

Call to Order : 7:00 pm.

Announcement

There has been an agenda change. We have moved the Member Speakout portion of the meeting to after New Business. We request all members to write down their questions as we may answer them later in the meeting, and if not, we will address all member questions at the end of the meeting.

Roll Call

<u>Present</u>		<u>Absent</u>
President Coan	Secretary Shake	Director Bukowski
Vice Pres. Stickrod	Director Magarity	
Treasurer McGrath	Director Weir	

Approval of June 9, June 13, & July 15 minutes

Motion By: VP Stickrod Seconded By: Secretary Shake Vote tally: 6 aye 0 Nay

Approval of Expenditures - July

Motion By: Treasurer McGrath Seconded By: Director Weir Vote tally: 6 aye 0 Nay

Treasurer/EFC Report

See pages 9-10

President Report

Investigation is ongoing into the theft of Funds. Members have expressed concern about personal information being looked at or stolen. As far as we can tell there has not been anything written down or copied, we usually don't keep a record of that, although we can't say it was never done. We will look into it further to see if there is anything we can find. Members are encouraged to contact the board if there any evidence of fraud that shows up on members bank records.

Committee Reports

- **Conservation**
 - Met this evening
 - Contract was approved for mowing the back side of the dam. 1st mowing has been done, another scheduled for later this year. Cost: \$300 per mowing.
 - Lake Treatments: We had previously decided to do it in house. Our maintenance person who was trained is currently on medical leave. We are in the process of having other people get certified to spray for Milfoil and Algae. Licensing is approx. \$60 per year. Additional costs will be incurred for chemicals.
 - Dam needs to be inspected, this is scheduled for Weds. Aug. 21 at 3pm. DNR rep may also be present. The Conservation committee has some areas of concern based on years of not being addressed, but we won't know until after the inspection. (Drian pipe under dam, etc.) Stressed that we cannot skimp on maintaining the dam.
 - An unidentified member asked if the pipe had to be replaced would the lake have to be drained. The answer is no, they would put a liner inside the existing pipe. It's only an issue when the lake is over the spillway.
 - An unidentified person as for clarification on the expenses listed for spraying. Treasurer McGrath requested the person come see him at the association office on Tuesday between 8 and noon to look it up.

- **Environmental Control**
 - 4 tree inspections, files are at the office
- **Road Committee**
 - Road committee wanted to know the board's progress on sign research. Suggested we come to a decision by the annual meeting to bring it before the membership.
 - Any street signs that need to be replaced let the office know. They will get the information to Shaun.
 - Tar & chip
 - Trial was successful – no complaints so far. Patches were done by the lodge and the lake.
 - 35 gallons of tar \$105, rock chip was donated.
 - Will continue to use this process for patching.
 - Limited time to use this method, need to do it when warm.
 - Volunteer Days
 - Had over 20 volunteers this month
 - Safety issues with parking/equipment need to be addressed
 - Shaun asked whether or not the Road fund was set aside based on our current financial situation or if it could be earmarked for repairs to Bradford Rd.
 - Treasurer McGrath clarified that the Road fund was not being spent on anything but roads and it would be up to the Road committee and Director Magarity to how those funds would be used,
 - Director Magarity stated that he had no road projects planned as of yet due to the financial situation, and he and Shaun would get together to work on next year's plan.
 - Vice President Stickrod reminded Shawn that his receipts from Tar & Chipping needed to go to Director Magarity for reimbursement.
 - Shawn reiterated that the tar & chipping method of patching would save us money that we could then use for bigger blacktopping projects.
- **Rules & Regulations**
 - Small committee of 4
 - Review all the Rules & Regulations. (Copy of suggested changes has been posted on the website. Also, see page 11-12.)
 - Secretary Shake requested an electronic copy so it can be posted on the website.
 - Please e-mail all comments, questions, suggestions to the office (office@heritagelakeassociation.com) and they will be forwarded on for consideration.
- **Office Relocation**
 - Met for the first time last week
 - Committee feels that the lodge is not the best solution at this time and we need to research other options.
 - Brainstormed other potential locations including
 - Vacant HL lots
 - Rent in town
 - Campground
 - Next to bank
 - Richard Alexanders house
 - Beach
 - Water tower lot
 - Next Meeting Wed. Aug. 28 at 16 Summit if anyone would like to join us.
 - An unidentified member asked if there was a charge for the space at the bank, he thought that space was free.
 - Secretary Shake clarified that we are being asked to vacate the space at the bank.
- In response to a question from a member, Secretary Shake introduced herself and explained that she had been appointed to the board at the end of the last meeting.

