the fund has a balance of \$80,316.41 as detailed on page 8 of this report in the financial statements. In past years, we have been able to add funds to this account. This year, due to repairs required to the 8-inch sump water collection pipe near 873 Snowmass, the board voted not to transfer any funds to avoid depleting the cash in the checking account to too low a level.

The board has renewed a contract for the services of the HOA management company, ACM Co., Inc., to meet the duties of the treasurer's committee (consisting of dues billing, and collection). The expense of this contract is expected to be approximately \$5000 per year and is included in the 2018 budget.

\* Hilary Kotik and Bruce Brown have tendered their resignations effective at the end of this fiscal year (12/31/2017). We thank Hilary and Bruce for all their contributions for the years they have served.

\*\* Jack Durham did serve as maintenance chair for seven months but had to resign. We thank Jack for his service. Steve Yuhasz was confirmed to complete his term.

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**Common Areas**

Many Shadow Woods residents have lot lines that border or conjoin with the common areas of the subdivision. Concerns have been expressed about private use or maintenance (“openly hostile possession”) of subdivision common areas leading to adverse possession of these areas. Please note that any resident, who is in good standing with their dues, may enter the subdivision common property at any time and this entering and use of the land is not considered hostile. This statement is included in the annual report to inform all Shadow Woods property owners having lot lines that border or conjoin with the common areas of the subdivision that such openly hostile possession of subdivision common areas leading to adverse possession is hereby objected to by the Board and residents of the Shadow Woods subdivision in an effort to preserve the common areas for the use and enjoyment of all residents. Any resident needing help with the location of any lot line is encouraged to employ a professional land surveyor.

**Committee Activities Reports:**

**Communications Committee Activities**

**Subdivision Web Site** | Visit [www.shadowwoods.com](http://www.shadowwoods.com) regularly for subdivision related news, classified ads, and other important sub info.

**Subdivision Emails** | In order to facilitate contact between the Board and residents, we have established an email address for the Association, [shadowwoodsrh@gmail.com](mailto:shadowwoodsrh@gmail.com). Announcements, events, invitations and news are sent as needed. To be included in the distribution, please send your email to the above address and ask to be added to the contact list.

**Subdivision Newsletter** | We no longer mail out a newsletter. The Board has initiated a weekly mini-newsletter, emailed each Monday that there is news to share.

**Subdivision on Facebook** | Residents of Shadow Woods who want to stay up-to-date are encouraged to “Like” our page on Facebook (<http://www.facebook.com>). Search for “Shadow Woods Subdivision” to find news, view photos, see events and engage in discussions.

**New Resident Packet** | We hope to reach new residents with our New Resident Information Packet and a small gift. This packet includes deed restrictions and other information helpful to new residents. In the event you need a packet, or if you know someone who needs one, contact Beth Tilove at [shadowwoodsrh@gmail.com](mailto:shadowwoodsrh@gmail.com) or 248-375-1309.

**Social Committee**

Chelsea Scally is chair of the Social Committee. Thanks to Chelsea and her many committee members for the great events put on by the social committee.

**Shadow Woods Garage Sale** | The subdivision’s garage sale was held the first Thursday through Saturday in June. The Social Committee handled media advertisements for the sale, which is free of charge for those residents who wish to participate.

**Great Yards Contest** | This contest was held in held in 2017. Tom Rourke at Real Living - Kee Realty donated his time to do the judging. Winners received a gift card and the results were announced on our web site [www.shadowwoods.com](http://www.shadowwoods.com).

**Social Events** | Our Social Committee hosted a Summer Barbeque for all residents and Halloween party & Easter Egg Hunt for young children.

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**Neighborhood Committee – Deed Restrictions**

The neighborhood committee is responsible for assisting residents in the enforcement of the deed restrictions and city ordinances for the common good of all residents. Some of the recent investigations were done in response to resident complaints. The neighborhood committee frequently surveys the subdivision and in the last 70 months has sent over 446 letters and filed 28 complaints with the city asking residents to comply with the deed restrictions and city ordinances.

Whenever a city or state infraction has been committed, the proper authority should be contacted. The city ordinances can be found on the city's web site and any resident can call the enforcement department at 248-656-4615 or submit a concern online to request an investigation. Please be aware that trash, rubbish or junk must be removed from properties within seven days as per the city codes. Please send your concerns via email to Shadowwoodsrh@gmail.com and your message will be forwarded to the appropriate board member.

