



Harbor Pointe HOA Board of Directors Meeting Minutes: October 24, 2016

President Jim Carmany called the meeting to order at 7:30p. Board Members present: Jim Carmany, Nick Johnson, Carl Stauske, Sue McGill, and Anne Dickison. Gary Rafool arrived later due to a scheduling conflict. Mike Childers and Core3 Property Manager Matt Smith were absent. Three other homeowners were also in attendance.

Approval of last month's Minutes:

Treasurer Sue McGill noted that the figure she reported as the starting balance in our Reserves this year was off by ten cents. The correct figure is **\$324,368.60**. Core3's accounting program lists this figure as "Prior Years Retained Earnings," but for clarity and continuity, the cumulative balance for all Long Term Reserve accounts will be referred to in the Minutes as "Reserves" or "Total Reserves." Sue made a motion to approve the September Minutes with the correction of adding an additional ten cents to the Total Reserves figure cited for the beginning of 2016. Carl Stauske seconded the motion, and all present voted to approve the September Minutes as corrected.

Property Manager Report:

Last month, Core3 Property Manager Matt Smith reported that with an upgrade in the company's software, records of certain homeowners' insurances had been lost. Records from Core3's previous files were used to populate the new ledger, but information was still missing for seven units and was seemingly outdated for seven others. Letters were sent to both groups to recapture the required information for the new software.

Core3 notified Richard Cole that some siding blew loose on Unit #606. With that siding fixed, all repairs have been addressed to date.

Treasurer's Report:

Sue McGill provided reports of the September financials including the income/expense statement for our Reserves. The starting figure for 2016 Reserves was **\$324,368.60**. The current balance in the Reserves is **\$275,064.21**. This figure reflects income to the Reserves at \$5000 per month plus interest, minus allocated Long Term Capital Expenses. Long Term Capital Expenses in 2016 included front gate component replacements and roof replacements, for a YTD total of **\$95,930**. Net Balance in the Reserves therefore comes to a negative **\$49,304.39**.

The Operational Budget Checking account contains **\$54,927.46**. This is further broken down to: 1) Prior years brought forward (retained): **\$35,361.35** (this number remains constant all year); 2) Pre-paid dues: **\$9,983.60**; 3) Net (Income Minus Expenses) Year-To-Date: **\$9,582.51**. The latter figure is normal for this time of year.

Treasurer's Notes on details of expenses: Flood Insurance for Building 500 came in at **\$4,414**, within Budget.

The proposed budget for 2017 was considered at the Board's open budget workshop October 6th, and following some minor adjustments was distributed to all owners prior to tonight's meeting. Highlights of the proposed budget for 2017 were summarized, and reasons for the proposed increase in dues, alterations to certain operating expenses, and anticipated expenses in 2017 were reiterated. With no further discussions taking place, Sue McGill made a motion to accept the 2017 budget as presented. Gary Rafool seconded the motion, and it passed unanimously.

Long Term Budgeting considerations were discussed at length. The last dues increase of 15%, with the entire increase earmarked for the Reserves, annual income to the Reserves was increased to \$60,000 per year. However, necessity considerably reduced the timeline for roof replacements compared to the HOA's original projections. \$60,000 set aside per year will not be sufficient to pay for all the roofs at this accelerated replacement rate. The shortfall could be met by Special Assessments, short-term loans, increased dues directed into the Reserves, and/or manipulation of time line priorities. The major disadvantage of a short-term loan is that interest paid on the loan would exceed interest earned by our investments. Since the Reserves were not built up more steeply years ago, they do not cover expected costs at even the original and more extended timeline. A modest increase of dues this year will slow the shrinkage but not restore growth. Nick Johnson reminded us that the Long Term Budget is a *plan* and not a blueprint, and that the plan requires annual review and potential modifications for new prices, changing conditions, or factors in the economy.

The new dues structure for 2017 will start with the January 1st payment, and will amount to an increase of approximately 5-6% per Unit. Assessments to condo owners will be adjusted by the insurance figures. In December, Core3 will distribute individual notices of new dues assessments and instructions for changing electronic deposits.