- **Road Repair**
 - Trimming trees on hard to see locations
 - Touching up potholes here and there.
 - Stop sign post is outside the back entrance in the ditch if we want to recover it.
- **Office Organization**
 - Working with Janet as an interim office manager. Coming up with a plan of attack for replacing her on a more permanent basis or replacing her with an Association manager, doing more research on that option and budget for next year
 - Janet has done an amazing job whipping the office back into shape and digging through old files
 - Minutes and Finance reports back to 2000 are now available at the office.
 - Reports may not be very in depth, but they are what were published.
 - Trying to get rid of the printer. If anyone knows of how to get rid of it, please let the office know.
 - Secretary Shake asked if Normal Electronics Recycling had been asked
 - Vice President Stickrod indicated that they were not interested in it, and another company had offered to haul it away for \$250. We would like to get rid of it cheaper than that.
- **Pool & Lodge**
 - Pool pump broke down 3 weeks ago. Had to be rebuilt cost approx. \$1000
 - Reduced Hours to Sat & Sun only
 - Need volunteers to sell concessions 1-3 while pool is open.
- **Maintenance**
 - A lot of brush has showed up at the loading dock
 - We are looking at a once a month burning. Complaints had come in that we were burning too much and the fresh brush was putting out a terrible smell.
 - Update since meeting: Burning will be on the 3rd Wednesday of the month.
- **Building & Zoning**
 - Director Buckowski was absent and had not sent a report.
- **Outdoor Amenities**
 - Swim docks are re-anchored, turned, retied so we're legal
 - We have a name of a young man who was involved in the most recent issues with the docks. He is not a resident, that situation is being investigated.
 - At the campgrounds, all campers have been moved. Those that were misinformed about year-round storage have been corrected and will no longer be storing campers there year-round
 - Any ideas for better or adjusted use of the area should be reported to Vice-President Stickrod.
 - Frisbee golf
 - Replace cook stoves
 - New trees
 - Baseball diamonds need a little bit of help. Maintenance and little league groups have done general maintenance but there a benches that need some work.
 - All of the playgrounds need sand replenished under equipment to prevent injuries. VP Stickrod will work with Director Magarity to get this taken care of this fall or in the spring.
 - We still have some vandalism in the bath house, but it has gone down. We need to look into how to improve it in the future.

- **Administrative & HR**

- WE still have no security as far as a regular person. Call for volunteers got no response.
- Director Buckowski is pursuing a person that would be part time touring the area 3-4 hours a day at different times to help with our security.
- Randy has not been fired/quit; he has too much work from the county to give us as much time as before.
- Looking for someone to supplement what Randy can do.
- Thank you to the member who reported the vandalism at the beach
- If you see anything please report it to VP Stickrod asap with whatever information you can gather
- Don't be afraid to approach people who are acting inappropriately. If they are not a member or with a member they are not welcome.

Unfinished Business

- **Security at beach/campground**

- An unknown member commented that it's very difficult to say that someone doesn't belong when not everyone has stickers on their car.
- VP Stickrod commented that we are working on that too. Part of the new security person is to check cars for stickers. Cars without them will get tickets.
- Treasurer McGrath stated that members who haven't paid their assessments won't get a sticker.