**Storm Drains & Special Projects Committee**

Our subdivision's yards have a network of some 31,253 lineal feet of storm sewers, 20 inlets and 118 manholes that collect both sump water and rain water runoff from homes and streets. This water eventually runs to the North and South retention basins which drain to the local water shed. We have found that our subdivision (not the city) is responsible for the maintenance of the subdivision's storm sewers and storm water retention basins. The city only maintains the storm sewer drains in the streets. A deferred maintenance budget item for the storm sewers is included in this report.

Due to a blockage, we had to spend over \$8000 this year to remove mineral deposits in an 8-inch sump water collection pipe in front of 873 Snowmass. This mitigated the surface water difficulties at this location. Further examination of maps provided by the city reveals that there are fifty-three (53) 8-inch sump water collection pipes in the subdivision. We have contracted for additional work with in-pipe cameras and found additional problems. These problems are summarized on the document "*8 inch storm drains SWSD Address list V6.pdf*" at shadowwoods.com. Our plan is to next address the 8-inch sump water collection pipe at Snowmass & Telluride. We are working on trying to assess the ongoing costs of correcting and maintaining the entire system.

The storm drain system is currently in marginal operating condition; the storm water retention basins have a limited life and will have to be cleaned by digging up the sediment. This clean-up is a very expensive job in excess of \$50K per basin. The subdivision is responsible for this cost, not the city. It is our system and our problem when the storm water retention basins reach their saturation. In the meantime, we ask all residents (and the contractors they hire) to keep the drains (at the road and in the backyards) clear of any debris and free flowing. Please refrain from disposing of grass clippings, leaves, dirt, cement wash and cigarettes down the drain. Do not leave grass clippings or leaf debris on the streets because the rain will wash this debris into the storm drains as well. These improperly disposed items only fill the storm water pipes and retention basins faster and will lead to more clean-up expense for the subdivision. Water is the only element that belongs in the storm drain system.

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**Safety & Security Committee**

Speeding on our subdivision streets continues to be a safety concern. This speeding is done both by cars driven by Shadow Woods residents and by cars taking our streets as a short cut to avoid congestion on nearby main roads. Speeders pose a risk to pedestrians, bicyclists, and people in their yards near the street.

The City of Rochester Hills requested the Traffic Improvement Association (TIA) to perform a traffic study on Powderhorn Ridge road near the Adams entrance, an area of particular concern. The results of this study show this intersection is “not pedestrian or bike friendly due to northbound right turn vehicles turning onto Powderhorn Ridge into the same lane the pedestrians are using to get to/from the bike path on Adams Road”. (Ref. TIA study 6/30/2014). This year the committee has worked with the south corner resident, the Mapili’s and they have consented to a walking path from their driveway to the bike path on the corner, which should help alleviate this problem. Please help the Board to thank the Mapili’s for their cooperation.

The committee reminds residents to keep their eyes and ears open and report incidents of theft or vandalism to the Oakland County Sheriff (Non-Emergency Phone 248-858-4950).

**Maintenance Committee**

The Maintenance Committee is responsible for planning and supervising the maintenance of the approximately 30 acres of commons owned by the subdivision association and the green belt along the adjoining roads. This maintenance is mandated and enforced by the city of Rochester Hills. Some of our contracted services include mowing, trimming, edging, fertilization and weed / crab grass control. They also provide for trimming, feeding, insect control and pruning of small trees / shrubs. Additional contracted services include planting and maintaining the flowers at our entrances, and weed control / removal in all mulched areas. We currently have Oakwood Lawn contracted for the summer chemical weeding and manual weeding at our entrances, islands, and cul-de-sacs, United Landscape for mowing, and an additional contractor for sprinkler obligations. The maintenance committee also contracts out the holiday lighting at our subdivision entrances each holiday season and is always open for suggestions and ideas.

We contracted with Oakwood to cut out sod and add mulch around the trees we had planted along Tienken and Brewster. This will protect the trees when workers are trimming around them. We also contracted with a tree service to remove several dead trees near our north trail entrance in addition to having the dead branches removed on two Willow trees in the north common area along Brewster. They will also fertilize the newly planted Hickory Trees on Tienken and on Timberline at Keystone Park.

