

## Harbor Pointe HOA Board of Directors Meeting Minutes: September 20, 2021

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

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

### Approval of Prior Minutes:

President Carmany asked for corrections to the August HOA Board Meeting Minutes.

Jim noted that on the final page of the August Minutes, during discussions over replacement of the wood south fence by one made of composite materials, the cited date should be changed from 2020 to 2021. The corrected paragraph should read instead:

*Jim Carmany expressed his serious concerns that while he supported this eventual replacement of the existing wood fence, the current fence was not in need of immediate replacement in 2021 and therefore should wait until next year to be replaced, and thereby allowing the HOA to take advantage of a possible lowering of currently inflated prices for wood or composite materials.*

Gary then asked for a clarification if Isaac, after vacillating at first, had ultimately voted yes or no on the motion to proceed with Peerless Fence. Isaac indicated that he didn't really remember but that he had thought he had voted "Yes" once a cap of \$20,000 had been assured. The corrected Minutes should read:

*Sue made a motion to proceed with Peerless' installation of the composite fence in the "vertical board" style to replace the existing wooden fence using the same fence footprint. Isaac Imig and Mike Kiernan expressed concerns about running into added expenses that would further stress this year's budget, but said they would entertain the motion if an upper limit of \$20,000 were imposed. Sue amended the motion to read, "Proceed with Peerless' installation of the composite fence in the "vertical board" style to replace the existing wooden fence using the same fence footprint, for a total cost to not exceed \$20,000." Gary Rafool seconded the amended motion. In favor were Sue McGill, Gary Rafool, Mike Kiernan, Isaac Imig, and Anne Dickison. Opposed was Jim Carmany. The motion carried.*

Gary Rafool made a motion to accept the corrected August Minutes, Jim Carmany seconded, and the August Minutes were approved unanimously.

### Property Manager's Report:

Jim Carmany reported that Core3 completed screening all insurances and that the HOA records, including those of the new homeowners, are complete. Everyone has the right type of Homeowners insurance policy, and all are in compliance with requirements specified in the Rules of 2017. Core3 continues to monitor this on a monthly basis to ensure that all homeowners remain compliant.

## Treasurer's Report

In advance of tonight's ZOOM meeting, Treasurer Sue McGill e-mailed the August Financials and personally delivered printed budget packets to all Board members. The packets contained Annual Budget Comparatives, the 2022 Draft Budget, projected capital expenditure timetables out through 2040, a graph tracking the Reserves Totals and Expenditures by Year (2015-2040), and some ideas for property improvements to consider in the future.

Anne Dickison complimented Sue on the completeness, ease of reading, and thoroughness of her packet of information in preparing us for the upcoming budget discussions.

Sue reiterated the recommendation that in 2022, dues would remain the same as in 2021. Last year (2020) was the first year in a while we did not see an increase in dues directed towards building up the Reserves and therefore successfully preventing us from facing additional Special Assessments.

To accommodate necessary increases in the 2022 Operations Budget without increasing dues, Sue proposed strategies for altering the monthly transfer of HOA dues income from Operations to Reserves. The pros and cons of shifting certain expenses and how to best protect a "rainy day" (or "snowy day") buffer were discussed. The downside of further reducing the current monthly allocation to Reserves would be that the Reserves Totals will grow more slowly and may not keep pace with inflation, weathering, or unexpected events like flooding. A 2% inflation rate was calculated into the projected capital expenses, but this also might need to be adjusted as we see what happens to the economy over time.

Jim indicated that he felt it would be safer to "stair-step" changes rather than to budget the implemented changes all at once. Sue planned to create two models, Form 1 and Form 2, for comparison on how we could achieve the same end goal of meeting expenses without increasing dues using the two different approaches. Also intended to give more cushion to the budget was the insertion into our Long Term Planning schemata of new line items such as Concrete for Driveways and Irrigation.

Jim noted that during this year's inspection by Commercial Irrigation, a number of breaks in the main line were identified. Commercial Irrigation did not install Harbor Pointe's original irrigation system, but it did put in the original systems for Stoney Creek Inn and EastPort Marina. Replacement of Harbor Pointe's entire irrigation system would cost a considerable sum of money (\$75,000-\$100,000) but is not currently a top priority since we can continue making repairs when needed as we have been doing for years. Ultimately it might be desirable to have all three systems using similar supplies, components, and maintenance practices to function in harmony and with a continuity of providers and scheduling. Jim is moving forward to obtain a quote from Commercial Irrigation for this work.

## Long Term Reserves

2020 represented the lowest Reserves balance of our Long Term Capital Improvements cycle. Our Reserves started this new budget year at **\$64,741**. 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 rose to **\$101,419** before sustaining any of the capital expenditures for 2021. All planned roof replacements for this Long Term Planning cycle are now completed.

