

Harbor Pointe HOA Board of Directors Meeting

Minutes: September 21, 2020

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

President Jim Carmany called the Meeting to order at 6:01p. Other Board Members participating: Gary Rafool, Anne Dickison, and Sue McGill. Mike Kiernan, Isaac Imig, and a representative from Core3 were absent. Four additional homeowners also joined this ZOOM meeting.

Approval of Prior Minutes:

President Carmany asked for corrections to the August 2020 HOA Board Meeting Minutes, but none were offered. Gary Rafool made a motion to accept the Minutes as written, Sue McGill seconded, and the August Minutes were approved unanimously.

Property Manager's Report:

Jim Carmany reported that Amanda Underwood was no longer with Core3, but that after transition, representation to our HOA meetings would continue as before. Real Estate turnover for Harbor Pointe continues to be quite good.

Treasurer's Report:

In advance of tonight's ZOOM meeting, Treasurer Sue McGill e-mailed Board members the August Financials, proposed schedule of Long Term Capital Improvements funded from the Reserves, and a draft copy of the proposed Operational Budget for 2021 that she and Jim had been developing.

Long Term Reserves

2020 will represent the lowest Reserves balance of our Long Term Capital Improvements cycle. To date, 2020 YTD expenses are running to budget. Currently, the Reserve Total is **\$75,764**, down from **\$90,968**. August Reserve Expenses were **\$18,875** for roads and **\$2,999** for Irrigation.

Our 2020 starting figure for the Reserve Balance carried forward was **\$84,072**. In March, **\$10,000** was transferred from *Operations* to *Reserves* as per Board approval. During FY 2020, our budgeted monthly transfer of dues income to the *Reserves* has been **\$6667 per month**. The YTD total spent for roofs is **\$33,985**, and two more roof replacements for Building 500 are in this year's budget. These final two roofs will finish the roofing project. Unfortunately, shingles have not been readily available due to supply chain interruptions. Elective roof replacement work may not be able to be completed with the number of shingles we currently have available, and would be deferred to spring if sufficient supplies to assuredly complete the job are not at hand. To add to the calculations, additional shingles were lost during the recent windstorm/derecho. All damaged areas were well patched and should be good throughout the winter.

Though the year-end Reserves balance is currently estimated to be around **\$30,000**, they may still dip below that. Road maintenance expenses should end up being less than budgeted since there is so much new road.

Operations

The Operations checking account has **\$43,660** in it, down from **\$73,320**. This total is summed from three sources:

- 1) Prior years brought forward (retained) from 2019: **\$37,778** as compared to **\$47,214** a year ago. This "*Prior Retained Earnings*" number remains constant all year.
- 2) Pre-payment of dues: **\$16,725**. This is just timing.
- 3) Net (Income Minus Expenses) Year-To-Date: **Minus \$10,843**.

Treasurer's Notes:

*The YTD Net Income of **minus \$10,843** is against a forecast of **minus \$19,044**, so is **\$8,201** better than Plan. As expenses for landscaping, irrigation, and other maintenance items are incurred, that *Net Income* number will decrease even further. The total annual *Net Income* for 2020 is budgeted for **minus \$10,000**. This reflects the planned extra amount moved to the Reserves.

Dues Income* is **minus \$2,446 year-to-date. Delinquencies are being reviewed.

Expense* for monthly maintenance for our *Landscaping Subcontractors* (\$5,814**) was not received last month, so we expected double the expense this month.

Landscaping-Irrigation* YTD expense rose to **\$5962, against a total annual budget of **\$5000**.

Landscaping & Grounds* expenses were **\$7740 due to scheduled Building 300 landscaping improvements.

Maintenance (general)* YTD is **\$7871 this month, and **\$9959** YTD, against a total annual budget of **\$17,000**.

Insurance*: **\$4938.

*Month-to-date *Operational Expenses*: Actual **\$43,565**. MTD Budgeted: **\$19,743**. Variance: **Minus \$23,822**.

