



Harbor Pointe HOA Board of Directors Meeting

Minutes: August 17, 2015

President Jim Carmany called the meeting to order at 7:00PM. Board Members Sue McGill, Carl Stauske, Mike Childers, Nick Johnson, and Anne Dickison were present, but Gary Rafool was unable to attend. Participating in addition was Property Manager Matt Smith representing Core3 Property Management. Four other owners were also in attendance.

Approval of last Month's Minutes:

Jim Carmany moved, Mike Childers seconded, and without further discussion the Board voted to approve the June Minutes.

Community Relations Report:

The issue of noise disturbance was moved up in the agenda to accommodate time for discussion before Board attentions turned to other planned topics. Over the past several weeks, several Harbor Pointe owners called the Police to report excessive noise coming from the new EastPort Bar & Grill and certain boats harbored at the Marina. EastPort Marina Manager Mike Childers had previously engaged with the City of East Peoria about parking violations and excessive noise, but after the disturbances this month, he renewed his efforts to clarify the rules and regulations with marina residents, City officials, and owners of the new establishment.

Sections of the ordinance governing Subclass 2 liquor license restrictions for Beer Gardens were read aloud for the Board. Location, size, containment, appearance, exits, and hours of the operation are carefully detailed. Overlapping restrictions come from zoning and other regulatory authorities. Holders of a Subclass 2 (Beer Garden) liquor license granted to any premise within 700 feet of residentially zoned property are restricted to offering only live music with just two instrumentalists and a vocalist, and performed without electronic amplification. The Subclass 2 licensed enterprise is also required to be in compliance with all other requirements for licensing and zoning.

Police response to complaints was discussed, as was the homeowner's process for initiating requests for citation. If Harbor Pointe residents consider the music too loud or disturbing, we are encouraged to call the East Peoria Police to log a complaint and ask for the issuance of a

citation. There will also be follow-up with the City of East Peoria. Results of these discussions and any ensuing developments will be updated to the Board at our next meeting.

Property Manager Report:

Property Manager Matt Smith submitted Core3's Property Management Report.

*Core3 left a number of messages for Gutters 'N More to find a solution and provide a quote for the fixing of gutter leaks over the entry doors of the duplex units, but continued to receive no responses from them. The Board agreed to discontinue efforts to contact Gutters 'N More and will solicit quotes from other providers such as Gutter Master once it is determined exactly which duplex units are experiencing this issue.

*The list of units needing further attention to caulking and trim was provided to Core3 by Nick Johnson. Richard Cole completed this work.

*Steve Lampe made temporary repairs to a loose deck rail and fascia on #518.

*Richard Cole inspected #402 for reported leaks, and found that all the leaks were old leaks that had been previously repaired. The window issue was determined to be the homeowner's responsibility.

*Sidewalk issues and a roof leak were reported by #216. GreenView fixed the sidewalk issue. Massey Roofing assessed the roof leak and planned to repair it the week of August 17.

*Noted on a few decks and patios was the presence of colored furniture outside the "approved" list of colors cited in the Harbor Pointe Rules and Regulations. If a homeowner would like to have outdoor furniture with colors other than those specified in the Rules, a Change Order should be sent to Core3 to be forwarded to the Board for consideration.

*The presence of potted tomato plants in a courtyard was brought to the attention of Core3. An email was sent to the homeowner to clarify that extra plants must be approved by all owners surrounding the courtyard. Since approval for these extra plants was not forthcoming, the plants must be removed.

*The front gate control panel has an intermittent issue of not allowing Core3 to change security codes or program new or existing gate fobs. Door King assessed the programming difficulties, and believed that incompatibilities within the process of having to use a dial-up modem were at least part of the problem. They suggested bypassing the current procedure by using the Door King server to function as the interface, and they offered a free trial for 30 days. Sue McGill made a motion that Core3 work with Door King to set up an alternative connection using the Door King's DK server for the trial period. Nick Johnson seconded the motion, and it passed unanimously.

*Pet Policy and Grill Usage memos were distributed to all owners. It is the owner's responsibility to convey this information to renters and visitors.

*The HOA dues dropbox is being removed this week. Core3 will send out the announcement to all owners. Dues are to be mailed in, deducted through automatic debit, or paid through Core3's Tenant Portal. Please see the contact information below, and contact Core3 directly if there are any questions.

