

Housekeeping

- President Coan called for all remaining proxies
- Secretary Shake explained the documents available at the meeting; Agenda, owner registration form, volunteer contact form
- President Coan thanked the teller committee and introduced the board.

Accountant

- Brent Heinold & Shelli Streit were present from Don Heinold CPA firm.
- Brent presented the Annual Report. A copy can be reviewed at the office.
- Brent: Shelli does the day to day. We've done the books for a number of years, and we're glad to be back. We appreciate your trust. Both are CPAs, both licensed professionals, held to standard of ethics and continuing education. Financial Data is very sensitive, and we understand this. We want to stress we appreciate your trust. Security and accuracy of that info is important for the board. We believe it is important to have consistency in the accounting department. It is difficult for an association of this size to find, hire, and train someone to do this. When we come in, things we do up front, work with the board on establishing internal controls. On a monthly basis the treasurer and board review statements.
- As of December 31, 2013, Heritage Lake Association is in a sound financial position

Lawyer - Brian Mooty

Questions From Members

- Dave Hardy - Is there any open issues left from the embezzlement?
 - Treasurer McGrath - For the association there are no open issues. The FBI is currently working on the prosecution of the individual.
- Bob Trombini - How much money did we get back compared to what the insurance paid
 - Treasurer McGrath - Approximately \$280,000. Our estimate of what was stolen is \$302,000, so we recovered about 92%.

Teller Committee Report

- 1118 lots,
- Ineligible to vote
 - 2 bank lots
 - 2 lots based on original charter
 - 39 HLA owned lots,
 - 151 lots not eligible as of date of record
- 924 eligible lots, a 20% quorum is needed, that is 185 votes
- We received 212 ballots, quorum is met for elections
- We have 54 votes present, 135 votes by proxy, and 58 abstentions, 247 votes total. Quorum is met for annual meeting business.
- Election results
 - Bob Pirtle 194 votes
 - Nicole Shake 185 votes
 - Tim Coan 180 votes
 - All three are elected to the board.
- Vice President Stickrod will vote the proxy according to the majority vote of the board.

Conservation

- Dave Riggert gave a brief introduction for the committee. 7 members, and a lot of money to make decision. Each member of the committee will tell you what they are doing this year.
- Marvin Theobald - We have a number of areas we are responsible for, 12 different areas, fish stocking, protecting the dam, keeping the lake healthy, sediment basins, looking at future basins, with all of that come collection of money to pay for those things As of the end of the year `14, we have planned for 2015 a 75,000 expense of putting a liner in the drain pipes at the dam. We cannot afford to wait for failure Building basin 3 in 2017, estimated cost 80,000 At the end of 2017 we estimate approx 70,000 left in fund. We've projected out to 2021, but that money is badly needed to maintain the responsibilities of the conservation committee.

Minutes

- Ben Bound- on committee last couple years. I just passed IL pest applicators exam and will be treating the lake. We will spend \$1,300 on chemicals for milfoil, and new signage around lake. We also put trees on lake as new fish habitats. We are considering a draw down of the lake. When the lake was originally created we built a valve to draw down the lake in the winter. We will most likely do this in the fall 2014. This is a strategy to help with the weeds, freeze over, kill of weeds.
- Bill Schaumburg - Work with DNR fish stocked, fish attractors, planning on spending 3,000 on stocking the lake and 650 in fish attractors.
- Rick Bremner - Focus on water quality, particularly at the beach, it gets overlooked. I test the water for the state and I will be your chief deterrent against geese.
- Kurt Lempke - Every 2 year the state does assessment of the dam, trees roots, etc. We did a bunch of work last fall, disipater to reduce erosion at the outlet. There is also a spring between the disapater and the parking lot. We need to tile the spring to help the flow to the river. We will spend about \$5000 on the disapater and we're looking at ways to tile the spring also about \$5,000. Need surveys and studies for those numbers.
- Dave Riggert: I am working on the sediment basins, catch places for all he sediment. 3 planned 2 were built, 1 needs to be done in the next couple years. The existing basins need to be cleaned, and the first 2 will be done this year. It will be 12,000 total this year for those 2, and then on a rotating basis so clean out will never stop. The 3rd one is in planning stages. When all 3 are done, the purpose is to stop stuff from coming in. When you're talking about this money, the more minds you have the better. I encourage anyone that wants to get involved in this, please let us know.

