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Harbor Pointe HOA Board of Directors Meeting Minutes: May 11, 2020

Due to pandemic Covid-19 precautions, the postponed 2020 Annual HOA Meeting was held by ZOOM. President Jim Carmany called the Annual Meeting to order at 6:59p. Other Board Members participating: Gary Rafool, Anne Dickison, Sue McGill, and Mike Kiernan. Isaac Imig was absent. Five additional homeowners also participated in the ZOOM meeting.

Annual Meeting of the Homeowners

Approval of Prior Minutes:

President Carmany asked for corrections to last April's HOA Annual Meeting Minutes, but none were offered. Sue McGill made a motion to accept the Minutes as written, Gary Rafool seconded, and the 2019 Annual Meeting Minutes were approved unanimously.

Minutes for these Members meetings as well as the regular HOA Board meetings are archived on the HOA website at <http://www.harborpointehoa.com>.

Elections to the Board of Directors

As customary with the Annual Meeting, election of officers was the first item on the agenda. This spring, Board members Isaac Imig and Anne Dickison completed their three-year terms, so two seats became available for election. Both agreed to serve another term if nominated.

No additional names for consideration for election to the Board were submitted to Board members or Core3 prior to today's election, and no other nominations were offered from the ZOOM floor. Gary made a motion to close the nominations, Sue McGill seconded it, and all approved.

Jim Carmany nominated Isaac Imig to return for another 3-year term, Sue McGill seconded the motion, and Isaac was approved for another term by a unanimous 8 votes. Jim Carmany nominated Anne Dickison to return for another 3-year term, Sue McGill seconded the motion, and Anne was approved for another term by a unanimous 8 votes. Jim indicated that he was in receipt of a proxy vote for the 2020 election of officers, but it was in concordance with the results and did not require independent tabulation for the record.

Jim Carmany then polled individual Directors to ask if each were willing to serve in the same capacity, and sought confirmation from all others that no objections existed for continuing each Director in his or her previous role.

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Board Positions for 2020

President: Jim Carmany

Treasurer: Sue McGill

Secretary: Anne Dickison

Parliamentarian: Gary Rafool

Buildings: Isaac Imig

Landscaping: Mike Kiernan

One unfilled Board position remains open

Jim made a motion that the Board roles be filled as indicated, Gary seconded it, and all approved.

Jim made a motion to close the Annual Meeting, Sue McGill seconded the motion, and all approved.

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Harbor Pointe HOA Board of Directors Meeting

Minutes: May 11, 2020

Because of the Covid-19 restrictions in place prohibiting public gatherings, this HOA Board Meeting was held by ZOOM. President Jim Carmany called the meeting to order at 7:14p. Other Board Members present: Sue McGill, Mike Kiernan, Gary Rafool and Anne Dickson. Isaac Imig and a representative from Core3 Property Management were not present. Five additional homeowners remained for the monthly meeting.

Property Manager's Report:

In the absence of a report from Core3 Property Management, Jim Carmany presented his brief overview of current property issues. Most will be discussed in greater detail under Old Business and New Business.

Treasurer's Report:

In advance of tonight's ZOOM meeting, Treasurer Sue McGill e-mailed Board members an update on our Long Term Reserves and Capital Projects, a copy of the Annual Budget for 2020, and the March financials. Previously, she'd provided Board members with the Financial Summaries for January and February.

Long Term Reserves

According to the financial summary Sue prepared and presented to us at this meeting, 2020 will be the HOA's last year of large expenses to replace the roofs, and will have the lowest Reserves Balance of this Long Term Capital Improvements Planning cycle. It is projected that by 2025, Reserve Expenses will have totaled **\$1,114,000**. After 2020, the Reserves Balance will begin to build back up.

These Capital Projects will have been funded by starting with **\$300,000** in Reserves, adding **\$800,000** from budgeted dues going to Reserves, and supplementing with an additional **\$65,000** from Operations. No Special Assessments have been levied. Dues increases have resulted in funding Reserves at a level now of **\$80,000** per year, and that level is expected to continue.

For 2020, **\$104,316** is budgeted for Capital Projects: **\$20,000** for roads, **\$68,316** for roofs, and **\$16,000** for concrete. However, one roof got delayed before the budget was completed, and is still planned for replacement in 2020. This will boost 2020 roof expenses closer to \$100,000.

The starting figure for the 2020 Reserve Balance carried forward was **\$84,072**. In March, **\$10,000** was transferred from *Operations* to *Reserves* as per Board approval. A routine transfer from *Operations* to the *Reserves* of **\$6667 per month from dues income** is planned for 2020. The March 2020 Year-To-Date Reserves balance was **\$103,189**.

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Operations

The *Prior Years Retained Earnings* figure has been going down because we have been budgeting and applying some of our *Operations* funds towards *Reserve Expenses*, thereby keeping our Dues increases to a minimum. 2020 will be the last year we hope to use Operational funds in that way.

The 2020 annual budget designated **\$10,000** to be moved from *Operations* to *Reserves*. That was done in March. *Prior Years Retained Earnings* are intended to keep a cushion of just-in-case funds in *Operations*, because once the money is shifted to the *Reserves*, it can only be used for specific Long Term Capital Projects like roads, roofs, fence painting, decks, etc. Some financial practices describe *Prior Years Retained Earnings* in the *Operations* figures as *Owner Equity*. In the Treasurer's opinion and with the HOA Board's endorsement, **\$25,000** is the minimum "just-in-case" amount to retain as available in *Operations*.

As of March 2020, the *Operations* checking account held a total of **\$62,417**. This total comes from three numbers:

- 1) Prior years brought forward (retained) from 2019: **\$38,009** (this number remains constant all year)
- 2) Pre-payment of dues: **\$17,339**
- 3) Net (Income Minus Expenses) Year-To-Date: **\$7,069**.