New Business

- Bonding Question: Director Weir raised the question of Bonding Janet or Treasurer McGrath. Previously Director Lundeen was bonded as the office secretary. Cost is \$1,250 per person bonded for \$250,000 of coverage. This is in addition to the \$250,000 that covers all the directors.
 - Treasurer McGrath suggested the person running the office be bonded. He/She is the person who would be handling the checks the most. Although he would raise no objection to being bonded he felt it was not necessary. Director Weir agreed
 - VP Stickrod asked if the bond could just be transferred to a new person
 - Director Weir confirmed that yes it is a named person bond that we are only changing the named person
 - Secretary Shake asked if at this point it was paid and we were just making a similar change
 - Director Weir confirmed that was correct.
 - Treasurer McGrath made a motion to bond the office secretary
 - Secretary Shake Seconded
 - Director Weir questioned how long Janet would be gone
 - Secretary Shake and Treasurer McGrath confirmed 3 weeks
 - Director Weir stated he would need some information from here before the change could be made. He will contact her when she returns so the change wouldn't happen until then.
 - Vote tally: 6 aye 0 Nay
 - Matt Eggenberger asked if the bond would cover his wife who volunteered in the office.
 - VP Stickrod clarified that the bond would not apply to the volunteers; however it wasn't necessary because the volunteers were not being asked to handle money or mail in any way. Treasurer McGrath is taking care of all that business while Janet is away.

HLA Board meeting

August 19, 2013

Minutes

- HLA 5K
 - 10th year for the race. Every year it comes to the board for their blessing
 - Heritage Drive will be shut down for an hour as a runner safety issue.
 - Date was originally October 12th, that is Dee-Mack's homecoming, so the race will probably be pushed to October 19th.
 - Requesting to borrow the traffic barricades and some maintenance time to set them up
 - VP Stickrod asked what was next on the agenda for the funds raised by the race.
 - Previous project was the playground equipment at the beach. Took 8.5 years to get that.
 - We don't have a new project yet.
 - Bob asked what the charge is
 - The price includes race, long sleeve t-shirt, food, beverages, and entertainment
 - Has been \$20, begin raised to \$25
 - Dinner and entertainment only is \$10-15
 - Race is Saturday, barricades will need to be set up Thursday
 - Director Magarity will work on recruiting volunteers to set that up.
 - Director Weir made a motion to show board support for the race and close the road from 3-4pm on whatever day the race ends up being
 - Director Magarity Seconded the motion
 - Vote tally: 6 aye 0 Nay

Open Floor for Members

- Bob shared with us his concerns about the current process for sharing accounting statements and financial information. He reiterated that our current situation is due to trusting those who were in charge and not asking enough questions. He feels that every member deserves a copy of the monthly statements made available. He felt that the current information offered was a good start. He provided Treasurer McGrath with a sample of what he felt should be made available to the members. The members need to keep an eye on what's going on and if something looks fishy, attend the board meetings and demand an answer, but make sure you're on solid ground with your concerns.
 - Treasurer McGrath responded that the expenditures for the month of July were on the website, and if you didn't have internet access please stop by the office and we would get you a copy. We appreciated your concern and agree with your comments. We have been improving each month with what information is added to the reports provided to the public. He will bring extra copies each month to the board meetings. He will bring copies of everything that get posted on the website to board meetings.
- Mike Keene – Commending the board for continuing to be transparent
- David Harvey – Financial Reports state from January to July. How confident are you of the numbers prior to being appointed to the board
 - Treasurer McGrath – I am confident that the revenues and expenses are accurate, but they may not all be bucketed correctly. We have reconciled all the way to the back of November 2012. These numbers are solid except for the bucketing/account placement. The approx. 48,000 in reconciliation differences are the credit card charges that a "bucket" could not be determined for.