*The monthly *Telephone* expense of **\$176** was terminated since the gate landline is no longer needed.

**HVAC* is incorrectly labeled and is instead for *Gate/Fence maintenance*.

Gary Rafool moved to accept the Treasurer's Report, Anne Dickison seconded it, and it passed unanimously.

Building Report:

Jim Carmany reported for Isaac Imig:

Jim has been in frequent contact with Massey Roofing about the assured availability of an adequate supply of our matching shingles before this fall's initiation of the final two **Roof Replacements** budgeted for 2020. Our plywood supplies are currently adequate, but the potential for supply chain interruption applies to plywood as well as shingles. When completed, these last two roofs represent the end of our planned roof replacements for at least another few years.

Roads: The 200s frontage road was sealed this morning. No traffic will be allowed on the newly sealed surfaces until it dries in about 48 hours. The 300s frontage road will be sealed next week. These two sealings will complete our road projects for the year.

Pop-up roof rainwater drains: The HOA thanks Isaac for once again trimming encroaching grass from around all our roof-water pop-up drains. Record heavy rainfall this autumn made this maintenance especially vital. Unclogged sewer drains have also reduced Harbor Pointe's surface flooding. Topsoil washed from erosion along upstream storm sewer ditches continues to create a new shoreline at the north end of EastPort Marina, and encroach on the public boat-loading ramp.

Unit fire in Building 500: Progress is being made. Insulation is now in, and new drywall was delivered today. The unit below the one that caught fire has been fully restored and its owner is back in residence.

Landscaping Report:

Jim Carmany for Mike Kiernan:

Before they left on vacation this fall, Mike and Kathy Kiernan set out the seasonal mums and pumpkins. Harbor Pointe's landscaping continues to receive many compliments.

This year's big landscaping project for the Riverside 300 Building is now completed and looks great.

Trees are to be fed later this autumn.

Approximately three more weeks to go before automatic irrigation will end and the system will be winterized. Commercial Irrigation will be returning to check the lines for issues in need of repair before the winter sets in.

Parliamentarian's Report:

Gary Rafool conducted an informal audit of compliance to certain "outside appearance" aspects of the Rules and Regulations adopted in 2017. For the most part, he thought that residents seem to be doing much better by putting out their trash bins and returning them to their garages within the prescribed time frame. He observed that neighbors have been helpful in taking emptied curbside trash bins to place them next to the garage during occasions when the occupants might be delayed in returning home. He also found seeded birdfeeders in several locations. One unit with what appeared to be an abandoned seed feeder was reported to Core3 for removal. Other units with seeded birdfeeders were observed. Core3 will also follow up with those owners to assure the seed birdfeeders have been removed. Residents are reminded that seeds attract rodents and that seeded feeders are prohibited in the HOA Rules. Owners are encouraged to spread the word, and to report any persistent presence of seeded feeders.

Gary Rafool also presented an update on the legal proceedings over unit #520. The rendered judgment stipulated that the current mortgage-holder held **\$4551** in dues and fees owed to Harbor Pointe HOA that were accrued after the homeowner's prior debt to the HOA was zeroed out during bankruptcy. Discussion ensued about timing considerations, collection processes, and added costs to the HOA to remain in line for distribution of any future realized assets. Our "Collections" Attorney Ed Walker indicated that to stay under consideration for future distribution of assets, the HOA would need to file a "Citation to Discover Assets" that would cost another \$180 plus \$6.00 to collect. After further discussion, Gary made a motion that the HOA pay this \$180 plus \$6 to attorney Ed Walker to pursue collection of the HOA's allotted settlement. Jim Carmany seconded the motion, and all four Board members present voted to approve the motion.

Community Relations:

Jim Carmany reported that Core3 sent out notices about East Peoria's Fall Cleanup Week's bulk trash pickup scheduled to take place on our regular garbage day on Friday, October 9th. Specifications about what items can be set out and what is excluded for this pickup can be found on the City of East Peoria's website.

