



Harbor Pointe HOA Board of Directors Meeting Minutes: September 23, 2019

President Jim Carmany called the meeting to order at 7:01p. Other Board Members present: Gary Rafool, Anne Dickison, Sue McGill, and Mike Kiernan. Absent: Mike Childers, Isaac Imig, and Core3 Property Manager Mark Fetzer. Five additional homeowners attended the meeting.

Approval of Prior Minutes:

President Carmany asked for corrections to the August HOA Board Meeting Minutes, but none were offered. Mike Kiernan made a motion to accept the Minutes as written, Sue McGill seconded, and the Minutes were approved unanimously.

Property Manager's Report:

No report from Core3. Kim Stein from Core3 had her baby so probably will miss the next meetings.

Jim Carmany reported that the Core3 ran out of gate openers but is looking into how to best replenish a supply of new openers. Core3 is coordinating with Sue McGill about scheduling a team of window washers to provide services at the owner's expense.

Jim Carmany also reported that many back patio window seals are failing so some windows are starting to look cloudy from condensation between the double panes. This is especially noticeable in transom windows. Some of our patio windows and doors are still under warranty for replacement window or door glass AND for the labor if they are under 10 years from the date of manufacture. However, if the current owner is not the same owner when the patio doors or windows were installed, the glass still might be replaced under the 10-year warranty, but the labor to do this will not be covered.

Treasurer's Report:

Treasurer Sue McGill e-mailed the August financials to the Board Members prior to this meeting. The reports are summarized below.

The starting figure for the 2019 Reserve Balance carried forward was **\$120,478.23**. In January, **\$10,000** was transferred from Operations to Reserves as per Board approval. This year **\$6667 per month** from dues are being transferred from Operations to the Reserves. August's Year-To-Date Reserves balance was **\$119,409**, compared to **\$194,156** at this same point in 2018. In August, Reserves paid **\$11,300** for roadwork. Roof and Road expenses will continue throughout the fall. Three more sets of roofs and road resurfacing in front of Building 300 remain in the plans for 2019.

The Operational Checking Account contains **\$46,387**, down from **\$71,392** a month ago. This balance is further broken down to: 1) Prior years brought forward (retained) from 2018: **\$47,214** (this number remains constant all year); 2) Pre-paid dues: **\$18,599**; 3) Net (Income minus Expenses) Year-To-Date: **minus \$18,938** against a budgeted August YTD figure of **minus \$18,768**.

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Expensed items this month included:

- Electricity **\$525** (two months)
- Irrigation: **\$11,938** (Commercial Irrigation - 5 invoices). The entire year's budget for Irrigation: **\$3450**.
- Landscaping & Grounds: **\$6524** on planned projects on the south end of Building 200 and patios 606-608
- Routine landscaping charges in progress and paid monthly as contracted over seven months of the year.
- Maintenance expenses including siding repair and removal of tree roots clogging up storm drains: **\$5209**.

Budgeted YTD Expenses as of August were **\$153,064**, and the Actual YTD came in at **\$153,419**, very close.

Treasurer's Notes:

- *Expensed items for 2019 are mostly in line with the budget. Year-End figures will be over budget for *Irrigation*. This increase is expected to continue and is addressed in the proposed 2020 budget.
- **Parking lot expenses* (minor road repair) are minimal due in part to the large road resurfacing projects.
- *Maintenance expenses have increased, and are reflected in the 2020 budget.
- *Plumbing Maintenance was a new line item added by Core3.
- * The Year-End total for all expenses should come in close to budget. Normally we have an excess of funds in Operations to carry over to the next year, but this year an excess in Operations may not happen.
- *Financials are stable. Reserves will be challenged in 2019-2020 as anticipated, and will be taken into account in the proposed budget for 2020 and by revised timing of certain capital expenditures.

Jim Carmany made a motion to accept the Treasurer's Report, Anne Dickison seconded, and all approved.

Parliamentarian's Report:

Gary Rafool reported that the unfortunate situation with an owner's HOA dues in significant arrears is now in legal hands, and is not yet resolved.

Landscaping Report:

Mike Kiernan reported that Cuttin' It Close used its last contractual work day to cut day lilies, seed grass, plant mums, and place seasonal pumpkins. Their fall cleanup usually takes place in October, and then they return again in November to blow leaves and finish up.