HLA Board meeting

August 19, 2013

Minutes

- David Harvey – Asked at the annual meeting how many lots are owned/being assessed? How many are owned by the Association
 - Treasurer McGrath - We have 1150-1160 lots and approx 650 owners; Owned by Heritage Lake – approximately 43
 - David - Are we actually billing all these people?
 - Treasurer McGrath - Anyone with an outstanding balance through the road fund have been sent a collection notice through the lawyer. Additionally, we have reconciled all the county records against our records and updated our records to insure we are billing the appropriate members.
 - David – There's a difference between members and lots.
 - Accurate numbers was retrieved after the meeting. 1117 lots, 666 owners, 43 HLA owned lots.
- David Harvey – Campground fees of \$150. Several campers were there for much more than that would cover at \$20 per week.
 - Treasurer McGrath – We collected what we collected. We cannot undo the agreements the prior board made.
 - VP Stickrod – They ones that were left there, were informed that as members they only had to pay \$20 per month. They paid what they were told they had to pay to leave the campers there.
 - David – Has the box at the campground been opened. I still have a check from 4 years ago that has not cleared.
 - Treasurer McGrath – The box has been emptied it wasn't in there when I emptied it, please cancel the check.
- David Harvey – Misc. Income of \$1,100 what is it?
 - Treasurer McGrath – I'm not 100% sure what all it is. Let me check on it. Part of it is dividends, part is refund from Nicor. The rest I will not know without looking
- Shaun Cassatt- Lots that are being sold for membership rights for \$100. They are being sold to multiple families and then all the owners are then using the amenities, 3 families for the same cost of 1 family of homeowners. Is the Board aware of this?
 - Director Wier – We can't dictate who we sell to, but we can dictate how we define a member. We need to deal with that. We do have several situations where 3 families bought 2 lots. It's a bylaw issues that we need to put into our rules and procedures. We are cleaning house from the bottom up, and this is one of the things we need to address.
 - Shaun – I happen to know of a recent transaction where 3 families purchased 1 lot.
 - Director Wier – it could have been a private sale. WE have no control over how you sell your extra lot.
 - Shaun – My concern is that members are uncomfortable with the assessments being split 3 ways with these families and they all can use the amenities versus 1 family for the assessment of homeowners.
 - Director Wier – Technicially only one family per lot can use the amenities, but policing that is a problem. Except for the Pool and Lodge where you have to check in or sign a contract, we having a hard time policing at the beach and on the lake.
 - VP Stickrod – The predominant question is how a family is defined. Husband & wife plus parents and kids. The Bylaws does cover that under Article 3 membership. Only one member gets to vote but the rest also get use of the amenities. Simmilar to a dad willing his lot to his children. 1 gets the vote, but all own part of the property.
 - Matt Eggenberger – Perhaps we need to amend the bylaws to change the definition of membership.
 - VP Stickrod – We would need to talk to the lawyer about what we can and cannot do in that respect.
 - David – Are we enforcing the right of first refusal?
 - Director Weir – WE do. Whenever the association sells a lot we do, but we can't control a private sale. That's between you and your neighbors.