Please be aware that the association is not obligated to remove fallen trees or debris from any resident’s yard. Additionally, damages incurred by trees, branches, etc. from commons areas are not covered by the Association, but rather your specific Homeowner’s Insurance Policy.

A couple large limbs fell down on the pathway in our wooded commons this year which were cut and removed. Please remember to stay safe when walking through our commons path as falling limbs and trees are always a possibility. The Maintenance Committee tries to handle hazardous standing dead trees and limbs near the path, but no amount of trimming and removal is as good as personal awareness when walking through our wooded areas.

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**Capital Improvements Committee**

Work continued at Keystone Park early this spring with the planting of deer resistant shrubs, perennials, and a Canadian Hemlock. We also had the area mulched to keep down the weeds. The deer still nibbled some of the plants, but in time, the plants will mature and grow to full size where a bit of deer damage will not be noticed. A neighbor next to the park has offered to water the plants this year to ensure their survival. We also requested that the City plant five trees (Elms and Kentucky Coffee) along the right-of-way of Timberline in front of Keystone Park. The planting was part of a City's Tree Planting program at no cost to the subdivision.

Our entrance signs are showing their age structurally and in design. We are reviewing our options to repair or replace them with materials and a new design that will require less maintenance and enhance the appearance of the subdivision entrances. We will begin discussion with the City to determine what options we have available for our five entrances.

We consulted with a certified arborist this summer to look at the trees in common areas and our islands. The Black Walnut Trees along Timberline are healthy, but the spruce trees in our islands have a limited lifetime and may begin to fail in the next 5 to 10 years. When they do fail, we will remove and replant a tree that will enhance the look of the subdivision for years to come. The trees in the common areas are healthy, but will require maintenance pruning every few years.

We will continue to work to improve our subdivision. Please contact Jeff Ouimet at shadowwoodsrh@gmail.com with any questions or concerns

**Treasurer's Committee**

The Treasurer's committee has the responsibility to assist the Treasurer in the collection of dues and assessments and to maintain detailed records of the members' dues status. These dues help us pay for the subdivision services we require. As stipulated in the subdivision by-laws, in 2018 there will be a 6% per annum charge and a pass-through charge of \$20 per month in collection costs incurred from the HOA management company on all past due accounts.

- **Budgeted Revenue:** Due to some residents failing to pay their dues, the amount of uncollected subdivision dues is set at 3%. Liens continue to be filed against those properties having unpaid dues. These liens are public records at the Oakland County Clerk's office.

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**Spending in 2017**

Our By-Laws stipulate that we have our Annual Meeting/Report issued for November; therefore, we are showing our expenses for the budget year October 1, 2016 through September 30, 2017.

**SWSA 2017 Budget Year Spending**

	<b>Actual</b>	<b>Budget</b>	
	<b>10/1/2016 to</b>	<b>Allocation Amount</b>	<b>Over /</b>
	<b>9/30/2017</b>		<b>(Under)</b>
<b>REVENUE</b>			
Bank Interest	12	-	12
Dues Received	80,846	78,437	2,409
Lien Activity	-	250	(250)
<b>TOTAL REVENUE</b>	<b>\$80,858</b>	<b>\$78,687</b>	<b>\$2,171</b>
<b>OPERATING EXPENSES</b>			
Administration	182	200	(18)
Annual Report	1,010	1,000	10
Bank Charges	14	-	14
Capital Improvements	3,883	10,000	(6,117)
Financial review	100	250	(150)
Grounds Maintenance	34,625	46,000	(11,375)
Holiday Lighting	2,300	2,300	-
Infrastructure Maint./Repair	14,230	1,500	12,730
Liability Insurance	1,624	1,687	(63)
Lien Filing Fees	139	150	(11)
Mich. Annual Report/Taxes	40	20	20
PO Box Rental	120	120	-
Subdivision Lighting-Poles	9,147	5,100	4,047
Subdivision Events	1,341	1,500	(159)
Treasurers Comm./HOA	2,314	5,000	(2,686)
Water Utilities	5,774	3,000	2,774
Website-3 yr fees	-	-	-
Welcome Packet	18	50	(32)
<b>TOTAL EXPENSES</b>	<b>\$77,748</b>	<b>\$78,977</b>	<b>-\$1,229</b>
<b>NET INCOME</b>	<b>\$3,110</b>	<b>\$(290.00)</b>	<b>\$3,400</b>

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**Projected 2018 Income and Expenditures**

The Board has approved a 2018 dues assessment of \$205. This assessment will allow us to afford ongoing general operations, repair drains and continue to build the deferred maintenance fund. The Association By-Laws provide that the Board of Directors may increase dues by a maximum of 5% from the level authorized for the previous year.