Jim Carmany reported that the grass has been too wet to mow. The irrigation system has been turned off until the weather clears.

Building Report:

No report from Isaac Imig. Updates on building projects in progress will be covered under Old Business.

Community Relations:

Mike Childers relayed through Jim Carmany that communications about the pool are taking place. Repair of the leaning pool fence (the part that is the HOA responsibility) will be discussed under New Business.

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Old Business:

***Asphalt overlay:** Work on the 200-frontage road is complete and its original invoice was paid. A glitch in the estimate was discovered and corrected, and the final price increased because of the mistake. Jim Carmany made a motion that due to the contractor's mistake in calculating the estimate, total payment for the 200 frontage road was to be paid but not exceed the original estimate by more than **\$5000**. Mike Kiernan seconded the motion, and all approved.

Depending on the weather, progress on roof replacements, and the availability of asphalt, work on the frontage road in front of the 300s should begin in the next few weeks.

***Storm Sewers:** Drainage sewers in the 300s & 400s were scoped for patency. One sewer was successfully unclogged using a cutter blade and did not have to be dug up. 200 Building and 500 Building sewers remain to be scoped. Following a recent heavy rainfall, Jim Carmany looked for water pooling suggestive of clogged drains, but found none.

***Driveway issues:** Deteriorating driveways have been an ongoing issue. Jim Carmany previously reported surveillance that of Harbor Pointe's 58 driveways, 17 of them had cracks or spalling concrete. Few drives are perfect, but some of them, like #606-#608, are in need of intervention sooner rather than later. In 2019 one driveway was replaced. We learned that replacing concrete drives is costly, around \$4500 for just one long single-car drive. Last year we added a line item in Long Term Reserves for concrete repair, but found that the funds designated were insufficient even on this small scale, so an increased budget allocation from **\$4000** to **\$12,000** was proposed going forward. Discussion ensued about how to best address this inevitable expense in the future as more drives deteriorate. From an aesthetics point of view, new concrete looks different than old concrete, so that is also a consideration.

New Business:

***Draft Budget for 2020:** Prior to tonight's meeting, Sue McGill emailed copies of the proposed 2020 budget to the Board, and she provided hardcopies at the time of the meeting itself. As anticipated, the proposed budget called for another 3% increase in HOA dues to accommodate planned expenses from long-term capital projects and an increased Operating Budget for 2020. This year the dues increase will go directly into Operations as opposed to routing entirely to the Reserves. With the 2020 dues increase, it is anticipated that **\$90,000** per year will go into the Reserves, **\$80,000** from dues and **\$10,000** from the year-end rollover.

Most line items in the proposed 2020 budget remain the same. However, expenses for several of the line item categories were increased. *Landscaping* increased for two reasons: an increase in the base rate, plus an added agreement for trimming the bushes and weeding the rock areas outside of our fencing from the south end of the pool area to the north end of the 500 Building. These areas were not previously included in our baseline contract. *Snow Removal* expenses increased due to a necessitated change in providers when our previously contracted outfit went out of the snow removal business. Cuttin' It Close agreed to provide snow removal services for what is estimated to be an additional **\$3000** over the previous budget. As with the previous provider, snow removal is for snowfalls greater than two inches. Our *Irrigation* system needs a lot of attention. In 2019 when confronted by issues too overwhelming for our volunteers, we hired Commercial Irrigation for **\$12,000-\$13,000** to perform complex repairs to the aging system, and additionally we initiated a trial of periodic Commercial inspections for the early identification of problems. A new line item was added to the Long Term Reserves budget for irrigation repairs. With a proposed allocation of **\$7500/year**, it is hoped that the next two years won't prove as costly as the last two. Commercial Irrigation is already contracted to continue periodic inspections for another year with two more monthly inspections set for 2020. The cost and effectiveness of this arrangement will be tracked and adjusted as time goes on.

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Other projects to consider for the future were discussed as part of 2020 budget-planning. Sue McGill introduced the idea of replacing the wood fence at the south end of the property. She also observed that we should probably start thinking about our outdoor lighting. Jim Carmany noted that the HOA is now out of spares for our garage, patio, and porch light fixtures. Unfortunately, the style we chose is no longer being made. Ultimately they will all have to be replaced again. Perhaps fixture replacements could be staged or modified into riverside versus front side projects to reduce the impact on the budget.

