



2014 Annual Review

Conversion

As of the end of April there are 36 units remaining in the Mini co-op, down from the original 144. The conversion deadline expired on April 30, 2014. The Cooperative is currently in a wind-down period from May 1, 2014 through July 31, 2014 to allow for the members to complete the process of converting or selling their units. After July 31, 2014, the Cooperative will begin the process of dissolution.

Sales

During the 2013 calendar year there were a total of 50 sales in the community compared to 40 sales in 2012. The median sales price for a one bedroom was \$58,750 and \$73,500 for a two bedroom. It was a good sales year with values trending upward. Sales prices in 2014 are remaining stable and the days on the market are averaging about 30. From January, 2014 through April 30, 2014, the median one and two bedroom sale prices were \$60,000 and \$71,500 respectively.

Budget

In late 2012, the Finance, Maintenance and Modification, and Landscape Committees as directed by the Board, began a new Zero-Based budgeting approach that has been ongoing since. Instead of looking at where we have been, the committees looked at the budget from the perspective of what they want to accomplish in the future. The process identified resources in ongoing capital projects and what it would take to complete some of these projects by establishing a 3 year Capital Plan. The future funding accounts were evaluated and target amounts were established. Once the target amount is reached, budgeted contributions will stop until unforeseen project expenses bring the level below the target. The same process was used for the 2014-15 budget process as well. Maintenance fees have remained flat for the last three years. Over the last decade the average budget increase per unit has been as follows:

Fiscal Year	Maintenance Fees	Average Increase
2005-2006	\$290	\$5
2006-2007	\$301	\$11
2007-2008	\$297	(\$4)
2008-2009	\$299	\$2
2009-2010	\$298	(\$1)
2010-2011	\$298	\$0
2011-2012	\$299.61	\$1.52
2012-2013	\$299.61	\$0
2013-2014	\$299.61	\$0
2014-2015	\$299.61	\$0

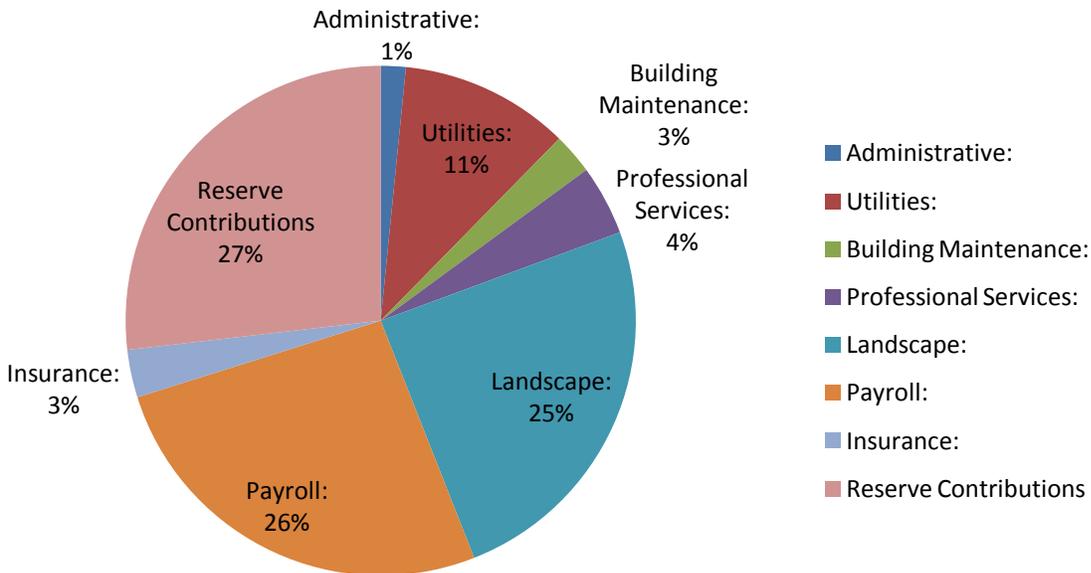
MAJOR OPERATING EXPENSES 2013-2014

		Avg. per unit per month
Administrative:	\$ 24,903	\$ 4.92
Utilities:	\$169,336	\$ 33.44
Building Maintenance:	\$ 40,798	\$ 8.06
Professional Services:	\$ 69,877	\$ 13.80
Landscape:	\$388,307	\$ 76.68
Payroll:	\$411,224	\$ 81.20
<u>Insurance:</u>	<u>\$ 47,676</u>	<u>\$ 9.41</u>
Total	\$1,152,121	