**SWSA 2018 Budget**  
**Oct. 1, 2017 to Sept. 30, 2018**

Budget  
for Fiscal 2018

**REVENUE**

Dues (for 419 homes)	\$	85,895
Less Uncollectible 3%		(2,577)
Interest Income, Lien Activity		250
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<b>TOTAL REVENUE</b>	<b>\$</b>	<b>83,568</b>
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**OPERATING EXPENSES**

Administration	200
Annual Report Charges	1,000
Capital Improvements	10,000
Financial review	100
Grounds Maintenance	42,000
Holiday Lighting	2,300
Infrastructure Maintenance/Repair	15,000
Liability Insurance	1,687
Liens Filing Fees	150
Mich. Annual Report/Taxes	40
PO Box Rental	120
Subdivision Events	1,500
Subdivision Lighting - Electrical DTE	1,100
Subdivision Lighting - Pole Rental City	5,100
Treasurers Com. / HOA Mgm. Co.	5,000
Water Utilities	5,000
Website (3 year fee due 2019)	0
Welcome Packet	50
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<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>90,347</b>
NET INCOME (LOSS)		(6,779)
Operating Cash on hand 9/30/17		29,141
Less 2017 Deferred Maintenance Expense		0
Operating Cash forward to 2018	<b>\$</b>	<b>29,141</b>

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- Deferred Maintenance Fund:** This fund has been created to pay for future repairs to the private storm sewer system, dredging the commons storm water retention basins, major cleanups following (ice) storms and / or other unexpected expenses. At the end of the 2017 budget year (Sept. 30<sup>th</sup>) the fund contained \$80,316.41. These funds are held in a savings account at PNC bank. In past years, we have been able to add funds to this account. This year, due to the expense of repairs required to the 8-inch sump water collection pipe near 873 Snowmass, the board voted not to transfer any funds to avoid depleting the cash in the checking account to too low a level.

YEARS	ITEM OF DEFERRED MAINTENANCE	ESTIMATED ANNUAL AMOUNT
2012 to 2027	Dredging Commons Storm Water Basins \$30,000 / 15 years =	\$ 2000
2012 to 2030	Storm Sewer System (50 year life, installed 1980) \$180,000 / 18 years =	\$ 10,000
	TOTAL	\$ 12,000 per year

**2017 Annual Membership Meeting**

The By-Laws of the Shadow Woods Subdivision Association provide for at least one membership meeting to elect Directors and conduct such other appropriate business. The Board has called the **annual membership meeting on Wednesday, November 15, 2017 at 7:30pm to be held at Rochester Hills City Hall Auditorium. Please be prompt, doors will be locked at 7:45 PM.** One of the purposes of this meeting is to elect members to serve on the Board of Directors. The names of the candidates running and their term lengths are on the ballot included with this mailing. The ballot may be presented at the membership meeting on November 15, 2017. Prior to November 15, 2017 ballots may be submitted to the association in the form of a proxy by mailing it to the address printed on the envelope provided. Postage is not included. **If you are unable to attend the annual meeting be sure to return the ballot in the envelopes provided.**

The form of the ballot allows secret balloting as required by the By-Laws. Please follow the directions on the ballot carefully. Please find the ballot page, mark your ballot and insert in envelope marked "BALLOT". This will contain your secret vote. **Insert the signed page marked PROXY along with the sealed BALLOT envelope** into the large envelope with the address of the Association printed on it. The proxy must be included so that we can identify eligible voters. When received, proxies will be checked for eligible voters and the sealed ballots will be secured for subsequent counting. Only residents with their fees paid to date are eligible to vote.

It is important that you, the homeowner(s), vote on the election of Board members. Please plan to attend the Annual Meeting or **send in your proxy!!**

Respectfully Submitted,  
Board of Directors, Shadow Woods Subdivision Association  
October 19, 2017