



## 2015 Annual Review

### **Conversion**

As of the end of April there are 2 units remaining in the Village Cooperative, down from the original 144. The conversion deadline expired on April 30, 2014. The Pittsfield Village board and the Village Cooperative board worked very hard to make sure that all owners wanting to convert and keep their homes could. As a result, Pittsfield Village Condominiums financed 9 Land Contracts and converted them into the condo association. As of May 6, 2015, the remaining two units were sold and expected to close by mid-June. The dissolution of Village Cooperative Homes, Inc. will then begin.

### **Sales**

During the 2014 calendar year there were a total of 46 sales in the community compared to 50 sales in 2013. The median sales price for a one bedroom was \$60,000 and \$75,500 for a two bedroom. It was a good sales year with values trending upward. Sales prices in 2015 have increased and the days on the market are averaging 10-15. From January, 2015 through April 30, 2015, the median one and two bedroom sale prices were \$63,000 and \$83,900 respectively.

### **Budget**

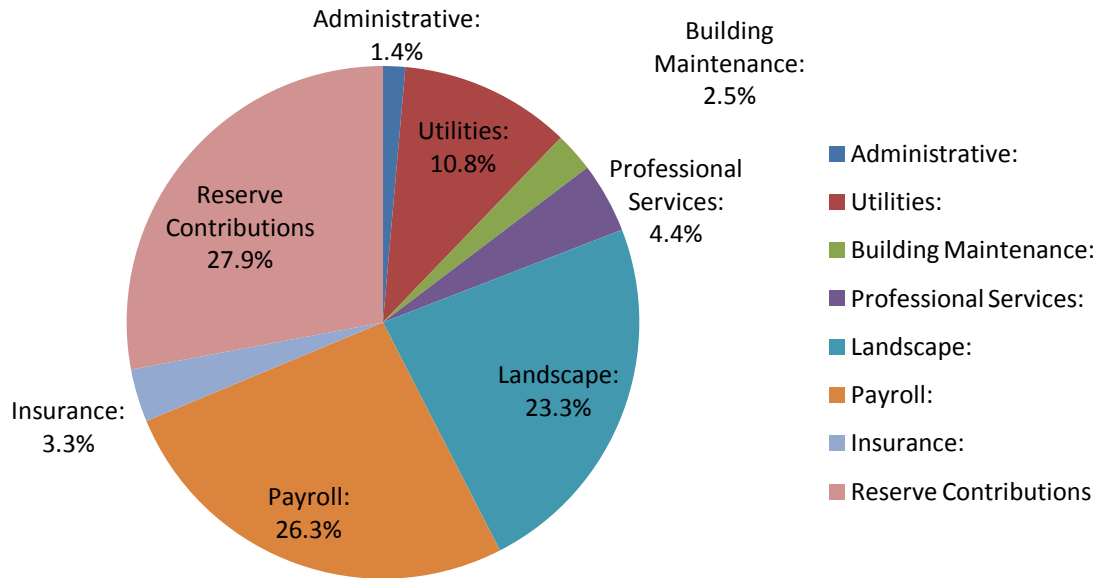
In late 2012, the Finance, Maintenance and Modification, and Landscape Committees as directed by the Board, began a new Zero-Based budgeting approach that has been ongoing since. Instead of looking at where we have been, the committees looked at the budget from the perspective of what they want to accomplish 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 3-5 year Reserve 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 2015-2016 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 |
|-------------|------------------|------------------|
| 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              |
| 2014-2015   | \$299.64         | \$0              |

## MAJOR OPERATING EXPENSES 2014-2015

|                        |                    | Avg. per unit<br>per month |
|------------------------|--------------------|----------------------------|
| Administrative:        | \$22,393           | \$4.42                     |
| Utilities:             | \$173,194          | \$34.20                    |
| Building Maintenance:  | \$39,743           | \$7.85                     |
| Professional Services: | \$71,132           | \$14.05                    |
| Landscape:             | \$374,067          | \$73.87                    |
| Payroll:               | \$420,910          | \$83.12                    |
| Insurance:             | \$53,493           | \$9.41                     |
| Reserve Contributions  | \$448,004          |                            |
| <b>Total</b>           | <b>\$1,602,936</b> |                            |

