

Harbor Pointe HOA Board of Directors Meeting

Minutes: September 16, 2024

President Jim Carmany called the meeting to order at 6:02p once all available members had signed in and a quorum was confirmed. Besides Jim, other Board Members present were Anne Dickison, Greg Smith, Mike Kiernan, and Denny Klein. Gary Rafool was traveling and unable to participate. Core3 Property Manager Michael Mayer attended, and four additional homeowners also participated in this meeting by Zoom.

Approval of Prior Minutes:

President Carmany asked for corrections to the August HOA Board Meeting Minutes, and none were offered. Greg made a motion to accept the August Minutes as presented, Mike Kiernan seconded, and all approved.

Property Manager's Report:

Core3 Property Manager Mike Mayer submitted his report in advance by email.

- Accounts Receivable – Paperwork for two units is still being processed. Everything else is as expected.
- Accounts Payable – All bills were paid as received. We are still waiting for Pinnacle Security's Certificate of Insurance statement before paying. The HOA does not do Workman's Comp so all providers we contract must carry their own Workman's Comp and Liability Insurances before we employ them.
- Flood insurance for the Condo Building 5xx was renewed and paid.
- Maintenance – Jim reported that only one piece of siding needed repairs this month from the storms.
- Unit patio window glass issue followup: Jim Carmany texted the homeowner Roger Neene's phone number to call for patio window glass replacements.
- Pet waste violations have been noted. 9/16 Core3 sent out a reminder to all residents.

A question was asked about responses to the HOA concerning information provided about the Core3 texting of updates/information. Mike Mayer responded that to date, Core3 had received no feedback. Jim Carman indicated that the few comments he had heard were mostly positive and appreciative.

Treasurer's Report:

In advance of tonight's ZOOM meeting, Treasurer Greg Smith e-mailed Board members the August Financials.

Long Term Reserves

The 2024 budgeted transfer of dues income from *Operations* to *Reserves* is **\$7458 per month**.

Starting Reserves Balance YTD January 31, 2024 was **\$140,983.04**

YTD August 31, 2024, the Reserves balance was **\$193,671.82**

\$145,000 of this Reserves Balance comes from a **\$60,000 6-month CD** and a **\$60,000 12-month CD**, with one CD maturing in January 2025 and the other in July.

Operations

As of August 2024 YTD, the *Operations* checking account has **\$69,782.06** in it.

The *Operations Checking Account Total* is summed from three sources:

- 1) Prior years brought forward (retained) from 2023: **\$98,753.81**. This "*Prior Retained Earnings*" number remains constant all year.
- 2) Pre-payment of dues
- 3) Net (Income Minus Expenses) [*Calculated Retained Earnings for 2024*]

Treasurer's Notes:

- To date, Operating account expenses are under budget by **\$10,637**. Expenses continue to flow in.
- Snow removal YTD came to **\$2,712.50**
- Insurance YTD: **\$2186.00**
- Electricity YTD: **\$1274.97**
- Gate/Fence Maintenance YTD: **\$661.46**
- Landscaping YTD (subcontractors) YTD: **\$120.00**
- Landscaping (grounds) YTD: **\$1673.18**
- Landscaping (Irrigation) YTD: **\$452.04**
- Pest Control YTD: **\$1906.00**
- Maintenance (parking lot) YTD: **\$1450.00**
- Maintenance YTD: **\$7806.59**
- Legal & Tax YTD: **\$402.00**

Greg Smith noted that the Federal Reserve will meet in the next day or two to discuss and probably implement a lowered interest rate. Rates for earning interest on new CDs will be affected and are expected to produce lower returns than with existing CD terms on the current rate. A majority of our HOA expenses have been met and paid for 2024. A short discussion on available terms offered by a few reference institutions took place. All agreed that it would be beneficial to the HOA to purchase an additional short term CD in an affordable amount to boost up earned interest potential before offers of CD interest rates begin to decrease again. If money were needed urgently for an unforeseen expense, we could always cash out one of our existing CDs early. The best terms identified by Greg at this time was a special for 4.01% for a 7-month term.

Greg Smith made a motion to take \$50,000 from our Long Term Reserves to purchase a short term CD with our present institution, and to do this tomorrow. Jim Carmany seconded the motion, and all agreed.

Greg Smith moved to accept the Treasurer's Report, Mike Kiernan seconded it, and it passed unanimously.

