

## Harbor Pointe HOA Board of Directors Meeting Minutes: October 18, 2021

Due to Covid-19 precautions, HOA Board Meetings are being held by ZOOM.

President Jim Carmany called the October HOA Board meeting to order at 6:00p. Other Board Members present: Sue McGill, Gary Rafool, Isaac Imig, Mike Kiernan, and Anne Dickison. Absent: representative from Core3 Property Management. Four additional homeowners also participated by ZOOM.

### Approval of Prior Minutes:

President Carmany asked for corrections to the September HOA Board Meeting Minutes, but none were offered. Gary Rafool made a motion to accept the Minutes as written, Isaac Imig seconded, and the September Minutes were approved unanimously.

### Property Manager's Report:

Jim Carmany reported that Core3 was having problems with some of its invoicing practices and seems to not be receiving or responding to some of our invoices in a timely fashion. This is being worked on.

### Treasurer's Report

In advance of tonight's ZOOM meeting, Treasurer Sue McGill e-mailed the September Financials, distributed a printed packet containing the requested two additional potential budget approaches for accommodating increased expenses and adjusting Reserves allocations in 2022, a diagram to illustrate the concept of "retained earnings" as we moved towards approving one of the versions, and a graph of the projected Long Term Budget planning for future capital expenditures.

The Board complimented Sue on the ease of reading her well-organized paperwork and for walking us through the origin and significance of our "previous retained earnings" item (stash of undesignated easily accessible funds) on the Operations side of the Budget.

Jim Carmany emphasized that despite increased HOA Operational expenses in 2021, the Operations Balance is still in very good shape because of 2021's **\$47,617 "retained earnings"** starting figure carrying over from the end of 2020. He also clarified that monies transferred from the *Reserves* for specific capital improvement projects do not count on the *Operations* balance sheet, and cannot be applied towards Operational expenses. Sue reminded us that the line items from our fluid Long Term Plan for Capital Expenditures can be modified by amounts, changes in priorities or timetables, and added to (or dropped from) the Long Term Plans during annual LTP budget reviews. Any funds that are actually moved from *Reserves* to *Operations* to embark on these designated capital projects should first be voted upon and formally approved by the Board before being transferred. The projected Long Term Planning Budget is just a blueprint and neither a promise nor a set schedule. Gary reiterated that once funds were sequestered in the *Reserves*, how to get them out again for use on capital expenditures was well prescribed and regulated in order to protect them from being redirected or lost in the tangle of month-to-month variations and unexpected expenses occurring within each year's annually approved budget.

Jim Carmany made a motion to accept Version C of the 2022 Draft Budget that did NOT include a dues increase, and decreased the amount of dues automatically transferred to the Reserves by \$5000/year. Mike Kiernan seconded the motion, and all approved.

### Long Term Reserves

2020 represented the lowest Reserves balance of our Long Term Capital Improvements cycle. Our Reserves started this 2021 fiscal year at **\$64,741**, but with the budgeted move of **\$10,000** from *Operations* to *Reserves*, and the ongoing monthly transfer of **\$6667/month** from dues, as of April the Reserves Balance had risen to **\$101,419** before sustaining any capital expenditures for 2021.

YTD in September, the Reserves Total was only decreased to **\$82,569**. Of note, in August Core3 deducted the regular monthly transfer of \$6667 from Operations but did not get it deposited to the Reserves in time for it to show up in the August Financials, so two \$6667 monthly deposits are credited to the Reserves for September. Expenses for Road Work capital projects (**\$30,000**) remain pending. Capital improvement expenses for painting the perimeter fence have come in at **\$2398** so far. South Fence Replacement (**1/2 down payment = \$9,994**) was deducted in September, with the other half due on completion of the project. For FY 2021, the HOA's Estimated Total Reserve expenditures should amount to **\$103,000 of its budgeted \$104,000**.

### Operations

As of September, the Operations checking account had **\$57,064** in it, down from **\$63,563**, down from **\$75,056**. A decrease is as expected for this time of year.