Old Business:

Zoom HOA meetings: Zoom meetings will continue for the foreseeable future. Core3 will send homeowners email announcements containing the link prior to each meeting. From now on, Zoom HOA meetings will start at **6:00p** on the third Monday of the month. Once we resume in-person Board meetings, the meeting time will revert to 7:00p as before.

Dryer Vent Cleaning: The HOA project to coordinate vent-cleaning services has not yet progressed. Individual homeowners are strongly encouraged to keep on top of this important issue. Clogged dryer vents are a leading cause of fires.

Homeowner Insurance compliance with parameters set in Rules: Tracking is being done but to date the picture is incomplete and in need of further data and review. The Rules of 2017 established a minimum individual unit's coverage of \$135 per square foot for duplexes and townhouses, but similar guidelines were not identified for the condo building. Homeowners are encouraged to discuss coverage with their individual insurance agents and to refresh themselves concerning personal liabilities in the event of catastrophic events such as fire, flood, and other internal losses.

Delinquent HOA Dues: Homeowners late with monthly dues payments have been notified. Only one of the late-payers is a new owner.

New Business:

Roof replacement issues: The uncertainty over a timely delivery of our matching shingles was discussed under the Treasurer's Report. Jim will remain in close contact with Massey Roofing regarding any necessitated alterations to our logistics.

Snow removal contract: Jim Carmany reported that the HOA has executed a 3-year contract extension with Cuttin' It Close. There will be no price increases over three more years. Cuttin' It Close will continue to provide the snow removal services on the same terms.

Wood fence at the south end of Harbor Pointe: Sue McGill reminded us that this deteriorating wood fence needs repair or replacement. Replacing wood with composite materials is significantly more expensive, but would give us a longer life expectancy and a better maintenance profile. Our black wrought iron fence that surrounds the property will need to be painted again. Our last "soft" estimate for fence-painting ran about **\$30,000**, and is probably quite out-of-date. As 2021 gets underway, the HOA should seek a firmer and more current quote on the options before us.

Annual Christmas Party: Due to Covid-19 precautions, the Christmas party will be canceled this year.

Budget 2021:

Sue (via Jim) reviewed their draft of the proposed budget for 2021 that was circulated to Board members prior to this meeting. The Operational side remains virtually unchanged. They projected that we could continue funding the Long Term Reserves the same way we did for 2020. We would again move over **\$10,000**

from *Operations* to *Reserves* to buffer the low spots while waiting for the Reserves to build back up. Barring unforeseen circumstances, homeowner dues would probably remain the same except for the Building 500 Condo owners who will see a small monthly increase because their building insurance costs have increased over the years. Impending Long Term Capital Investment expenses include both fences, the wood one at the south end of the property, and the wrought iron one surrounding the perimeter. Next year's Reserve totals will remain a little low until roadwork is completed. Interest income generated will also be reduced the next year or two both because the invested principle is lower than it was, and also because interest rates are historically low and predicted to stay that way for many months ahead.

The draft proposed Budget 2021 was reviewed by all Board members, questions answered, and all agreed that it was ready to distribute to the homeowners without further changes. Core3 will be instructed to distribute the proposed 2021 budget to all homeowners to review and provide feedback before (or at) the next Board Meeting. If there are no changes or indications for further discussions or adjustments, the HOA can vote to adopt the proposed Budget at the October Board Meeting. If objections meriting further investigation did come up at the October Meeting, the vote to accept the proposed Budget for 2021 will take place at the November Meeting.

Motion to Adjourn:

A motion to adjourn the August 2020 Zoom HOA meeting was made at 6:59p by Gary Rafool, seconded by Anne Dickison, and approved by all. The next ZOOM HOA Board meeting will take place on Monday, October 19, at **6:00p**. Core3 will send out the link.

Respectfully submitted,
Anne Dickison, Secretary