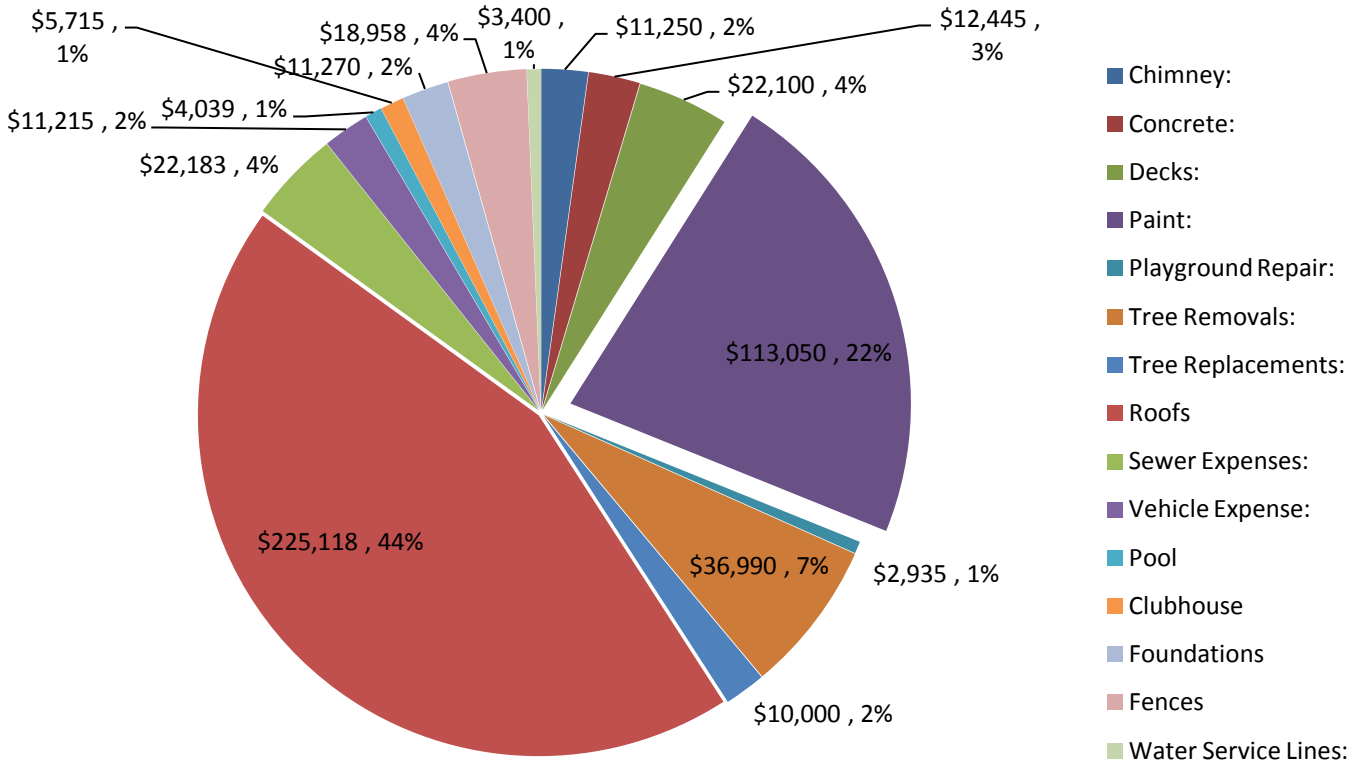
## Major Operating Expenses 2014-2015



# CAPITAL RESERVE EXPENSES

|                                |                  | Avg. per unit<br>per month |
|--------------------------------|------------------|----------------------------|
| Chimney:                       | \$11,250         | \$2.22                     |
| Concrete:                      | \$12,445         | \$2.46                     |
| Fences:                        | \$18,958         | \$3.74                     |
| Decks:                         | \$22,100         | \$4.36                     |
| Foundation:                    | \$11,270         | \$2.23                     |
| Paint:                         | \$113,050        | \$22.32                    |
| Clubhouse:                     | \$5,715          | \$1.13                     |
| Pool:                          | \$4,039          | \$0.80                     |
| Roofs:                         | \$225,118        | \$44.45                    |
| Tree Removals:                 | \$36,990         | \$7.30                     |
| Tree Replacements:             | \$10,000         | \$1.97                     |
| Sewer Expenses:                | \$22,183         | \$4.38                     |
| Water Service Lines:           | \$3,400          | \$0.67                     |
| Playground Repair              | \$2,935          | \$0.60                     |
| Vehicle Purchase               | \$11,215         | \$2.21                     |
| <b>Total Reserve Expenses:</b> | <b>\$510,668</b> |                            |

# CAPITAL RESERVE EXPENSES



## **Continuing Projects – 2015-2016**

**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 2015-2016 budget season.

**Decks:** The program continues for the power washing and sealing of decks. A total of 138 decks will be completed in the 2015-2016 budget season by Supreme Deck Restoration. This project will begin May 11, 2015.