The Operations Checking Account Total is summed from three sources:

- 1) Prior years brought forward (retained) from 2020: **\$47,617**. This "*Prior Year's Retained Earnings*" number remains constant all year.
- 2) Pre-payment of dues: **\$13,560**. This is just timing.
- 3) Net (Income Minus Expenses) September Year-To-Date: **minus \$4112**. This net number is also the basis for "calculated retained earnings" that will determine the carryover to next year's "retained earnings."

It is estimated that at year-end 2021, total Operational expenses will not exceed the budget. The practice of budgeting a transfer of \$10,000 from *Operations* to *Reserves* early the following year means that our planned annual balanced budget Net Total for 2021 had been established for 2021 as **minus \$9399**. In the 2022 budget, we plan to get back to a practice of zero budgeting, forget the \$10,000 thing, and make the flow of money much easier to follow and comprehend.

### Treasurer's Notes:

\*Items of significance or Variance from the Budget:

- Landscaping & Grounds*: YTD **\$11,670** of **\$9500** budgeted.
- Landscaping - Irrigation*: YTD **\$5649** against a total budget of **\$5000**. Will increase in the 2022 budget.
- Landscaping - Subcontractor*: did not bill their last \$5814 payment. We will see should see it next month.
- Maintenance*: YTD **\$11,239** against a total budget of **\$17,000**. Future Building Exterior Cleaning will be in this line item. Dryer Vent cleaning is also in this line item. Exterior Cleaning of Buildings 100x & 200x was included this month. The *Maintenance* budget will be decreased slightly in 2022.
- Maintenance Parking Lot* (minor road repairs – asphalt sealing): pending, about \$700.
- Gate/fence Maintenance*: expenses for gate and wrought iron fence repairs are pending, about **\$3500**.
- Legal and Tax accounting*: YTD **\$990** of **\$3000** budgeted.
- Electricity*: YTD **\$2,759** of **\$4800** budgeted. The budget for *Electricity* will be reduced in 2022.
- Pest Control*: annual fee as budgeted; year-end estimate of **\$3200** of **\$3800** budgeted.
- Insurance*: pending, about **\$5000**.

Sue will prepare a letter of introduction and the proposed Budget for 2022 as approved by the Board tonight, and Core3 will distribute it to all homeowners as quickly as possible. Owner input is welcomed and will be considered up to the November meeting. At the November meeting, the Board will discuss any possible changes and then vote on approval of the final 2022 Budget.

Sue McGill made a motion to accept the Treasurer's Report, Isaac Imig seconded the motion, and it was approved unanimously.

### **Parliamentarian Report:**

Gary Rafool reported that on October 8, the revised Bylaws of 2021 were recorded in the Tazewell County, Illinois Recorder of Deeds' Office, and have been posted to our HOA Website as a public document.

Gary also reported that several weeks ago the owner of Unit 520 was served a Citation for Discovering Assets, and has been assigned a mid-November date to appear in Tazewell County Circuit Court. Simultaneously, the property is in the process of being turned over to a Sheriff's Sale, also in mid-November, to be sold to the highest bidder. Once the existing title is terminated, the new owner (potentially the bank holding the mortgage) is responsible for paying our HOA dues until the bank sells the property to another title-holder who then becomes responsible for paying our dues.

### **Building Report:**

Isaac Imig and Jim Carmany reported that recent budget discussions drew attention to the state of our gutters, soffits, and fascia, and whether or not they needed to be replaced in the near future, versus continue to keep them looking clean and well-tended with the low-pressure washing. Jim and Isaac already asked for quotes on several items just to get an idea on the degree of outlay we might anticipate if those items ever do reach the point of looking unacceptably weathered, rickety, or unusable. Jim also asked Commercial Irrigation for a quote on what it might cost to replace Harbor Pointe's entire irrigation system. Replacement of the entire system will be quite expensive, so for now it seems more prudent to continue to repair leaks when they occur, but knowing the replacement cost is still important for the purposes of financial planning. The topic of paying for various exterior features led to Gary reminding us of the wording of Article VI of the Rules, and to a discussion about insurance coverages in general.

