



**Notice of Annual Meeting  
South Mill Village Association, Inc  
December 3, 2007**

Dear Neighbors:

The Annual Meeting of the South Mill Village Association will be at 7 PM on Tuesday, December 3, 2007 at the Daskam-Columbia Lodge, 895 Main Street, South Glastonbury, adjacent to the Fire Station.

**If you are unable to attend, please execute the enclosed proxy and return it to any Executive Board member or give it to the representative you choose to vote for you at the meeting.**

The order of business at the Annual Meeting will be:

- I. Roll Call and Notice of Meeting
- II. Reading of the Minutes from the 2006 meeting
- III. Reports of Officers
- IV. Unfinished Business
- V. New Business
- VI. Ratification of Budget
- VII. Election of Directors
- VIII. Adjournment

The terms of two Executive Board members expire December 31<sup>st</sup>. Rich Nicholson, who serves as Secretary, has worked very hard throughout the year on a number of important Association issues and is a candidate for re-election. Amy Brodeur has been our Treasurer for the last two years and has done an extraordinary job in managing our budget and financial reporting. Amy is a candidate for re-election. If you wish to serve on the Board, and are willing to put significant energy into helping manage your community, please let me know by email, [jhburke2000@yahoo.com](mailto:jhburke2000@yahoo.com)) or call me at 633-3467 by November 23<sup>th</sup> so we can prepare the ballot. Nominations may also be made at the meeting.

In order to effectively manage the community, fulfill your expectations, and share the workload, we need your help in accomplishing our goals. Please consider the challenges facing us and volunteer your skills to help.

Sincerely,

John H. Burke  
President, Executive Board  
South Mill Village Association

This notice is dated the 16<sup>th</sup> of November, 2007

By: Imagineers, L.L.C., Its Agent Duly Authorized

## SOUTH MILL VILLAGE ASSOCIATION, Inc

### President's Report: November, 2007

#### 2007 in Review

As I reflect on 2007 the Association made significant progress towards most of the strategic initiatives we outlined during the 2006 Annual meeting. We are in the final stages of selecting a vendor to complete a study on the adequacy of our capital reserve position. We expect to be in a position to provide a preliminary report to you early in 2008. In addition we are finalizing the selection of a landscape design firm to assist us in conceptualizing a long term landscape strategy which will provide a more contemporary look to the landscape schemes surrounding our units. The strategy also contemplates a look which is significantly more economical to maintain, provides privacy where important and continues to enhance the value of our properties.

We continued to maintain our schedule of painting a specific number of units each year. The work is being carried out by Prime Touch Painters. Some of the older units that were painted this year required considerable trim and siding repair adding to the overall cost of this years project. The Executive Board believes that continued diligence and strict adherence to our painting schedule, including the necessary repairs, is essential to maintain the integrity of the buildings and enhance the value of each unit and the community as a whole. We'd like to thank those who took the time to complete the satisfaction survey following the completion of the painting work. We took particular note of those comments which expressed concern about certain behaviors, including damage to plants and shrubs and failure to adequately clean up each day, and have communicated these concerns to the ownership of Prime Touch. It would be our intent to provide these reminders again prior to the start of next years painting project.

As our Association matures and the units and other structures get older we need to anticipate an increase in the amount of maintenance and repairs required. For example, we had several residents this year whose palladium windows failed requiring full replacement. Our plans, as part of the overall reserve study, are to complete a comprehensive review of all the units on the property, and take proactive steps when possible to repair damage before it reaches the point that it cannot be economically repaired and needs replacement.

Throughout the year we had begun to receive numerous complaints on mail boxes which were failing, flags were falling off, doors were failing, and hinges were broken and could not be repaired. In addition, many were beginning to look worn and rather shabby. In working with our local hardware store we were able to negotiate a fair price for the bulk purchase of new mail boxes for all 88 units. All the new boxes have now been installed. The new mail boxes carry a lifetime warranty and will be replaced by the manufacturer if they fail or cannot be readily repaired.

The newly redesigned telephone directories have been updated and delivered to all residents with in the past few weeks. A huge thanks to **Pat Penland** for all her hard work and diligence in completing the redesign and coordinating the changes. Thanks also to **Pat Burke** who helped with the logistics and distribution.

Many of you have asked and wondered where the developer is on phase V now that the road has been partially completed. The developer advises that they have been going through the administrative review process with the town, submitting various proposals and options. The

intent, according to the developer is to proceed with a high end development, once the right balance has been agreed to with the town. There has been no definitive time table agreed to, but the developer has agreed to keep us in the loop as has the town.

Many of you may have noticed that the American Flag along South Mill Drive is now being flown in conformity to the American Flag Code (Flag Code). On behalf of all the residents of South Mill Village Association Inc, the Executive Board would like to thank sincerely **Bill Conklin** of 32 South Mill Dr for volunteering to take on this duty without being asked by the Association. Bill's extra efforts are a fine example of the many things, both large and small (this is a big undertaking) that residents can do to make a difference in the community.