HLA Board meeting

August 19, 2013

Minutes

- Marvin Theobald – Can a corporation or business purchase a lot and then extend membership benefits to their employees? How do we protect from that?
 - VP Stickrod- One of the things missing off the unfinished business was an update on a Bylaw update. I have asked a couple of very specific folks to help work with me and the board to update the bylaws with the state law and then take it to the lawyer to review. I've asked Dave Riggert and Marvin to serve on this committee to attack the current set of bylaws. That process is being done. For the lawyers to do it all was going to be about \$2,500. Instead we are going to have them just do a review after we do the updates.
- Wes – Road repairs with Rock & Chip is a worthy investment, it can extend years of life to a road at minimal cost.
- Matt Eggenberger – Follow up questions to the Rules & Regulations committee report. If there's a significant amount of changes, you may want to have a meeting of the membership so people are aware of what's happening and the suggested change.
 - Wes- The suggested changes will be posted to the Website and available at the office for people to review, make comments or questions, and they will be addressed again at the next meeting.
- Matt Eggenberger – With Randy only patrolling a limited number of hours, has anyone asked him for suggestions of other people to patrol the area?
 - VP Stickrod – I can't speak for Director Buckowski, but my understanding is that he has spoken with Randy about that. I'm not sure where it has gone other than that
 - Matt – Is that something that should have been under New business?
 - VP Stickrod – Security was in unfinished business, Bylaws was accidentally omitted
- Matt – Is the board itself bonded?
 - Director Weir – No. It's not necessary because we don't have direct access to money. The bond is more for employee theft. The board is covered under E&O (errors and omissions) for liability falling under their actions as board members.
- Matt – Bob made a comment that we had collected everything from the malfeasance issue. Do we any idea what the insurance is going to pay because I'm not sure I agree with that statement.
 - Treasurer McGrath – I'm not sure where he got that knowledge. I am not aware of that at this point. The investigation is ongoing and progressing. He might have said her, I'm not going to say her, I'm not going to say him, it could be either or both. At this point we have no more information than what we have already addressed tonight.
- Bill Schaumberg – RE the rule change to allow gas motors at the boat launch, the CC&R's state that gas powered motors are not allowed on the lake so in order to change the rule to allow them you must first change the CC&R's.
- Dave- You have said the we will run out of funds in December of this year?
 - Treasurer McGrath: We will run out of money in the general fund by the end of November yes. Without any extra expenses or changes or issues. The EFC is working on a solution. There's more to come. It depends on what comes out of the investigation, the insurance claims and if the members are willing to invest more money. The EFC is continuing to develop a plan.
- Doug Neely: Is the Automatic Deduction program is still in effect for the assessments. I've been on it for several years, but I got a collection notice.
 - Treasurer McGrath – I haven't seen your name specifically, but see Becky after the meeting and we will figure it out.
- Mark Joy Sr. – Been at office several times and no one has been there. Trying to find out if the previous owner of his property was paid up or if he has to pay something.
 - Treasurer McGrath – See Becky when you leave and she can tell you the status. Thank you for coming forward and bringing this to our attention.
- Bob – Concern for the boats on the lake – get smaller speakers, The noise level from the lake at my house that isn't on the lake is far too much!

HLA Board meeting

August 19, 2013

Minutes

- Nancy Knowles – We're losing the bank at the beach and the logs at the parking lot. Can we do anything about it.
 - VP Stickrod – A new telephone pole has been donated, we are just waiting on it to be delivered. Washout at the bank is on my list to work on, I need to work with Director Magarity on a plan for the washout, but it is on our list.
- Director Weir – I would like to say Nancy does a wonderful job of keeping our entrance landscaping nice. She has agreed to upkeep our landscaping at the pool too. For double her current salary of "you do a heck of a job Nancy"
- Secretary Shake – We had a member express her gratitude for the work that was done the last volunteer day. "I would just like to express my extreme gratitude to all of the wonderful neighbors who showed up on our street Saturday. As a woman who breaks out in a rash even looking at brush, I can not tell you how touched I was to see 14 cars pulling in at 8 am! No matter what is said about our neighborhood, I am and always will be proud to live at Heritage Lake! Thank you for all you do!" Please consider coming out to the volunteer day. There are members who need our help
- Nancy – If there are issues going on at the lake, who should we call?
 - Call Director Buckowski
- Pres. Coan – If you can't get a hold of anyone, call the sheriff's department,. Even if they don't catch anyone or see anyone we can file a report and get it on record.