### **Landscaping Report:**

Mike Kiernan reported that Jim Bill and his Cuttin' It Close crew performed the first fall cutback. The season's landscaping wrap-up should be completed in the next week to ten days depending on the weather.

Jim and Mike are obtaining a bid for cutting down the sadly dying ash tree across the road from Unit #200's driveway. We will see how it looks once it leafs back out again in the spring. The tree may surprise us and still have another year or two left before it becomes necessary to have it removed and replaced.

Mike, speaking for all of us, thanked Isaac (and his family connections) for supplying the wonderful pumpkins, and to Jim and Vickie Carmany for helping to set them out so attractively.

## **Community Relations:**

Jim Carmany asked if anyone else on the Zoom call knew more about the status of the City of East Peoria's putting one-third of the Marina office building up for sale as had been indicated previously. Discussions took place over implications the City's future sale of a portion of the actual Marina could mean for Harbor Pointe, but no one present had any further information at this time. Sue McGill relayed that while she was outside inspecting the footprint area around the South Fence in preparation for its impending replacement, volunteers from the Marina approached her offering use of their equipment and help to clear away weeds and debris, and to even up some of the surfaces to make the South Fence replacement easier. Sue expressed appreciation for what good neighbors they have been, and said that she had plans in mind to thank them on behalf of Harbor Pointe.

## **Old Business:**

**Summary of e-mail motions and votes since our last HOA Board Meeting:** Over the past year but especially this past summer, as more and more discussions, HOA business, and decisions were taking place by e-mail, it became apparent that the HOA Minutes might not adequately capture or reflect the necessary discussions or documentation.

Since the September Board Meeting, no other email motions were made, nor votes taken.

**Wrought iron perimeter fence around Harbor Pointe:** The black wrought iron fence that surrounds the property badly needed to be painted again, and parts of it needed repair or replacement. Iron Ranch Welding completed all the specified repairs, and their work has been paid for. Though they are not on contract to us, we will continue to call them in the future.

Unfortunately, painting of the wrought iron fence required much more time than anticipated. Work to complete the prepared sections remains underway. Delays by rain have been quite an issue.

### **Wood fence at the south end of Harbor Pointe:**

One-half down has been paid, and the footprint grounds have been prepared. The remainder will be paid on completion of the project. We are now just waiting for availability of the fencing material, and its installation by Peerless Fence Group. Hopefully this new composite fence will be able to replace the decaying old wooden fence before the snow flies.

## **New Business:**

**Stand-alone extra garages:** 8-9 homeowners have expressed keen interest in buying stand-alone extra garages. It certainly would be a seller's market should any of Harbor Pointe's current garage-owners care to sell at this time. Please notify Jim Carmany if anyone has a stand-alone garage to sell, and he will put the current owner in contact with all known prospective buyers.

**Christmas Decorations:** Mike and Kathy Kiernan (Unit #514) agreed to take on Christmas decorations again this year, but could always use volunteers. Please get in touch with them if you become filled with Christmas Spirits and wish to spread the cheer. Mike and Kathy are targeting the first week of December for putting up the holiday lighting.

**Voting on the HOA Budget for 2022:** Treasurer Sue McGill will prepare, and Core3 will distribute the HOA's 2022 Budget as approved at tonight's meeting. The Board voted unanimously to retain the current dues structure despite increasing operational expenses, and has been proactive in its estimation of long-term capital expenses. All homeowners have the opportunity to respond to and question the proposed budget for 2022. Questions and objections will be addressed at the November meeting prior to voting to accept or reject the Board's proposed Budget for 2022.



**Motion to Adjourn:**

The next Zoom HOA Board meeting will take place at 6:00p on Monday, November 15. Core3 will send out a link with the agenda.

Gary Rafool made a motion to adjourn the October meeting, Mike Kiernan seconded it, and all approved. The Zoom Board meeting ended at 6:51p.

Respectfully submitted,  
Anne Dickison, Secretary