Reserve Contributions: **\$422,447**

Total Operating: **\$1,574,568**

Major Operating Expenses 2013-2014

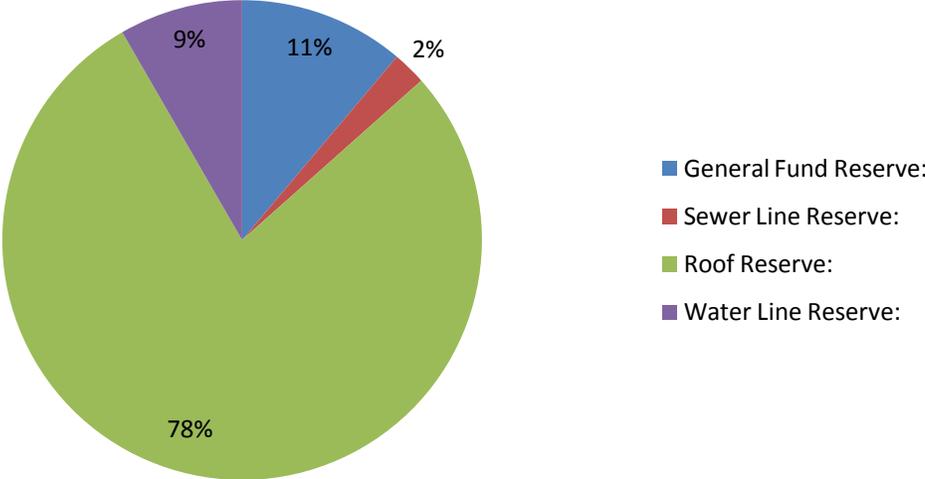


FUTURE FUNDING

		Avg. per unit
		Per month
General Fund	\$ 9,838	\$ 1.94
Roof Reserve	\$69,000	\$ 13.63
Water Line Reserve	\$ 7,343	\$ 1.45
Sewer Line Reserve	\$ 2,000	\$.39

Total Future Funding reserves \$ 88,181

Future Funding

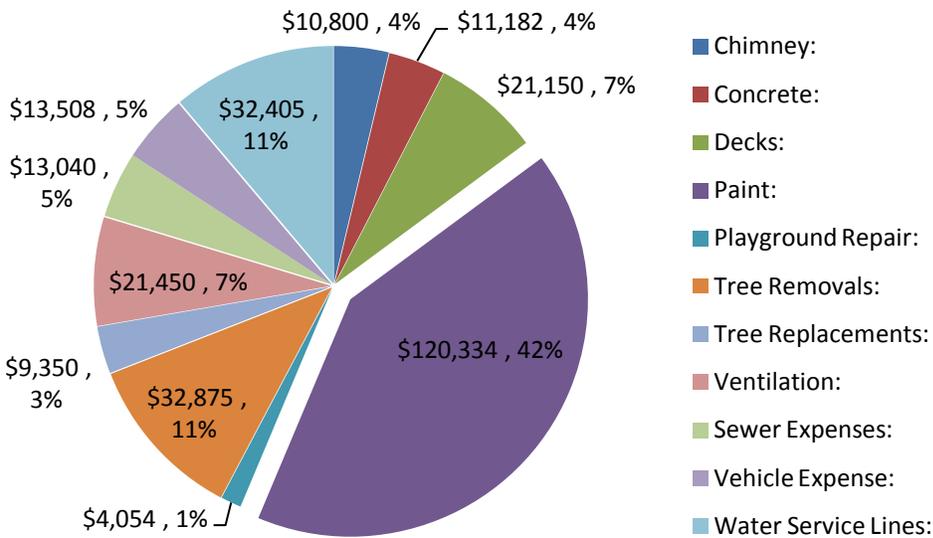


CAPITAL RESERVE EXPENSES-Budgeted

		<u>Avg. per unit</u> <u>Per month</u>
Chimney:	\$ 10,800	\$ 2.13
Concrete:	\$ 11,182	\$ 2.21
Decks:	\$ 21,150	\$ 4.18
Paint:	\$120,334	\$ 23.76
Tree Removals:	\$ 32,875	\$ 6.49
Tree Replacements:	\$ 9,350	\$ 1.85
Ventilation:	\$ 21,450	\$ 4.24
Sewer Expenses:	\$ 13,040	\$ 2.57
Water Service Lines:	\$ 32,405	\$ 6.40
Playground Repair	\$ 4,054	\$.80
Vehicle Purchase	\$ 13,508	\$ 2.67

Total Reserve Expenses: \$290,148

CAPITAL RESERVE EXPENSES



Continuing Projects

Chimneys: This project continues to make necessary repairs to the chimneys to ensure safety of the buildings. The goal is to complete the needed repairs on 25 chimneys in the 2014-2015 budget season.