Plans are underway for the holiday social in mid December, watch your mail for upcoming details.

The South Mill Village web site ([www.southmillvillage.org](http://www.southmillvillage.org)) is undergoing a substantial change. After many years of maintaining the site "in house" the Executive Board made a decision that the site could be made more effective, informative and useful to all of us if it were more interactive and we have outsourced the redesign of that site to a respected local developed Zagnutz Solutions right here in South Glastonbury. I know we have some very creative folks out there in the Association and would hope that they have a little extra time to work with us in providing thoughts and ideas on how they would like to see the site work, content they'd like to see and how it might add value to the Association. Web design expertise and skills are not required, just an active and creative mind. If you'd like to be part of a team of folks that help us, email me at [jhburke2000@yahoo.com](mailto:jhburke2000@yahoo.com), we'll get you working! And at the same time, having fun and making a difference in our Association.

**Jack Foley** continues in his role of Vice President of the Executive Board and continues to provide impressive leadership in a variety of critical and essential functions on the board. **Amy Brodeur** has served during the last two years as our Treasurer. Amy has done an outstanding job and has been an instrumental part of helping to drive the financial discipline exhibited by the Board. **Rich Nicholson**, in addition to his role as Secretary, has provided critical insight in all the assignments he has undertaken, particularly those involving of vendor contracts. Rich most recently volunteered to take on responsibility and act as the liaison with the vendor we've contracted with to assist in the redesign of our website. **Al Penland** has served very capably as the landscape chairperson and has spearheaded our efforts at the identification of a landscape designer to help us implement long term plans for the renewal and beautification of our grounds. **Sue McGuirl** has provided energy and assistance in her role as social and communications chair. **Greg Dobbs** brings technical expertise to his role as chair person of the buildings committee.

### **Budget Report for the Year 2007**

The Executive Board is committed to exercising sound fiscal judgment as it manages the revenue and expenses of the Association. This frequently requires the balancing of priorities and the effective management of discretionary spending. The Association finished the 2007 fiscal year with an operating expense budget surplus of just over \$2,500 and revenues of just over \$23,000. The total budget surplus will be used to eliminate the operating fund deficit from prior years.

The total operating budget for 2007 was \$ 376,000. The total paid and accrued expenses vs budget were \$ 374,118 resulting in a favorable budget variance of \$2,542. The major contributors towards the overall favorable variance were the snow variance of \$14,688, resulting from a much warmer winter, the legal budget with expenditures of \$ 1,453 vs a budget of \$10,000 and the building maintenance variance of \$9,622, resulting from delays in certain large repairs to fiscal year 2008. The budget line for Insurance losses was negatively impacted by \$22,672 as a result of 3 losses occurring in 2007. All other budget line categories were with in acceptable variances either plus or minus.

The revenue side of the budget realized income from Association fees of \$ 371,635, which was as planned. In addition we realized increased interest income by moving some accounts early in the year to a higher yielding investment product, the total interest realized was \$ 7,309. In addition the revenue side benefited from a larger than expected Insurance Loss reimbursement. The additional revenue generated will further serve to eliminate the small negative operating fund deficit from earlier years.

### **Budget for the Year 2008**

The budget adopted by the Executive Board for the 2008 Fiscal year is \$386,652, a very modest increase of \$9,992, or 2.7% over the 2007 fiscal budget. This budget provides for nominal increases for most non discretionary categories, reduces the legal budget to \$2,500, maintains the snow budget at \$40,000, increases the landscape and special grounds projects minimally to last years level of expenditure of \$95,260 and increases the building maintenance budget to \$50,000 in recognition of the increasing need to provide proactive maintenance throughout the complex. The budget also reflects a continued annual contribution of \$80,000 to the Capital Fund.

### **Outlook for 2008**

As mentioned above we are in the final stages of RFP selection for a firm to complete a reserve study, so that the Executive Board and you, as residents, have a full picture of the long term financial impact that will be needed to maintain this community as one of the outstanding condominium communities in CT, to maintain the property values and to provide the high quality of living that we have come to expect. The results of the reserve study will be shared with you during 2008, we want your input and reaction to the recommendations that are made.

We would anticipate this occurring late first quarter.

We also expect that the selected landscape design firm will have made recommendations for **South Mill Village- 2010 and Beyond!** Those recommendations will also be shared with you along with a cost benefit analysis on the long term impact of the project. Keep in mind, that while there may be some initial upfront cost, which can be phased in over some years, one of the key factors in our strategy will be the reduced cost of maintenance. We intend to keep you closely apprised of our thoughts and recommendations and be looking for your input as well.

We would anticipate this occurring early second quarter.

There are a number of other projects both short and long term that we need to keep in front of us as well. We have an additional cul-de-sac (115-131) that needs to be repaved in 2008. We have contemplated that in our Capital Planning for 2008 as well as the painting additional cul-de-sacs according to our schedule, (114-132) and (145-171). We continue to look at the condition of the street lights along South Mill Drive, which are our responsibility to maintain, along with the street lights within each of the cul-de-sacs. We have asked for a quote to replace

any of the wooden poles which are rotting out. Some of these poles have been replaced with fiberglass. Nearly all of the glass heads on both the wooden and fiberglass poles need to be replaced. Nearly all of them have been repaired or straightened to the point that they can be. We will be making decisions about these during 2008.

