

Kentwood Home Guardians Minutes
Special Board Meeting
Wednesday May 5th, 2021 @ 6:00 p.m.

**** Zoom Meeting ****

Please note this is not our usual location

Call to Order - 6:03 pm

Present: 1st VP Alyssa Bost, Secretary Tracy Thrower Conyers,
Treasurer Deborah Wettstein, Office Manager Audrey Melton

Absent: Aaron Torrence (unexcused)

1. New Business

a. Review & approve election mailing

1. Intention was to approve election mailing tonight
2. It has come to the Board's attention that we missed steps with our new Election Rules
3. The Board is going to consult with counsel about next steps

4. Audrey was instructed to email candidates about the pause
- b. Review & approve amnesty proposal for delinquent assessments
1. Deborah showed and described her proposal (attached)
 2. Alyssa moved to adopt the proposal as presented; Deborah seconded
 3. Tracy objected to offering amnesty on current year's assessments prior to sending out a 2nd billing notice as we've had good luck historically collecting assessments and late fees with a second notice
 4. Tracy pointed out the statement in the proposal that liens cost the association money is inaccurate; our published Collections Policy puts the cost of liens on the delinquent member
 5. Tracy objected to advertising the Amnesty Plan on social media
 6. Motion made by Alyssa to adopt the Plan without social media advertising and to include language that this is a one-time offer; Deborah seconded; motion carried 2-1

7. Deborah will draft the proposed language and circulate it to the Board and legal counsel
8. Audrey was instructed to hold the 2nd billing notice mailing until the Plan was ready to be inserted

2. Unfinished Business

- a. Deborah as signer on KHG bank accounts
 1. the bank asked for an updated Secretary of State form which Audrey submitted for filing; we're waiting for the State to process
- b. Update on insurance research
 1. Our insurance broker needs a form filled out; Audrey will circulate it to the Board
- c. Appoint Architectural Review Committee members & approve prior committee actions
 1. Alyssa moved to approve Tom Koranda, Vince Bertolini & Linda Kokelaar to the ARC and approve prior committee actions
 2. Tracy objected to approving actions we might not know about

3. Alyssa amended her motion to approve the three members and prior committee actions reported to the Board; Tracy seconded; motion carried unanimously

Adjourn Meeting - 6:34 pm

Tracy Thrower Conyers, Secretary

DRAFT

KHG COLLECTIONS PLAN & AMNESTY PROPOSAL / TO DISCUSS AT 5/5/21 SPECIAL MEETING

- 1) BASIC PROPOSAL – As part of the 202/21 2nd collections mailing, the Association offer a one-time, limited opportunity for members to be forgiven penalties & interest if they bring accounts current within a specified timeframe.
- 2) TIMEFRAME – Suggest members be given 60 days to take advantage of the offer, e.g. if the mailing goes out by 5/15, the offer would be good until 7/15
- 3) POST-OFFER POLICY – Penalties & interest would remain fully in force on all accounts not brought current during the offer period.
- 4) POTENTIAL FINANCIAL IMPACT – Based on reports generated by Audrey effective March/2021, the association's past dues are as follows:
 - \$35,104 – PAST DUE RECEIVABLES / ASSESSMENTS BALANCE
 - **\$15,133** – PENALTIES & INTEREST (DIFF BTWN COLLECTIONS & A/R REPORTS)
 - \$50,237 – TOTAL PER 3/22/21 COLLECTIONS REPORT – 678 ACCOUNTS

If all past due accounts were brought current as part of the effort (unlikely), would mean the association would be foregoing up to \$15,133 in penalties & interest. Roughly, \$3,691 of this pertains to 326 accounts due just the current year, which may be subject to write-off if members claim they did not receive the initial mailings. The balance of \$11,442 in late fees and interest relates to accounts past due 2 years or more.

Note that the association's financials only reflect the past due assessment amounts – not penalties and interest – so any penalties and interest foregone as part of this offer would not impact KHG's balance sheet/reserves.

- 5) OTHER CONSIDERATIONS – As discussed, this would be a first step in trying to induce collections on past due accounts before we pursue other action, all of which would be more expensive than what we're talking about here – e.g. pre-lien notices would have to be sent certified mail, return receipt requested, which would cost \$5.35/mailing in postage costs alone.
- 6) FORM OF NOTICE – Propose the amnesty notice be printed on colored paper (to call attention) and included with the 2nd collections mailing; maybe the envelope would also include reference to the 'limited' amnesty offer. Notice of same could additionally be posted on KHG's website/Facebook page. We may also want to suggest that any accounts having trouble paying should contact the Association about a payment plan; reserving, however, the Association's rights to pursue further collections action, including lien notices on properties that do not become current.

Look forward to other suggestions and further discussing at the 5/5 Special Meeting.