Road Committee: Shawn Cassatt

- Initial pass filling potholes on every street and have made a second pass on Heritage and Bradford. Using the cold patch and buying it in bulk, material has polymer to be able to be used in wet conditions.
- Working with maintenance staff to cut shoulders. Westminster and Cornwall, shoulder cuts have been done.
- The culvert at Bradford and Fast that needs some work. There's an area with a pretty severe drop-off, need to address it.
- With the severe winter conditions this year, we ran out of salt and cinders. Used FA4 when we couldn't get any more. Will be doing cost analysis to see if we want to continue with that and make a recommendation to the board before fall.
- Information on proposed road projects, members is available on the counter.
- Bob Porter - In the summer we will be installing new street signs. 2 years ago a bid from the county for new signs 62,000 to put highly reflectife signs in, we have taken a different approach. We will spend 6,000 for street signs only and will be looking for volunteers to do the labor. We have an incredible group meeting the first Saturday of the month. We have to help ourselves, we can stretch our budget significantly with the help of us. We will order the new signs in May, and be installing in June. Shawn laid out what the work was going to be on the roads. Everyone has to understand its going to take a long time of maintenance, patch repair.
- Bryant - Historically, road expenses have ranged from 9,000-191,000 and have been very inconsistent from year to year. We are trying to avoid this moving forward. The 2014 Budget is 75k, 2015 is 75k, and then it drops to 50k the current assessment level, Next 2 years are bolstered by leftovers from spending freezes in 2013.. Keep those things in mind for any road motions to come.

Road Repair Options and Straw Poll

Jim Flynn and Bonnie Lempke presented from the Finance committee a summary of the prior research on our options for road repair. A copy of the presentation is available at the office.

Options Poll:

1. Keep doing what we're doing witht he road fund we have.
2. Special Assessment and contract the work ourselves. We maintain everything ~\$500 a year
3. Fund through County, pay as tax, we own and maintain the roads, work done at lower than county standards ~ \$800 year
4. Dedicate roads to the county, pay as tax, all plowing and maintenance done by them forever ~\$1,000

Minutes

Questions

- Kevin - Isn't there a 5th option less intrusive, less costly...main roads to county, side roads to HLA
 - Jim - Absolutely, the continuum is anywhere in between. We could do a hybrid for this, get rid of the main roads, and we do the side roads. That number was probably falling closer to the ~800 number. Again this is not a proposal, we're interested in some sense of the state of mind of the membership. It doesn't make any sense for us to put together a proposal if the membership isn't behind it.

Show of hands:

option 1: 1

option 2: a couple hands

option 3: a dozen or so

option 4: a dozen or so

- Dave Hardy - How many miles of main road
 - Jim - 11.3 I believe is the total roads Heritage drive is 3.2
- Dave - Township how much control would they have
 - Jim - Currently none, if we're going to dedicate the roads to them, the county has to approve it. The person for the township who is elected, has to agree to accept the roads.

Rules & Regulations

Marvin Theobald and Dave Riggert presented the revised CCE&R's and Bylaws.

- Marvin: Dave & I have been the rules & regs committee for the last several months. We have needed to conform to the CICA by 2012, we didn't get it done. We've done that now. Some sections of the bylaws are approved by the board only, 2 areas approved by the membership are controlled in 2 sections. CCE&Rs have also been amended to come into compliance and merge different portions into more appropriate places.
- Dave: Presentation (a copy is available at the office)

Questions:

- Janet Bremner: What's an emergency? Can it be formulated that board alone cannot determine an emergency
 - Dave: it's in the statute, property falling down, people danger to life and limb, things like that.
- Bill Schaumburg: Right now the lake fund and road fund are per member did you say it's per lot
 - Dave: No. Only the annual assessment will be per lot. Lake, road, any other separate assessments are per member
- Ben Bound: Last year we had a lot of discussion on use of one fund for expenses of another.
 - Dave: The language is the same, road fund is for roads, lake fund is for lake, sediment basin and the dam. No changes to that. All of the lake fund and road fund sections are moved into member control, and the board can't amend that, only the membership can.
- Marvin: One point of clarification: some portions are mandated by law, and that the board has to conform to by law, even if we don't approve it. All the board will be able to do is what is mandated by law if we don't approve these changes.