We look forward to discussions on these or any other topics on your mind during the open session of the Annual meeting.

#### Attachments

The financial results, and budget adopted by the Board, are attached.

**SOUTH MILL VILLAGE ASSOCIATION  
FINANCIAL HISTORY AND FORECASTS**

	<u>FISCAL YEAR 2007</u>			<u>FY 2008</u>	<u>VARIANCE TO</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>PY BUDGET</u>
<b>REVENUE</b>					
Fees	\$ 371,660	\$ 371,635	\$ (25)	\$ 379,652	\$ 7,992
Special Assessments	-	-	-	-	-
Interest Income	5,000	7,309	2,309	7,000	2,000
Insurance reimbursements	-	20,691	20,691	-	-
Other income (statement and late fees)	-	400	400	-	-
	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 376,660</u>	<u>\$ 400,035</u>	<u>\$ 23,375</u>	<u>\$ 386,652</u>	<u>\$ 9,992</u>
<b>EXPENSES</b>					
<u>COSTS ASSIGNED EQUALLY TO EACH UNIT:</u>					
Insurance	\$ 27,000	\$ 28,901	\$ (1,901)	\$ 28,000	\$ 1,000
Refuse Removal	24,000	23,583	417	24,000	-
Management Fees	18,000	17,813	187	18,000	-
Grounds Maintenance - Routine	78,660	80,465	(1,805)	80,260	1,600
Electricity	4,000	5,116	(1,116)	4,400	400
Insurance Loss	-	22,672	(22,672)	2,500	2,500
Accounting	3,000	2,700	300	3,000	-
Office	3,000	3,637	(637)	3,000	-
Statement Fees	-	130	(130)	-	-
Taxes	1,500	2,193	(693)	1,800	300
SUB-TOTAL NON DISCRETIONARY COSTS	<u>\$ 159,160</u>	<u>\$ 187,210</u>	<u>\$ (28,050)</u>	<u>\$ 164,960</u>	<u>\$ 5,800</u>
Grounds Maintenance - Projects	\$ 15,000	\$ 14,805	\$ 195	\$ 15,000	\$ -
Snow Removal	40,000	25,312	14,688	40,000	-
Legal	10,000	1,453	8,547	2,500	(7,500)
SUB-TOTAL DISCRETIONARY COSTS	<u>\$ 65,000</u>	<u>\$ 41,570</u>	<u>\$ 23,430</u>	<u>\$ 57,500</u>	<u>\$ (7,500)</u>
<b>Expenses Distributed Equally to Each Unit</b>	<u>\$ 224,160</u>	<u>\$ 228,780</u>	<u>\$ (4,620)</u>	<u>\$ 222,460</u>	<u>\$ (1,700)</u>
<u>COSTS ASSIGNED BY UNIT SQUARE FOOTAGE</u>					
Water	\$ 16,500	\$ 20,121	\$ (3,621)	\$ 19,200	\$ 2,700
Sewer Usage	16,000	14,847	1,153	15,000	(1,000)
Building Maintenance	40,000	30,378	9,622	50,000	10,000
Transfer to Capital Fund	80,000	79,992	8	79,992	(8)
<b>Expenses Distributed Proportionally to Each Unit</b>	<u>\$ 152,500</u>	<u>\$ 145,338</u>	<u>\$ 7,162</u>	<u>\$ 164,192</u>	<u>\$ 11,692</u>
<b>TOTAL EXPENSES</b>	<u>\$ 376,660</u>	<u>\$ 374,118</u>	<u>\$ 2,542</u>	<u>\$ 386,652</u>	<u>\$ 9,992</u>
<b>EXPENDITURES (OVER) UNDER REVENUE</b>	<u>\$ -</u>	<u>\$ 25,917</u>	<u>\$ 25,917</u>	<u>\$ -</u>	<u>\$ -</u>

Independent Auditor's Reports are provided annually to the Executive Board by the CPA firm Carney, Roy and Gerrol, P.C. of Rocky Hill, CT.

*SOUTH MILL VILLAGE ASSOCIATION*

*PROXY*

The undersigned Unit Owner of South Mill Village hereby appoints

\_\_\_\_\_

\_\_\_\_\_ or John H Burke, President of the South Mill Village Board of Directors, to vote as the designated proxy of the undersigned at the Annual Meeting of the South Mill Village Association to be held on Monday, December 3, 2007 at the Daskam- Columbia Lodge, 895 Main St, S. Glastonbury, CT

The designated proxy is fully authorized to vote on any and all matters that may come before that meeting or any adjournment thereof, in accordance with the Declarations and Bylaws of the Association.

Signed: \_\_\_\_\_

Unit: \_\_\_\_\_

Date: \_\_\_\_\_