Repeated information:

Core 3 will take over collection of the HOA dues and all other fees. All future payments and maintenance requests can be made online through Core3's Tenant Portal:

<https://core3pm.appfolio.com/connect/activations/57d6e92e55643888b2ecf9e9b2a5290a80f33b6e>

Or mailed to:

Core3 Property
Management
(309) 808-2125
1716 R.T. Dunn, Suite 4
Bloomington, IL 61701
Attn: Cindy Renfro

Core3 Property
Management
(309) 839-0743
751 W. Joan Court
Peoria, IL 61614
Attn: Matt Smith

Email communications should go to msmith@core3pm.com.

Finance Committee Report:

Sue McGill has been working with Core3's Controller, Rick Reoing, to transition Harbor Pointe's accounting ledgers to their new formats.

Sue reports that Harbor Pointe HOA's Year-to-Date the *Net Operating Income* is **\$9549.64**. Net operating income means that the HOA Income exceeds its Expenses by that amount on the month-to-month Operating components. Items over-budget in 2015 so far are Legal Fees and Gate expenses. Maintenance for Roads is an upcoming expense that is normally within the budgeted amount. Maintenance for buildings is currently under-budget but is harder to predict. Projections are that our Year End Operating Expenses will end up close to the budgeted amount.

In addition to the above Operating Expenses, *Capital Improvement* expenses for roof replacements were completed for **\$40,315**. Therefore:

+ \$ 9,549.64 *Operating Expenses*
- \$40,315.00 *Capital Improvements*

yields a *Total Net Income* Year-to-Date of **(minus) \$30,765.36**. Cash funds were used for the 2015 roof replacements rather than tapping into the Long Term Reserves.

Long Term Reserves are funded as per the 2015 budget schedule. As presented in previous communications, with the shortfall between our Reserve balances and the projected expenses for anticipated capital improvements, it would be desirable to act now to increase the amount of funding to the Reserves. Several interventions will be recommended for the 2016 budget.

Other Financial Activities: Changes in the Harbor Pointe bank accounts were needed due to requirements for a new FEIN tax ID because of our recent incorporation, transition to Core3 Property Management, and management of the CDs and money market accounts. All accounts at Morton Community Bank are now under the new FEIN, and two signatures are required for certain transactions. Core3 has access to only the checking account. Next steps are to consolidate accounts by transferring additional funds from CEFCU to MCB and update CEFCU tax ID accounts as needed.

A motion to approve the Treasurer's Report was made by Sue McGill, seconded by Mike Childers, and accepted unanimously by Board vote.

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Parliamentarian Report:

No report

Landscaping Committee Report:

Carl Stauske reported that the arrangement with GreenView coming twice per month is working out very well. Plans are in place to set out mums and pumpkins again this fall, and will fall within the Landscaping budget.

Invasive and hard to eradicate Dallas grass is thick in areas, especially around the front gate. Golf Green is to come back this spring to spray pre-emergent for crab grass, but this doesn't work for some of the other undesirable grasses. Discussion of alternative methods for controlling the invaders took place. Core3 will contact someone to come out, make recommendations, and offer a quote.

Nick Johnson noted that voles with a taste for landscaping seem to have had a population explosion this year. Ideas for better control of the voles was discussed with Markley's. Nick will contact Core3 for other ideas.

Building Committee Report:

Nick Johnson reported that the exterior siding of two units had been heat damaged from grills being operated too close to the structure. Core3 will contact the owners to discuss options to either have the owners contract with and pay Richard Cole directly to have the siding replaced, or to have Core3 contact Richard Cole to initiate siding replacement, and then Core3 would bill the owners when work was complete. The siding used on our buildings has been discontinued for years now. The HOA does have a very small surplus supply of this replacement siding, but it is very limited. Core3 distributed a memo to remind occupants of the dangers of grilling too closely to the siding.

Nick Johnson brought up the idea of using white PVC post-construction sleeves as an alternative to painting or staining the Building 5xx courtyard posts. Core3 had experience with the PVC wraps, and were in favor of pursuing this option and seeking a bid. Two posts in each of the four courtyards means that similar treatments will be needed for all eight posts so they look like each other when finished. Jim Carmany suggested trying a white post-construction PVC sleeve on just one post first to see how easily it installs and how it looks. Trim kits for finishing the tops and bottoms are available as well. Nick will work with Core3 to explore the options.

Nick Johnson reported that intermittently the main gate would open but not close. One of the gate's clutches on its closing mechanism has been adjusted many times before, and although functional now, may need replacement soon.