**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. Work will begin the week of June 2, 2015.

**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 budgeted to plant at least 50 trees in 2015-2016.

**Foundation:** There were two major foundation repairs made this budget year. They were the direct affects of trees that were planted too close to the foundation and/or over the sewer lines. The funds from these repairs came for the Future Funding account set aside for unplanned foundation work. Future Funding is still available for unplanned foundation work therefore no additional funds were budgeted in 2015-2016.

**Water Service Lines and Metering:** Work continues to replace water lines and meters in order to pull off of the Master meters with the City of Ann Arbor. 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. There are currently 24 units metered and being billed with an additional 110 units that are planned to be metered this year to allow for residential billing. Not all of the funds budgeted in 2014-2015 were used so it is being transferred to Future Funding to be used when needed. No additional funds were allocated for this budget year for this reason. It is anticipated that this project will be ongoing for an additional 4-5 years.

**Playground Improvements:** There were no planned improvements for 2014-2015. There are funds allocated this year for power washing and staining the picnic areas and gazebos. Wood repairs will be completed as needed as well.

**Sewer Stack Replacements:** There were about 15 sewer stack replacements completed this past year and an additional 12 are budgeted for this 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.

**Concrete:** There were 50 areas throughout the Village that had concrete work completed last fall. In addition, the entrance to the pool area was budgeted for replacement which will be completed in time for the pool opening. Throughout the year, Tim, a member of the maintenance team, keeps a list of areas throughout the Village that need concrete work. Owners are also encouraged to call in a work order if there is a specific need for their unit. The Village maintains the up-walks and porches. The sidewalks are maintained by the City of Ann Arbor

## **New Projects**

**Roofing Replacement** – We have been consulting with Roofing Technology Associates, Ltd. for the past 3 years as they prepared the roof specification for the roof replacement project that started in January, 2015. There were 13 buildings that received new roofs in this phase. These were noted as the oldest and/or had developed leaks. Citi Roofing, Inc. was the contractor selected for these 13 buildings and will also be contracted for the additional 10 buildings budgeted for 2015-2016. This is expected to be a 10 year project.

**Gutters** – In our continuing efforts to reduce basement water events and leaking, the maintenance department has suggested that gutter installation might be helpful in preventing erosion and leaks in certain building locations in the Village. Gutters were installed on the back of 3 buildings this spring and the maintenance department will be monitoring if this improvement is beneficial. There were additional funds budgeted for three more buildings in 2015-2016.

**Sump Pumps** – Once again, in a continuing effort to reduce basement water events and leaking, Colin, your maintenance lead committed extra time and effort in attending many after hour's meetings of the Citizens Advisory Committee for the City Sanitary Sewer Wet Weather Evaluation Project for the past year and a half. As a result of his involvement, a representative of Perimeter, LLC approached him to see if there was interest in having additional sump pumps installed in the Village. At that point there were only 8 sump pump installations. Perimeter, LLC is a company that uses funds available from the Developer Offset Mitigation Program for the City of Ann Arbor. The purpose of the program is to prevent basement flooding and reduce storm water flow to the water treatment plant. To date, 60 sump pumps have been installed, 20 are in process and an additional 20 are planned for fall. This is a funded program and no cost to the Village or its owners. There is also a possibility that as long as funds are available through this program there will be additional installations in the future. The utility costs for the sump pumps will be the responsibility of the owners.

## **Other Items of Interest:**

**Fertilizing and Weed Control:** The board of Directors, as recommended by the Landscape Committee made the decision to not apply fertilizer or herbicide (weed control) on the lawns for the 2014-2015 budget year. This decision was made after a petition was signed by 100 owners who were concerned about the chemical applications. The board and Landscape Committee have budgeted for one fertilizer treatment this year along with case by case requests for treatment of thistles.

**Onsite Maintenance:** 966 work orders were completed by the maintenance team during this fiscal year compared to 660 in 2013-2014.

## **Pittsfield Village 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.

**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.

**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 as well as various realtors and lenders for condo sales.

**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.

**Tracy Vincent:** Tracy has been the Administrative Assistant at Pittsfield Village for 4 years and has been employed by Kramer- Triad for 24 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.