YTD in August, the Reserves Total was **\$81,625**, including the completed Concrete (Driveway) work for #304 expensed at **\$4119**. 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**) and South Fence Replacement (**\$20,000**) will follow. For FY 2021, the HOA's Estimated Total Reserve expenditures should amount to **\$90,000** of its budgeted **\$104,000**.

### Operations

As of August, the Operations checking account has **\$63,563** in it, down from **\$75,056**.

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: **\$19,742**. This is just timing.
- 3) Net (Income Minus Expenses) August Year-To-Date: **minus \$3795**.

It is estimated that at year-end 2021, total Operational expenses will not exceed the budget.

### Treasurer’s Notes:

\*Items of significance or Variance from the Budget:

- Landscaping & Grounds*: YTD **\$11,670** of **\$9500** budgeted.
- Landscaping - Irrigation*: YTD **\$4662** against a total budget of **\$5000**
- Maintenance*: YTD **\$3632** 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 is pending, about **\$5500**.
- Maintenance Parking Lot* (minor road repairs): YTD zero of **\$4000** total budget.
- Gate/fence Maintenance*: YTD zero of **\$2400** total budget, but expenses for gate and wrought iron fence repairs are pending.
- Legal and Tax accounting*: YTD **\$990** of **\$3000** budgeted.
- Electricity*: YTD **\$2,506** of **\$4800** budgeted. The budget for *Electricity* will be reduced in 2022.
- Insurance*: pending

Following further discussion on maintenance and/or replacements of gutters & downspouts, fascia, and soffits, and where/when other anticipated replacement expenses might fall, Jim called for a vote on the proposed budget for 2022. Gary Rafool so moved to accept the Draft Budget 2022 as discussed along with the Treasurer’s Report for September. Isaac Imig seconded the motion, and it passed unanimously. Sue will prepare and present the proposed 2022 Budget at the October meeting. 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.

### Parliamentarian Report:

Gary Rafool commended Core3 for the wonderful job they did typing up the Draft Bylaws that were approved at the August 16<sup>th</sup> Special Membership Meeting. Jim reviewed the materials and returned them for corrections and pagination, and Gary is helping to create a page index to accompany the final document. Once the indexed and paginated document is complete, Gary will get it printed out for signatures, recorded in the Tazewell County, Illinois Recorder of Deeds’ Office, and posted to our HOA Website.

### Building Report:

Isaac Imig reported that most of his building updates had been brought up already in the budget discussions.

### Landscaping Report:

Jim Carmany for Mike Kiernan reported that the grass was now fertilized and that the bigger patches of the abnormal water-type grass were sprayed to try to keep the patches from spreading. Jim Bill and his Cuttin’ It Close crew will be returning for their final contracted free workday of the year to spread dirt and grass seed adjacent to the new black top.

### Community Relations:

Jim Carmany reported that the City of East Peoria had just notified him that a contractor from Chicago was coming this week to apply sealer to the asphalt surface of the roadwork already done on Mariner's Way. Unfortunately, their roadwork timing conflicted somewhat with our own plans for after the completion but ongoing maturation of the newly laid asphalt on the middle section of our main road. We had intended to proceed to seal last year's application of asphalt running from the front gate to the entrance to the 100s and 200s, but could not risk closing down our front entrance if Mariner's Way was also being worked on simultaneously. Jim was told that the work on Mariner's Way would be done one side at a time, while the other lane remained drivable, and that care would be taken to allow traffic and emergency vehicles to enter both the front and rear gates of Harbor Pointe during the entire time that Mariner's Way was being surfaced. The Mariner's Way work was expected to be completed in just one day, and fully drivable upon completion. Weather may cause a change in plans. Jim is working with our asphalt company to take things one day at a time and maintain safety and product preservation while still wrapping up this year's road projects in the next week or so as initially planned.

### 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 be adequately capturing or reflecting the necessary discussions or documentation.

Gary Rafool requested that these September Minutes include his Parliamentarian's input. In several e-mails to the Board he stated concerns such as, "I think you are correct in viewing this chain of e-mails as Board thoughts and suggestions only; however, as an exception to our general open meetings' rule and pursuant to our new adopted By Laws Article IV, Section 11(e) which reads as follows: "(e) To vote by e mail or virtually concerning requests by Owners or any dealings with vendors or others affecting the Corporation or its day to day operations."

... and suggested that we begin to tighten up our processes for voting by e-mail and documenting HOA Board decisions in the monthly Minutes distributed to all Homeowners. Other Board Members noted and voiced similar concerns about problems with documentation and effective communications. Ongoing, the Minutes will endeavor to include any motions made and voted upon by e-mail, and depending on the circumstances, points made during e-mail discussions that were relevant to issues remaining under consideration.