Jim Carmany provided the update that Carvey Painting will take care of the paint-peeling problems of the wrought iron fence they painted a couple of years ago. Calls were also placed requesting evaluation of what needs to be done about the deck railings experiencing a scaly build-up.

Mike Childers reports that the rear gate is up and running smoothly. A new photo eye will be hooked up as an additional safety feature. Mike Childers and Nick Johnson will work together to determine new signage. Exiting the rear gate is similar to exiting the front gate. As the car pulls up to the gate, a sensor detects the vehicle. However, the rear gate slides open from right to left instead of swinging open like the front gate.

Entering the new rear gate requires an additional fob. Should you wish to purchase a fob to open the rear gate, please contact Core3 so one can be ordered and programmed for you. As a reminder, all new or replacement fobs are \$45 each, and will be invoiced to you by Core3.

Old Business:

President Jim Carmany met with Sandie Sutton and spoke to MTCO about what was needed to facilitate the HOA's maintenance of website uploads for notices, Minutes, and photos. Only one login is allowed for the HOA Administrator, but the password can be shared. Jim Carmany will get together with Secretary Anne Dickison to review the process for uploading the HOA Meeting Minutes. MTCO will continue to maintain the site as before. The HOA Administrator's password has been changed.

Jim Carmany reviewed the results of his research into roofing considerations. River City Roofing used satellite technology to look at the measurements of our roofs, and provided us with a cost estimate and a breakdown of services. River City and our current roofing contractor, Massey Roofing, had differences in their price structures, warranties, and projected yearly cost increases, but overall were fairly comparable. The conclusion was that Massey Roofing was a known entity with a good work history with us, and that River City offered no major advantages to what we were already experiencing.

Carl Stauske returned to the issue of timing and the manner of road repairs the HOA was considering. Discussion took place about the advantages and disadvantages of seal-coating. A suggestion was made to contact Tazewell County Asphalt to compare with George George's prices and services. Further discussion of the options will take place during the 2016 budget-planning process.

Long-Term Budget Discussions

Nick Johnson provided a summary of the Board's activity and conclusions regarding the long-term budget and the need to accelerate the roofing schedule. He stated that over the last several months, the Board performed the necessary due diligence to determine the best solution for addressing the impact of the combination of earlier than expected deterioration of existing roofs and higher than expected roof replacement costs. Activities included obtaining updated assessments of roof conditions, obtaining actual roof replacement costs from the required re-roofing of three units, obtaining a second roofing estimate, analyzing expense execution models to estimate funding shortfall over the next several years, identifying long term expense items that could be delayed or eliminated to allow for roofing work, and soliciting opinions from owners regarding the best way to fund the financial shortfalls.

The Board validated that an accelerated roof replacement effort over the next 5 to 7 years is necessary and that the cost of that effort will require increased funding from unit owners. The Board strongly recommends realizing the increased revenue through increased monthly maintenance fees. Monthly fee increases is preferred over lump sum special assessments for multiple reasons. Monthly fees are easier for owners to budget, significantly easier to administer, spread contributions smoothly over a period of time, carry less "sticker shock" for each payment, and avoid controversy over fair share payment (or pay-as-you-go payments) in cases where ownership changes over the years. In addition, most of the limited owner feedback received to the Board's previous communications on this subject favored monthly maintenance fee increases over lump sum special assessments.

For the 2016 budget, the Board will propose a 15% increase in monthly maintenance fees that would activate on January 1, 2016. One hundred percent of the increased amount would be allocated to the long-term budget reserves. Rather than scheduling any future maintenance fee increases at this time, the Board will analyze the long-term budget status on an annual basis to determine what actions are appropriate for the ensuing year. This may result in an additional maintenance fee increase, movement of work to postpone increases, or potentially, at some point in time, maintenance fees might be reduced.

New Business:

The annual Christmas party and floral arrangements were customarily handled by Sandie Sutton. Vickie Carmany volunteered to take on this function for 2016, and will start making the preliminary arrangements for this December.

Several owners have expressed an interest in selling their free-standing garages. For more information, please contact Jim Carmany.

Motion to Adjourn:

A motion to adjourn the August meeting was made at 9:38 pm by everyone, and was seconded by all. The motion carried.

Over the upcoming weeks the Board will meet to work on a draft of the 2016 budget to propose. The next HOA Board meeting will take place at 7:00p, September 21st, at Jonah's.

Respectfully submitted,
Anne Dickison, Secretary