



Harbor Pointe HOA Board of Directors Meeting Minutes: November 16, 2015

President Jim Carmany called the meeting to order at 7:00p. All Board members were present: Jim Carmany, Nick Johnson, Carl Stauske, Sue McGill, Gary Rafool, Mike Childers, and Anne Dickison. Core3 Property Manager Matt Smith was not in attendance. Seven other homeowners were also present for this meeting.

Approval of last month's Minutes:

Gary Rafool objected to the wording of the Community Relations paragraph that introduced the topic of EastPort Marina's leasing of slip space for floating houses. He proposed that the existing paragraph be stricken and amended to convey that some of the meeting attendees had voiced strong opposition to the floating houses, and to request a correction that he had been asked to research the EastPort Marina Development Agreement. Following a brief discussion recalling events of the October meeting, and the proper choice of words to most accurately reflect those events, Nick Johnson proposed a modification to Gary Rafool's amendment so that it read, "*One homeowner and one Board Member strongly expressed displeasure and concern about the two floating homes in EastPort Marina, while other Board Members present had no issues with these homes. Gary Rafool, as Parliamentarian, was asked to find and report on the agreement between the City of East Peoria and EastPort Marina at the time it was constructed.*" Gary Rafool then made a new motion to strike the existing paragraph and replace it with the amended amendment, and Nick Johnson seconded that motion. With 3 Board members for, three against, and one in abstention, the motion did not pass, and the original paragraph stood as written. As there were no further objections or corrections to the October Minutes, they were approved unchanged.

Property Manager Report:

Core3 Property Manager Matt Smith distributed his report in advance of the meeting.

*The front gate seems to be working as it should. Oberlander's submitted their invoice for \$1,388.50. Nick Johnson clarified that Oberlander's did not replace the loop. The new charge was for the board they replaced.

*Unit #216 was found to have water standing in the gutter over the front door. Gutter Masters were contacted November 9th to re-set the gutter pitch so that the water drained the proper way.

*Concrete repair work was completed for Unit #316/318 and for the sidewalk of Unit #104. The invoice is pending.

*October 30, Massey Roofing completed repair work to Units #412 and #418 at a cost of \$882.50. Following the high winds of last week, Massey Roofing was again contacted by Core3 to perform storm repairs for a list of units with recognized damages. They were also asked to inspect the roof of Unit #108 and the roof of Garage 53 to

follow-up on concerns over suspected leaks unrelated to the recent windstorm. At the meeting it was reported that Massey completed storm damage repairs and also fixed the roof leak on #108.

*Core3 sent 2016 HOA dues increase notices to all owners. Gary Rafool noted that owners should delay changing their automatic debit instructions until after December dues were paid.

Treasurer's Report:

Sue McGill provided the Treasurer's Report for financials ending October 31, 2015. Monthly budgeted deposits of \$3030 to the Reserves continue through December 2015. Reserve accounts presently total \$336,112.60.

On the Operational Balance Sheet, checking accounts totaled \$17,929.28 as of October 31st. Core3 is continuing to reconcile "Tenant Prepayments." In October, Core3 adjusted the amount carried over from 2014 from \$46K to \$41K, and then applied a compensatory credit of \$5000 in 2015 as "Tenant Prepayments." With designation of \$40,000 of the carryover figure towards 2015 roof replacements, subsequent adjustment for Tenant Prepayments left the Operational funds a little short. To clarify, the same total amount of dollars was still present in the checking accounts, but it was divided up and allocated a little differently. This recognition led to a discussion on how to best regroup the assets to appropriately meet expenses for the end of this fiscal year.

Regulations governing redirection of Reserve funds to the Operational budget were reviewed and clarified by Gary Rafool. In general, funds used for designated Long Term Projects are to be moved from Reserves to Operations before the expenses are incurred.

Earlier this month, Treasurer Sue McGill and Secretary Anne Dickison rolled a CD attaining its maturity date into a Money Market account to await the Board's input on how to proceed. CDs are now available that offer a 1.6% interest rate for a 39-month term. After reviewing projected drawdown rates for roof replacement, Sue was of the opinion that a 39-month term seemed acceptable and was preferable to tying up funds with a longer term. Sue McGill made the motion, seconded by Jim Carmany, that \$100,000 of our Long Term Reserve funds be invested in a 39-month CD at 1.6% or greater. Gary Rafool stipulated that this move could have limitations in the event of a Federally-determined increase in interest rates. The motion was approved unanimously.

Nick Johnson related that the road repairs might not happen this year due to delays with the contractor. If that happens, the expense may be shifted to 2016. Jim Carmany observed that historically, Harbor Pointe maintained about \$25,000 in Checking for readily available capital. \$40,000 for roof replacements was spent in 2015. Additional expenses for the remainder of the fiscal year for such items such as snow removal, gate malfunction, and repair of weather-related damages are unknown. Sue McGill made a motion to move \$20,000 from Reserves to Checking to apply towards roof replacements in 2015. Anne Dickison seconded the motion. With six Board members voting in favor, and Gary Rafool abstaining, the motion passed.

Parliamentarian's Report:

Gary Rafool reviewed the results of his research into the appellate decisions and precedent cases for Homeowner Associations' use of Operational Funds for Capital Improvement projects. He clarified that if a Special Assessment

were to be levied in the future, the Homeowner would need to write two checks that month, one for his or her apportioned share of the Special Assessment, and the other for Harbor Pointe HOA maintenance dues as usual.

