

Call to order 9:30 am

**Accountant's Report:** The association is in sound financial condition. Checks and balances that were put in place by previous board have been continued. Payments are processed fastest when sent to the Accountants office directly. Annual financial reports are available on the website or at the Association Office.

**Attorney's Report:** The floor was opened for questions, and none were asked at this time.

### **Committee Reports**

#### Conservation

- Each member of the committee presented on the previous year's activities. Details of these activities can be found in the monthly Board meeting minutes.

#### Environmental Control

- The Environmental Control Committee of 3 volunteer members as mandated by the CCE&R's (Covenants, Conditions, Easements, and Restrictions) Rick Stokes (chair), Adam Shake, and Jerry Roy. The purpose of the ECC is to protect the natural charm of the lake community while assisting residents and prospective residents with housing issues. All building permits are approved or disapproved by the ECC. Any disapproval members have the right to go to the Board of Directors and the Board has the right to agree or override the ECC. All decisions are then final.
- Trees over 3" in width must have a tree permit before removal. The ECC also requires accessory permits for outbuildings/sheds, garages, docks, pools greater than 4ft in depth, fences, and driveways.
- Due to the recent changes in the Tazewell Zoning Building Codes and increased fees, the ECC is waving the \$30.00 permit fees but not fines for any violations as mandated in the CCE&R's. The environmental impact fee still stands for Building Permit Application for House, as does the Erosion Control Policy. All permits can be picked up or dropped off at the Heritage Lake Office.
- Even with stricter zoning regulations our CCE&R's has presidents over Tazewell County where a conflict may arise. Members need to read the CCE&R's bylaws which include the rules and regulations to understand the rules that govern Heritage Lake Association. All documents stated can be found on the Heritage Lake Association website.
- The ECC would also like to remind members to check chlorination systems attached to septic systems effluent lines. Tazewell County Health Department now recommends septic systems now be pumped and inspected every 3 years.

#### Finance Committee

- The finance committee was reinstated a few years ago with a charter of providing guidance to the board related to ensuring financial stability of the association. The committee consists of the HLA Board President and Treasurer along with 4 association members (Jim Flynn, Sarah Sweigert, Tara, Bonnie Lempke (chair)). We have had changes in our membership and are looking for individuals who might be interested in joining the committee.
- During 2015 the committee met monthly to review monthly income and balance sheet statements, expenditures and accounts receivable.

- Key actions in 2015:
  - Reviewed purchase of new truck, accounting for the insurance payments related to fire and removal of old truck from asset listing
  - Assisted with development of 2016 business plan. Although recommendation is to always have balanced budget, we allowed loss in 2016 as there are carry over funds from prior year to be used during 2016 reporting period. This is plan is not sustainable going forward
  - Monitored accounts receivable. During 2015 we saw an increase of \$45K of member receivables and \$59K from Ameren for road repairs that they were to reimburse. We ensured that the collections process was followed for member receivable.
  - Monitored cash balances at the bank and timing of expenditures to reduce risk of uninsured funds at the bank.
  - Meet with RIC committee to review financial data
- Areas for improvement:
  - Provide membership with more “insightful” financial information monthly. For example, provide summary of pool receipts and expenses at end of season or if there is a growth in account receivables.
  - Be more involved with board for large purchases or projects to look at bids. This process has slipped over the past few months and we want to ensure that the board follows the process for review with the finance committee.
- The committee is always open to suggestions and new team members. Thanks!

#### Social Committee

- The Social committee was newly formed in 2015, and planned 6 events through the course of the year.
- Currently the committee consists of only 1 person, and more volunteers are desperately needed if we are to continue, or hopefully grow, this effort.
- Events include Chili Cook-Off, Easter Egg Hunt, Pool Party, Rib Throw Down, Halloween Party, and Christmas Party.
- Ultimate goal is to add more events to have something every month, alternating family friendly and Adults only.

#### Teller Report

##### Board Election

Leann Welsh 169 Votes

Barb Nafziger 26 Write In Vote

Dave Riggert 2 Write In Votes

##### Votes Present

871 Eligible votes in the association.

Quorum = 175 ( $871 \times 20\% = 174.2$ , rounded up to the nearest whole number).

89 Lots represented by proxy granted to the board.

50 lots represented by proxies as abstained.

155 lots present in the room.

28 lots present by proxy to another member.

322 lots total represented, quorum is met.