New Business

President Coan: I Entertain a motion for the board to approve the changes to the CCE&Rs and Bylaws as have been presented.

Secretary Shake made the motion.

Director Buckowski Seconded the motion

Discussion:

- Vice President Stickrod: Thank Dave & Marvin for the work they have done. They need a new project now.

Vote 6-0 Motion Passes

Marvin: Submit motion for the members to approve the CCE&Rs and Bylaws as have been presented

Dave Hardy: Second

Discussion: None

Passes Unanimously, including 133 proxies

Other Business to be Brought before the Board

Bob Pirtle: Motion to **increase the Road Fund charge by \$25 per year per member**

Gary Patton: Second

Discussion

- Janet Bremner: Is this the current year?
- Kevin: Is that enough money?
 - Shawn: Every little bit helps. With this increase this puts us at 90,000 for this year and next year.
 - Kevin: Move to amend the motion to **increase the Road fund charge by \$40**
 - Dwayne Tesdale: Second

Discussion:

- Vice President Stickrod: Is this to this years or next years? Current: is 80 and some change
- Shawn: It needs to be done. Volunteer work is trying to keep cost down and still show progress. The position I'm in to get volunteer help, some so they don't have to pay more money.
- Kevin: Having been done a number of times in my witness, I've always felt that we didn't get enough. There are rare chances we get to raise these funds, and this is one.
- Dave Riggert: After discussion with the regular assessments and separate assessments, perhaps this is the time.
- Vice President Stickrod : My concern is the cost associated with a separate assessment. It's another billing so we use the assessment as it stands.
 - Secretary Shake: It's not a separate assessment. This motion is to raise the existing assessment not add a new one.
- Bob Porter: Kevin increased \$40 annually starting in 2014, but what this does is enable us to do more work, and bridges us to where a long term plan can come into play. The budget of 75k for 2 years and 50 thereafter isn't enough. I've seen progress, we've got great volunteers, we're getting things done.
- Treasurer McGrath: I am all for this, we need the money. Just keep in mind if the money doesn't come in, we're not going to spend the money. There are a lot of members who won't pay the 79. We can only spend the cash we have. It may or may not help us this year, depending on who decided to pay it
 - Vice President Stickrod: we're at 80% payment right
 - Treasurer McGrath: but who's to say that extra \$40 won't push them to not pay
- Steve Armbrist: If we do this how long before the finance committee has a long term solution
 - Vice President Stickrod: 2-3 years
- Kevin: Call the question
- President Coan: The question has been called on amending the original motion to raise the Road Fund assessment by \$25 to raising the Road Fund Assessment by \$40.
- Vote Results:
 - 49 in Favor
 - 58 abstentions (by proxy)
 - 5 objections
 - 133 proxies in favor
 - Motion passes
- Kevin: Does that mean it goes out with this year's assessment?
 - Secretary Shake: That was not specified in the original motion. Current discussion is on the now amended motion to "Raise the Road Fund Assessment by \$40"

HLA Annual Member Meeting March 22, 2014

Minutes

- Kevin: I would like to amend the motion to raise by \$40 **beginning in 2014**
- Gary Patton: Second
 - Discussion:
 - Steve Armrest: I would prefer until we get a suggestion from the committee on long term repairs first.
 - Marvin: Rather than waiting until the 2 years or whatever it takes to make a permanent decision, let the members bring it back down at an annual meeting.
 - Vote Results:
 - 54 in Favor
 - 58 abstentions (by proxy)
 - 0 objections
 - 133 proxies in favor
 - Motion passes
- Kevin: Call the original question "Raise the Road Fund Assessment by \$40 beginning with the 2014 assessment."
- Vote Results:
 - 54 in Favor
 - 58 abstentions (by proxy)
 - 0 objections
 - 133 proxies in favor
 - Motion passes
- Marvin: There is a vacancy now on the board, is the board prepared to fill this vacancy at the board meeting after this meet?
 - Vice President Stickrod: Yes we are.
- Richard Bremner: Will the members, knowing this has been the roughest period the association has been through please give the board a round of applause
- David: We also need to recognize Treasurer McGrath for his hard work through all of this.

Adjournment

Cory McGrath: I move to adjourn the 2014 Annual Meeting

Director Buckowski: second

Passes Unanimously

Meeting adjourned at 11:05 am