Contracts for 2017 landscaping were also discussed at length. Four bids were received for performing "like services" to consolidate the combined activities currently provided by GreenView and TruGreen. Jim Bill's "Cuttin' It Close" bid came in as lowest of the four. Sue McGill made a motion to pursue the contract with Jim Bill for mowing, fertilizing, and landscape maintenance starting next spring. Carl Stauske seconded the motion, and it passed unanimously.

Jim Carmany moved to accept the Treasurer's Report, Nick Johnson seconded it, and it passed unanimously.

Parliamentarian's Report:

Gary Rafool questioned what was objectionable about the 2006 Rules and Restrictions that required change, and Nick Johnson responded that most owners were not following them. As in prior Board discussions, it was thought that the Rules should either be changed to be more in keeping with homeowners' current practices, or enforced more consistently as the 2006 Rules lay out.

Over the summer, the Rules Committee headed by Sue McGill reviewed each of Harbor Pointe's current Rules governing external appearances, considered them in context with existing Bylaws and Declarations (which require separate and more exacting mechanisms for change), and made recommendations for alternative Rules formulations for the Board to consider. As Parliamentarian, Gary stated it was his duty to crosscheck the Committee's wording of the proposed Rules for potential areas of conflict with existing Bylaws and Declarations. Sue reiterated that the

document of proposed Rules changes she distributed to the Board last month highlighted changed wording, took existing Declarations into account and pointed out discrepancies and gray areas, included outlines of the evolution of the Committee's consensus recommendations, and indicated where the Committee had *not* reached consensus in its recommendations to the Board.

Sue proposed a working session of the Board to reflect on the Committee's recommendations prior to bringing the proposed changes to vote. The working session could be posted and open to all owners. Jim Carmany reinforced the inclusive nature of discussions affecting the entire community, and relayed a communication he'd received from one of the owners urging the Board to disclose the proposed changes before bringing anything to vote.

Gary proposed that the Rules Change working session be held prior to the November Board meeting. The tentative date selected was the evening of November 14th. All present agreed to this date. As the time approaches, Core3 will send out notices.

Landscaping Report:

Discussion and approval of the motion to pursue a 2017 landscaping contract with Jim Bill's "Cuttin' It Close" was documented in the Treasurer's Report.

*A red maple was planted on the berm near to where the large ash tree was removed between Unit #500 and the adjacent freestanding garages. Hoerr Nurseries has not yet returned to apply the mulch.

*The dead bush by the patio of #604 was replaced. A heavy growth of moss on #604-606 was washed off. The drainage project and distribution of new rock in that area are now complete.

*No silt was applied yet to the front yard of #106 to cover over exposed and lawnmower-nicked roots of the large locust tree. Carl, Nick, and Jim worked together to uncover, flush out, and repair the unit's gutter pop-ups that had been clogged and sodded over.

Building Report:

***Road:** City Coal has not yet begun work on milling and resurfacing the stretch of road in front of the 400x Building. As happened last fall, they may have encountered a problem with the supply of asphalt. They agreed to extend the parking area behind the 400x garages into the grass berm at the same time they undertook the road improvement project. When work dates are secured, Core3 will send out notices to residents with instructions on where to park.

***Decks:** A request for bids for redoing decks in composite materials was taken to Richard Cole and a contractor approached by Core3. At the time of this HOA meeting, Richard Cole had not yet responded. The bid from the other contractor was \$101,000 for 22 decks. It was decided to not pursue this deck project any further this year, but to readdress it again in 2017.

***Pump:** The noisy pump was pulled from the Marina. It will not be known until next spring if it were rebuilt or replaced. Lawn irrigation pipes will be blown out for the winter on October 31st.

Community Relations Report:

No report.

Old Business:

Holiday Party: Two volunteers (Vickie Carmany and Pam Johnson) started organizing the annual holiday party. They will look into the availability of accommodations for either December 4th or 11th.

Incorporation: Jim Carmany and Core3 through attorney Rick Joseph's office met our requirements as a Corporation to provide an annual report to the State of Illinois and pay the \$10 annual fee.

New Business:

No new business except for congratulations to Jim and Vickie Carmany for becoming first time grandparents TWICE this month.

Motion to Adjourn:

A motion to adjourn the September meeting was made at 9:06p by Sue McGill, seconded by Jim Carmany, and approved by all. The next HOA Board meeting is scheduled to take place at Jonah's at 7:00p on Monday, November 21, 2016.

Respectfully submitted,
Anne Dickison, Secretary