Treasurer's Notes:

The 2019 budget was very close to the mark. So far, our 2020 budget fared very well for snow removal, and is on target for our other budgeted expenses.

Gary Rafool moved to accept the Treasurer's Report, Mike Kiernan seconded it, and it passed unanimously.

Parliamentarian's Report:

Gary Rafool presented a summary of the bankruptcy proceedings involving the owner of unit #520, and outlined a bankruptcy's implications for unpaid HOA dues and Late Fees both past and going forward. The property has been foreclosed upon. Attorneys are involved. Sue McGill made a motion for the HOA to authorize Gary Rafool's contact with the collections attorney to establish the HOA's interest in claiming reimbursement for dues and fees accumulating subsequent to the August 15th bankruptcy, and to report back to the Board on what options we might consider to mitigate our losses. Mike Kiernan seconded the motion, and all Board members present in the ZOOM session approved.

Landscaping Report:

Mike (and Kathy) Kiernan reported that their springtime surveillance of emerging landscaping found one rosebush in the 500s that didn't make it over the winter, but compared to last year's winter aftermath, our community landscaping otherwise fared quite well. The ash tree in the dog walk area looks even more compromised, and will not be treated again. The roofers damaged a hydrangea that will be replaced once the roofing is done for the year. Summer annuals have been ordered from the same nursery as last year, and will be planted after next week's predicted storms pass through. This year's budgeted major Landscaping Project is to revise the Riverside 300s landscaping in keeping with the vision of presenting a continuity of curb appeal. Treasurer Sue McGill discussed the allocation of landscaping funds and assured us that continuing with this staged riverside improvement in 2020 was well funded and did not need to be paused.

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Jim Carmany reported on the state of the irrigation system. It has two known breaks, six or so broken sprinkler heads, and several control valves that are leaking. Commercial Irrigation should be here this week to check things out unless it rains. Harbor Pointe's irrigation system has been shut off because our grounds are too wet, but the Hotel and Marina are still watering for now. Isaac Imig volunteered to locate and trim the grass from around all the roof drainage pop-ups, and should be done before more of the predicted heavy rains arrive this week and next. The HOA is really appreciative to Isaac for doing this important chore.

Building Report:

Jim Carmany reported that two more condo building roof replacements are planned for this summer, one in July and one in August. The timing of roof work is linked to completion and maturing of the planned roadwork. The first stage, once receding flood waters permit, will be to asphalt the stretch of main road between the front entrance gate area to just past the first set of mailboxes. Traffic to and from the 100s and 200s while the entrance asphalt matures will be routed out the back gate to Mariner's Way. This cost of this stage of roadwork will be approximately \$20,000.

Community Relations:

Jim Carmany briefly answered questions about what was happening at the Marina during these stressful times of pandemic inactivity, economic pressures, City budget cuts, and significant flooding. The pool opening most likely will be postponed. The storm-damaged harbor perimeter barrier docks will be replaced by a new design of anchored and linked 55 gallon floats in an attractive blue-and-white pattern. They are being staged at the Marina near our back gate if anyone wants to look at them before they are installed.

Old Business:

One roof replacement was completed in April. Two planned replacements remain for 2020.

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New Business:

Workman's comp: The annual Workman's comp audit was completed. There were no serious issues.

Front gate keypad: After Board approval to proceed with Oberman Electric's replacing the original front entrance keypad with one that does not require a landline and is more modern, work on this project was initiated in April. Old-style (square) key fobs were replaced by a new style of gate opener that works on both the front and back gates. The new gate openers will work immediately and do not have to wait for the keypad replacement. When the keypad changes, the code for the keypad must change as well. The new universal code will be 6000#, replacing the old code of #6000 by placing the pound sign (#) at the end of "6000" instead of in front of it. Jim will notify all our contractors of the code change. The Fire and Police entry box was attached today and will not have to be updated as the new keypad is installed and activated. Anyone who hasn't already exchanged the old gate fobs for the new openers should contact Jim Carmany or Core3.

Voles: The burrowing rodents are back. Wetstein's Pest Control was notified and will set traps.

Brick work: Cuttin' It Close was unable to put in more locking sand in the brick work, so will do it later this spring after we bring in a pressure washer to loosen the old grit.

Driveway concrete sections: One driveway (#316) with double sections was replaced already. Only one section was functionally damaged, but for cosmetic reasons the other was replaced at the same time at the owner's expense. Five more damaged concrete driveway sections have been identified and are budgeted for replacement this year. To date, none of the companion sections are scheduled for cosmetic replacement at the same time, but if owners wish to elect this, arrangements with Core3 and Jim should be made in advance.

Wood fence by the HOA garage (by the Marina storage building) is getting bad. Sue McGill expressed an interest in finding out what it would cost to get it replaced by a fence made of different materials. Maintaining the current fence is costly and logistically complex.

Board positions: Mike Childers officially resigned from the Board. Another seat remains open from a previous year. Discussion took place about whether or not we still needed a Board member to routinely monitor and report on Community Relations. Now that Harbor Pointe is more mature and better established, the ratio of Board members to homeowners might be higher than is really needed at this time.

Fourth of July: With pandemic social distancing restrictions in place, and uncertain conditions for any fireworks displays or other holiday activities this year, our annual July Fourth breakfast and other Harbor Pointe plans might have to be canceled or at least re-thought for this year. This topic will be revisited at our next HOA Board meeting once we have more information.

Motion to Adjourn:

A motion to adjourn the May meeting was made at 8:17p by Mike Kiernan, seconded by Sue McGill, and approved by all. The next ZOOM Board meeting will take place on Monday, June 15, at 7:00p. Core3 will send out the link.

Respectfully submitted,
Anne Dickison, Secretary

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