Decks: The program continues for the power washing and sealing of decks. A total of 136 decks will be completed in the 2014-2015 budget season by Supreme Deck Restoration.

Tree and Shrub Removal: The Landscape committee continues to evaluate trees that require removal for the safety and preventative maintenance of our buildings and residents. Each tree is thoroughly evaluated before the final decision for removal is made.

Tree and Shrub Replacement: The committee's goal has been in the past and continues to be to plant new trees in the common areas. The committee will continue to review co-owner requests for trees and shrubs along with planting new plant material in areas where large trees have been removed. **The Landscape committee has committed to have at least one new tree planted for each tree that is removed for the 2014-2015 season.**

Painting: MasterCraft Coatings continues to be the contractor to paint the exterior of the buildings. The painting is on a 5 year rotation which means that about 84 units are painted each year.

Foundation: There were no major foundation repairs made in the 2013-2014 year. As a result of good tree management and previous foundation improvements, there was no need to budget an expense for the 2014-2015 year. There is a reserve set aside in Future funding should unplanned repairs become necessary during this budget year.

Water Service Lines and Metering: There was a considerable amount of work completed on the water service lines on Norwood and Whitewood. Hutzler Plumbing worked in conjunction with the City of Ann Arbor in replacing the water lines, setting new curb boxes and meters. Once this phase is complete, the city will be able to pull a good number of units off of the master water meter. There are 3 years remaining on this project. Once completed, there will be one water meter per two units and our water will be billed at the residential rate vs. the current commercial rate which is much higher. In addition, it will be easier to detect water leaks and high usage areas throughout the village.

Playground Improvements: A to Z adventure Group, LLC completed restoration work on all 6 playgrounds this spring. This entailed adjusting all of the components and power washing and staining all of the wood. They will be back to replace some rope ladders sometime this summer as well.

Onsite Maintenance: 660 work orders were completed by the maintenance team during the 2013-2014 fiscal year.

Sewer Stack Replacements: There were about a dozen sewer stack replacements completed this year. There are 20 replacements budgeted for each year. If an owner is planning to complete a bathroom renovation, contact the maintenance department to have them evaluate the sewer stack for possible replacement before your project is completed.

New Projects

Roofing Replacement – We have been consulting with Roofing Technology Associates, Ltd. for the past 2 years and they are nearing the end of preparing the roof specification to be used as we go to bid for the roof replacement project that is budgeted to begin with the 2014-15 fiscal budget year. This will be a 10 year project to replace the roofing on all of the buildings. More information will be distributed once the bidding process is completed and a start date is set, likely late fall of this year.

Gutters – In our continuing efforts to reduce basement water events and leaking, the board has approved to install gutters on three building this budget year. The maintenance department has suggested that gutters installation might be helpful in preventing erosion and leaks in certain building locations in the Village. More information will be provided when this project is ready to begin.

Maintenance Staff:

Colin Breed: Colin is the maintenance supervisor and has been at Pittsfield Village since 1995, he has been with Kramer- Triad for over 30 years. Colin's knowledge and experience in maintaining the Village is beyond amazing. He oversees all of the projects planned annually, often brainstorming with Dave and Tim to solve complex problems that arise from maintaining 60+ year old buildings.

Dave Walke: Dave has been with Kramer- Triad for over 25 years and has been at Pittsfield Village since 2008. Dave has done excellent work renovating the Village owned units. He also oversees the Deck Staining contract and the Snow removal contract.

Tim Clarkson: Tim has been at Pittsfield Village since 2006. Tim has been instrumental in managing the concrete repair contract, the paint contract schedule, and creating and updating the project maps that have become very useful management tools. Tim also assists with updating the Pittsfield Village website.

Pittsfield Village Office Staff:

Terri Leirstein: Terri has been the community manager at Pittsfield Village since June, 2012 and oversees the day to day operations of the community. She has 30 years of previous property management experience in the Ann Arbor area.

Wanda Buster: Wanda has been the accounts receivable representative for Pittsfield Village since 1997. She manages the payments made by the co-owners and works with the association's attorney. She also works with ROA Hutton and First Title to complete the conversions for the Village Cooperative. There have been many software changes in the past several months that have greatly improved our management systems. While being a challenge to learn, Wanda has mastered them all with ease.

Tracy Vincent: Tracy has been the Administrative Assistant at Pittsfield Village for 3 years and has been employed by Kramer- Triad for 23 years. She is responsible for the face to face interaction with co-owners and assisting the manager where needed. Her knowledge of association management and procedures helps keep Pittsfield Village running smoothly.