On 9/10/21, Anne Dickison, following extended Board Member email exchanges about budgeting, made an e-mail motion that: **The wrought iron fence-painting project already underway but unable to be completed due to lack of operational funds in the approved 2021 budget, will be completed in 2021 and paid for by taking no more than \$7000 from the Long Term Fence-Painting sum designated for 2024, thus reducing that 2024 sum by \$7000 for all foreseeable Fence-Painting projects until the next time the sum amount is revisited and revised in the Long Term Plan's Capital Improvement Cycle.** Gary Rafool seconded the motion, and all Board Members, after more discussion, agreed to proceed with completing the fence-painting project already underway.

**Roads:** Road resurfacing for this year has been completed. See the above Community Relations section for modifications to the plans to seal Harbor Pointe Drive between the front gate keypad to the entrance to the 100s. During the time this front gate area is drying, all traffic will need to use the rear gate. Once all the asphalt and resealing work is completed, there are several areas on our main road in front of the 400s and 500s that need patches before the winter. Jim projected that in 2023 we should be able to complete the last section of road resurfacing in front of the 600s, but that there were logistical challenges ahead in terms of parking and exiting that would need to be taken into consideration.

**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. Repairs under consideration were presented to the Board by email as well as the projected strategies for making walking gate fence posts stronger, less prone to frost upheaval, and less likely to shift and warp over time.

No repairs were needed to the front gate's pedestrian walking gate or the pool gate at this time. The riverside walking gate across from the 4xx building was straightened, a new iron lockbox was welded on to replace the badly rusted out existing lockbox, and its rusting hinges were replaced by new hinges. This riverside walking gate's repair is now complete. Repair work on the walking gate connecting us to Stoney Creek Inn, and the walking gate across from Unit #218 riverside are also now completed. These two gates were heaving and shifting causing them not to open at times or their locks to not work. To repair these two gates, they had to be dug up by breaking through their existing concrete anchors, and existing gateposts had to be pulled out. Postholes were then dug deeper underground than the 28-30 inches used originally, and were converted to more frost-heave resistant holes placed ~40-42" deep and widened in diameter to about 12 inches. Additional iron post extensions were welded on to lengthen the existing gateposts by another 14-16". The new substantially deeper-and-wider postholes were anchored with much more concrete than was used originally in order to reduce soil shifting and the effects from changing soil moisture and temperatures. These two walking gate repairs required more time and materials than our other gate repairs in order to fix their problems, and to better stabilize the structures against future frost-upheaval issues. These posthole enlargement repairs, and similar posthole work still under consideration for the leaning walking gateposts at the rear entrance, will generate additional charges above what was projected.

At the time of this September meeting, the gate and fence-straightening work being done by Iron Ranch Welding is nearing completion. Only a few pickets are left to straighten plus one post in the dog walk area. Iron Ranch Welding expenses for the additional work will be kept below \$1000 of overage beyond the original estimate, and will come from the Operations Maintenance Budget.

Unfortunately, painting of the wrought iron fence required much more time than anticipated. Work continues to complete the painting of already prepared sections of the perimeter fence.

**Wood fence at the south end of Harbor Pointe:** Steps necessary to proceed with replacing the south end wooden fence with a composite materials fence using the same footprint and a "vertical board" style are underway. The City of East Peoria granted the building permit. They have worked with Peerless Fence often, and provided Sue McGill with some valuable feedback. We will have to do some of our own grounds preparation, but Sue is coordinating efforts with EastPort Marina to clear out some of the plant growth and even the uneven terrain on the Marina side of the fence. We are now just waiting for the fencing materials.

#### **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.

#### **Dying ash tree opposite Unit #200:**

Infected by the emerald ash borer several years ago, this beautiful tree did not respond to treatments, and was left to declare its own timeline. Though the half-dead tree is unsightly, its dying limbs were considered to be sturdy and thought to pose no immediate threats to property or passersby. Taking down the tree and grinding the stump is quite expensive, and replacing it with a mature tree at this time would be even more so. Jim Carmany and Mike Kiernan have been in discussions about what to do about the tree. At this point the plan is to wait until spring to see what it looks like once it leafs out again before making any decisions to remove and replace it with something else.



**Motion to Adjourn:**

The next Zoom HOA Board meeting will take place on Monday, October 18. Core3 will send out a link with the agenda.

Gary Rafool made a motion to adjourn the September meeting, Jim Carmany seconded it, and all approved. The Zoom Board meeting ended at 6:53p.

Respectfully submitted,  
Anne Dickison, Secretary