Gary also looked into and provided the Board with documents detailing EastPort Marina's development plan agreement between the City of East Peoria and Cullinan Properties. The Marina was projected to be "of such high quality as to be unmatched." Gary commended EastPort Manager Mike Childers for living up to this. However, there were aspects of the development plan that did not materialize, and other parts of the plan that seemed vague. Discussion followed about Marina plans, occupancy, ownership of the Bar & Grill, management and use of a "Restaurant Fund," and comparison of EastPort Marina with others of similar size in this region. EastPort Marina is uniquely situated in that it offers restaurants, convenience shopping, and a hotel within easy walking distance. Several present at the meeting expressed that the proximity and quality of EastPort Marina added appeal and value to home ownership in Harbor Pointe.

Landscaping Report:

Carl Stauske reported that the last scheduled mowing was done last week unless another was needed due to the warm weather. Many trees still have their leaves, and some Harbor Pointe flowers are still blooming. GreenView is planning one more cleanup before winter, but have held off due to the prolonged autumnal conditions. Hopefully leaves will drop soon so the final cleanup can take place in the next week or two.

Carl Stauske and Sue McGill met with Fred Romane to negotiate GreenView's landscaping contract for 2016. Although the final negotiated figure for routine landscaping maintenance was \$500 less than bid, it was still \$1500 over what was allocated to maintenance in 2015. Since amounts in the 2016 budget were already adopted by vote, an increase of \$1500 for landscaping maintenance from \$17,000 to \$18,500 means that there will be \$1500 less for special landscaping projects next year. The overall landscaping budget remains the same as approved.

Building Report:

Nick Johnson reported that the bid for road patching was accepted, but the company's supplier stopped producing asphalt for the year by a certain date, so it may not be available in the time frame it is needed. It is doubtful the work can get done this year. The revised plan is to reserve \$3000 from this year's budget to apply to postponed road-patching expenses incurred next spring when the supply of asphalt is once again available.

The irrigation system was shut down November 10th. Nick reported that allowing the system to passively drain for a day in advance really helped with the process of blowing out the system.

A bid of \$1680 was received for the wrapping of all eight courtyard posts in the 500 Building. Just completing two posts with the chosen wrapping materials to see how they looked before committing to the remaining six posts did not work out. Discussions about the bid took place, with several expressing that they would prefer to experience satisfaction with materials and appearances before authorizing work to proceed on all posts.

Front Gate: Carl and Nick lubricated the front gate mechanisms and thought that it was working more smoothly. Mike Childers volunteered to look at the gate arm and fix it if he could. It was noted that there was once a light positioned over or within the entry box keypad itself, but it had either broken or was removed. All concurred that

better lighting of the area was needed. Nick posed the question, as we consider purchase of a new gate system, if the ability to phone from the gate entry station were a feature we wished to keep. If so, it might lock us in to a more limited selection of options and costs. Nick noted that the keypad was aging, too, so merely changing operators would not solve the overall problem. Nick would look into pricing the options.

Core3 will be asked to send out winterization reminders to all residents.

Community Relations Report:

EastPort Marina Manager Mike Childers reported that East Peoria Mayor Dave Mingus and City Administrator Tom Brimberry had met with him earlier in the day to talk about the two floating houses docked at EastPort Marina. They were aware of complaints expressed by several Harbor Pointe homeowners and were gathering more information. Mike reviewed the dimensions, plumbing, Coast Guard approval, slip lease details, dock availability & limitations, and photos of the two floating homes and some other boats docked at the Marina. In response to homeowners' expressed objections that the floating homes in the harbor's front and center location blocked valued and valuable riverside and city skyline views, Mike observed that other currently docked boats include 15 taller than the floating houses, and several that were longer. Many other questions were raised about the plausibility of docking the floating homes elsewhere, effects on Harbor Pointe Real Estate values, and relationships between Harbor Pointe, EastPort Marina, EastPort Bar & Grill, the City of East Peoria, and Cullinan Properties.

Options for continued protest to the City of East Peoria were discussed at the meeting. Opinions were divided. Objections were raised over the advisability of individual homeowners using the Core3 logo or the HOA's e-mail distribution list to speak out on this subject. Without documentation of the percentage of homeowners willing to pursue this matter, there were individuals on the Board who expressed reluctance for the HOA Board of Directors to speak out in one voice or advocate a formal position or demand for action. One of the Board members declared his intention to write a letter to all the homeowners expressing objections to the presence of floating homes at EastPort Marina. He agreed to send out such a letter in his name alone, and not as a member of the Board.

Old Business:

No items other than topics already discussed in previous reports.

New Business:

Nick Johnson wished to purchase additional LED Christmas tree lights to be used for common ground decorating. Nick observed that the cost for the new lights could come from unspent money the irrigation budget he also oversees, and would not result in a new and unbudgeted expense for the HOA.

Harbor Pointe's annual Holiday Party is scheduled to be held again this year at Basta's East Port Bar & Grille from 2:00p-4:00p on Sunday, December 6. Care3 will send out invitations.

Motion to Adjourn:

A motion to adjourn the November meeting was made at 9:39p by Sue McGill, seconded by Jim Carmany, and approved by all. The next HOA Board meeting is tentatively scheduled for 7:00p on Monday, February 15, 2016 (President's Day), at Jonah's.

Respectfully submitted,
Anne Dickison, Secretary