The *long-term capital expense budget* includes a line item for **fence painting**. The last time it was fully painted was 6-7 years ago, but the results were unsatisfactory due to the types of primer used. Last year, Core3 was employed to do spot touch-ups of the worst areas, but new areas are cropping up again. The entire fence will soon need to be re-primed and re-painted. The **\$30,000** allocated in the long-term budget is not enough to undertake this project, especially again so soon. Discussion took place about the timing for intervention and need for adjustments to the capital expense budget of the Reserves.

A line item for *Storm Sewers* was added to the *long term capital expense budget* so we can initiate routine roto-roooter maintenance and hopefully avoid having to dig up any more yards or deal with damages from pooling water. The proposed budget for 2020 includes **\$5000** for this purpose.

Harbor Pointe HOA's *long-term capital expense plan* is projected out over a span of 25 years. Once we are out from under replacing all the roofs, we will have another nine years of pause before the next round of non-emergent roof replacements. This will give us an opportunity to rebuild the Reserves so we can continue to try to avoid an additional need for Special Assessments. The Board is reviewing long-term plans on an annual basis as we gain experience and insights into the duration and costs of both capital and operational projects.

Treasurer Sue McGill summarized the process of advancing the budget for 2020. The Board will first approve the draft the proposed 2020 budget (tonight), then will ask Core3 to distribute the approved draft to all the owners for additional considerations and questions. Indications for modifications to the distributed budget and/or final approval of the 2020 budget will be discussed at the next Board Meeting.

Treasurer Sue McGill made a motion that the Board approve the proposed Operations budget for 2020, with the total budget to not exceed **\$210,000** and planned expenses to remain at or below **\$130,000**; and once approved, to distribute the proposed budget to all HOA homeowners. Gary Rafool seconded the motion, and the motion was approved unanimously.

***Pool Fence:** Jim Carmany reported that a portion of the fence around the swimming pool is leaning somewhat. The HOA currently does not have a contractor with the required Workman's Comp who is able to tend to these fence repairs. After discussions with others involved in property maintenance for the pool, Jim invited consultation by Kelly Iron Works. They came out for an assessment of what needed to be done in order to stabilize the fence and posts and to repair the gate. In their opinion, the bent poles would need to be addressed first, then all damaged sections cut out and replaced. After that, the entire repaired fence section would have to be re-painted, or they could have it sandblasted and powder-coated to make it look nice again. Kelly Iron Works was interested in taking on the project, and extended quotes: **\$12,000-\$14,000** to do just the gate and the section of leaning fence with new posts but utilizing the existing fencing between the posts, and **\$19,000 to \$21,000** to do the gate and repair that section of leaning fence with new posts and new fencing between the posts. Gary Rafool asked if a second bid could be sought, and reminded us that Workman's Comp coverage provided by the contractor was essential. Jim will continue to investigate the options and coordinate details with the other agencies involved.

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***Brick walks:** Jim Carmany reported that our landscaping provider Cuttin' It Close recently signed a new 3-year contract with the HOA, and that the new terms included additional work not included in the original agreement. In this context, it had been observed that our brick walkways were in need of some attention. Over time, sand had eroded away from crevices between the bricks, and some of the bricks shifted or became an uneven surface. Filling the crevices with paver sand was proposed as a stabilizing measure. Prices for sanding the walks, and how the work would fold into allocations for other landscaping and building projects were discussed with other involved Board members. Should the HOA wish to include this work with other upcoming projects, we would need to commit to Cuttin' It Close in the next several weeks.

***Real Estate For Sale Signs:** Jim Carmany communicated that he had received a request from an owner wishing to increase the visibility of the desired and rapid sale of units at Harbor Pointe. The owner proposed to pay for and create an attractive sign for display outside the front entrance. The new sign could list the Harbor Pointe website and be used for sales by all owners. Pros and cons were discussed at length. This topic did not receive a great deal of support from the Board Members present. Gary Rafool reminded us that any design of an additional type of For Sale sign would require the creating owner to submit a Change Order for Board approval before the sign could be implemented and displayed.

Motion to Adjourn:

A motion to adjourn the September meeting was made at 8:18p by Gary Rafool, seconded by Mike Kiernan, and approved by all. After discussion of times and availability, the next scheduled Board meeting will take place at Jonah's on Monday, October 21, at 7:00p.

Respectfully submitted,
Anne Dickison, Secretary

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