Proposed Draft Budget for 2025

*Variances from projected expenses in the 2024 Budget were reviewed one-by-one as the Budget for 2025 was considered.

*The **Core3 Property Management contract** approved earlier this summer represented about a 15% increase over its predecessor, but that figure had not increased since its inception close to 10 years ago. The new contract is a 5-year contract with much smaller yearly increases.

*Mike Kiernan indicated he planned to keep the **Landscaping budget** for 2025 at the same level, but noted that we may have greater expenses for planting more trees or taking on new unplanned projects, so we might have to increase the Landscaping line item budget in the future.

*Our **operating expenses** for 2025 will come to fewer dollars for utilities required, pest control(discontinuation --by Board approval-- of our long time one-building termite insurance that was never used after it was started following a solitary termite issue),and capital improvements, though the next Long Term Planning cycles must be kept in mind as the property ages and inflation adds to replacement and maintenance expenses to be encountered in the future.

*In the proposed Budget for 2025, a **2% increase** in the amount of dues transfer from *Operations* to *Reserves* will take place as this figure is built into the Long Term Reserves budget plan. The goal is to continue to avoid future Special Assessments if at all possible. So far, thanks to careful budgeting and insightful Long Term Budget planning, the HOA has never had to ask for any Special Assessments to meet its expenses.

***Dues Transfer** will increase from **\$7458** to **\$7607** per month in 2025. This dedicated transfer of income should increase the Long-Term Reserves by **\$91,284**.

*Overall, it is estimated that in the proposed budget for 2025, all owners will face a dues increase of **1.78%**, but it should be recognized that Condo Building 5xx owners will also experience significant additional dues amount increases from their apportionments of rising property and flood insurance costs the HOA pays for them for insuring their Condo Building 5xx. The rest of the homeowners pay their own Homeowner's and Flood insurances out of pocket. More information will come on this topic in the upcoming Draft Budget 2025 letter distributed to all owners.

*Jim Carmany, in running the numbers, estimates that the **one-bedroom condo will increase its dues by \$20 (9.5% dues increase) and the 2-bedroom condo will increase its monthly dues by \$30 (9.65% dues increase).**

A motion to accept the draft 2025 Budget with these proposed changes was made by Greg Smith, seconded by Jim Carmany, and approved by all board members present.

After the proposed 2025 Budget incorporating Board-approved changes is laid out, it will be distributed to all homeowners for input and the opportunity to ask questions or raise objections. The Board vote for final approval will take place at October's HOA meeting.

Greg made a motion to accept the Treasurer's Report on the Budget Adjustments and Adopted Measures for the Budget Proposal 2025, Mike Kiernan seconded it, and all approved.

Parliamentarian Report:

No Report

Landscaping Report:

Mike Kiernan indicated that decorative pumpkins will be put out in another couple of weeks. Isaac Imig's father-in-law has generously helped us with acquiring lovely pumpkins for the HOA in the past, but if circumstances don't work out in that way again this year, Mike will supply them some other way because they look so seasonally cheerful.

Fall cleanup has started. Commercial Irrigation will start to winterize the irrigation system on October 14th, weather permitting. The landscaping and lawn around Harbor Pointe look wonderful.

Building Report:

Nothing to report.

Community Relations:

Nothing to report

Old Business:

Summary of e-mail motions and votes since our last HOA Board

Meeting: During the summer of 2021, as more and more discussions, HOA business discussions, 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. The Board resolved to report in the Minutes all email motions and votes taking place by email in the interim following the prior HOA meeting. Subsequent to our August Board Meeting, no new motions have been made or voted upon by e-mail.

Ameren Power Installation near the pool area is completed and all disturbed landscaping was restored and re-rocked by the City of East Peoria landscaping crew.

New Business:

Clogged Sewer: In the grassy areas between the driveways of #401 - #402, a root-clogged storm sewer has caused flooding and is to be dug up. After work is completed, the HOA's landscaping and sidewalk pavers will be restored by Cuttin' It Close

Motion to Adjourn:

A motion to adjourn the September HOA Board of Directors meeting was made at 6:30p by multiple voices all at once, and approved simultaneously by the same chorus.

The Board's next Zoom meeting will take place on Monday, October 21st, at **6:00p**. Core3 will send out the link

Respectfully submitted,

Anne Dickison, Secretary