50%+1 vote to pass = 137 votes ( $89+155+28 = 272$  votes to be cast)

## Road Improvement Presentation

- See posted presentation and summary on website.

## New Business

- Motion: Marvin Theobald

I move that...

- The Heritage Lake Association Board of Directors (HLA BOD) and its assigns shall negotiate terms of agreement with Tazewell County to create a Special Service Area (SSA) for the purpose of restoring and maintaining the roadways at HLA.
- The terms shall include professionally designed restoration and maintenance plans acceptable to the county for a 20-year road life.
- If the cost of the plan is within \$650/year (+/- 10%) per HLA member for a period of 20 years, then HLA BOD shall enter into a contract with Tazewell County and request the creation and funding of the SSA.
- The Reserve Road Fund Assessment shall remain in effect at \$500 until the calendar year the County Tax billing cycle begins levying the SSA Tax to Heritage Lake Association members. At that time the Reserve Road Fund will go to \$0. Budget priority for the Reserve Road Fund shall be given to fund costs associated with creation of the SSA as well as maintenance deemed necessary to preserve road integrity before SSA funding and emergency repairs of the roads.

Second: Jim Flynn

## Discussion:

- Member Belsley: When do you project we will actually start the work?
  - 30-60 day to put the plan together, retain engineering firm, finalize a development plan
  - Work shifts to county, ordinance to approve SSA, 30 days approx., then goes on county board agenda. Public hearing required, likely July 2016. 60 day waiting period to allow for petition while county finalizes their work. SSA will then be approved.
  - Loan will be obtained and bond closing will likely be in Nov/Dec 2016. Funds are available at that time. Association will be working on collecting bids, like a public construction project. Bids come in January/February 2017.
  - Construction likely to begin in 2017 construction season.
  - Assessments would likely begin on 2017 tax bill.
- Patrick Kennedy: We need to make sure that the contractors know about the shifting and freeze thaw cycle out here. We need to make a wise decision. We used to be a gated community, and now anyone can come out here. Are there any ideas on charging businesses who come out here and use our roads?
  - We do have a process in place for charging fines to those who violate our weight limits, but nothing upfront.
- Patrick Kennedy: Can we as HLA residents own these bonds?
  - It will likely be a private placement with a local lender.
- John Trankenship: Is the county comfortable with the recommendations that were in the presentation?
  - The county has not been involved in the design to this point. The county will require HLA to hire an engineer and for the engineer to come up with the right plan that would fit within the budget and satisfy the county. But the motion today still sets a limit on costs.
- Mark Riddle: If this goes on our property taxes, will road fund be eliminated.
  - It will go to \$500 until the SSA is in effect, and then go to zero.

- Glen Hoffman: So you're saying if the County does not approve the SSA, what happens with the \$500 that will go into the road fund?
  - The Road committee has a plan for normal maintenance and a seal coat on those roads that are up for it.
  - In regards to the \$500 road fund, it will remain that way until the SSA is funded or the membership changes the amount.
- Amendment: The Reserve Road Fund Assessment shall remain in effect at \$500 through 2016. If the County Tax billing cycle begins levying the SSA Tax to Heritage Lake Association members, the Reserve Road Fund will go to \$0. If the SSA is disapproved, the Reserve Road Fund will return to \$123.58 adjusted for the CPI. Budget priority for the Reserve Road Fund shall be given to fund costs associated with creation of the SSA as well as maintenance deemed necessary to preserve road integrity before SSA funding and emergency repairs of the roads.
  - Second Dennis Brash
  - Discussion on the amendment:
    - Please clarify on the time line. When will the tax bills be revised?
      - We assume the first bill will be sent with the bills received in 2017.
    - If I have 2 tax ID numbers will I get one bill or 2?
      - 1. The association will send a list so every member gets billed on 1 of their tax id numbers
    - Vote
      - Amendment was overwhelmingly approved
  - Mark Joy: Reserve Road fund versus Road Fund what does that mean?
    - In the bylaws it is called the Reserve Road fund, people call it different things. We will clarify it on the bills.
  - Vote was called:
    - 34 nay
    - Board votes Proxies with the room.
    - The SSA motion as revised passes.

Questions or comments from Members:

- Marvin Theobald thanked all the volunteers on the board and the committees.
- Bud McGrew: will we be soliciting proposals from other engineering firms?
  - Yes. The county will require it.
  -

Kevin Rhobards: Motion to Adjourn

Jim Flynn Second

Motion passes unanimously

Meeting Adjourned at 11:09 am