Executive Session (8:52 pm)

Motion By: Director Weir

Seconded By: VP Stickrod

Vote tally: 6 aye 0 Nay

Return from Executive Session (9:28 pm)

Motion By: Director Weir

Seconded By: President Coan

Vote tally: 6 aye 0 Nay

The board reviewed committee assignments and have reassigned committees as follows:

Membership Chaired (Reports to Director)

- Conservation – VP Stickrod
- Environmental Control – Director Buckowski
- Road Repair – Director Magarity
- Rules & Regs – VP Stickrod
- Executive Finance – Treasurer McGrath
- Office Relocation – Secretary Shake
- Maintenance – Director Magarity

Board Chaired

Committee	Board Chair	Board Vice-Chair
Building Zoning / Security	Director Buckowski	Director Magarity
Pool/Lodge	Director Weir	Treasurer McGrath
Maintenance/Road Repair	Director Magarity	Director Weir
Administrative & HR	VP Stickrod	Secretary Shake
Outdoor Amenities	VP Stickrod	Director Buckowski
Website	Secretary Shake	Treasurer McGrath
Office Organization	Secretary Shake	VP Stickrod

Adjournment

Motion By: Treasurer McGrath

Seconded By: President Coan

Vote tally: 6 aye 0 Nay

Meeting Adjourned at 9:30 pm.

Treasurer's Report

August 19, 2013

All data presented is as of July 31, 2013.

The Total Cash Balance is \$87,582.25 and is made up of the following fund balances:

General Fund - \$48,152.45

Lake Fund - \$2,139.96

Road Fund - \$37,289.84

At this time we have not true up the Road or Lake Funds for the expenses directly related to the use of those funds. All expenses have been coming out of the General fund. This process will be done in the next few months as the EFC has done the analysis of the expenses to determine the amount to true up. As I mentioned at the last meeting, we have however moved \$85,000 from the lake fund to the general fund for our day to day operations based on legal advice.

Update on our Insurance Claims. Tim W. has been working diligently with Country Financial and Pekin Insurance.

Starting August 20th, tomorrow our accounting functions will be outsourced to Donald Heinold, CPA. Three bids were acquired and based on evaluations; the EFC has chosen this firm. The engagement letter and evaluation rating have been posted on the website for the past 2 weeks for members viewing.

Lake Fund payments will now be mailed to Heinold at 1819 South Main St, PO BOX 209, Eureka, IL 61530.

The outstanding receivables total \$93,387.33. Please refer to the attached Balance Sheet for a further breakdown. The major component of outstanding debt is the \$29,892.78 credit card balance. As stated before, at this time the credit card balance is not being paid pending the investigation.

During the month of July, we have worked with C. Edwin Walker, our collection attorney, to analyze the past dues and determine what cases they have worked. We have submitted \$78,284.26 of outstanding \$82,344.42 Allowance balance for them to begin the process of collection. The other \$4,060.16 had been deemed uncollectible from their previous cases and never cleaned up in the system. On August 1st, these uncollectible amounts have been cleaned up.

The Year-to-date Net Income is \$102,687.21 with Revenues of \$299,428.90 and Expense of \$196,741.69. Please see the attach Profit and Loss Statement for further detail.

As for actual Cash details, for the month of July the cash deposits were \$24,216.38 and the cash expenditures were \$21,555.22. Please see the attached monthly reports for further detail.

The Executive Finance Committee has continued to meet on a regular basis. Here are the items that have been executed during July and still on the radar to be completed over the next few months:

Completed:

1. A mirror image of the computer has been approved to preserve information that has the possibility of being overwritten as we continue to use the computer. This has been completed by Clifton, Larsen & Allen.
2. Further analysis has been done on our financial situation. As we stand today, we project to run out of money in the General Fund in November 2013. More information in the weeks to come.
3. EFC recommends to the board to post the office position, which would be for 15 – 20 hours per week as soon as possible and see what applicants we receive.
4. A comparison of the Tazewell County Recorder's records and the customer listing in the accounting software has been completed for data accuracy.

In Progress:

1. Cell phone plan with Verizon is being pursued to reduce the cost.
2. A subcommittee has been assembled to reassess the late fee and service charge structure, but we are waiting on guidance from our attorney on some language in the CICAA to determine the next steps.
3. The property lien process is being reviewed and a standard procedure will be developed and put back in place.

This concludes the treasurer's report for August 19, 2013.

RULES AND REGULATIONS, REVISIONS AND AMMENDMENTS, AUGUST 2013

Heritage Lake Property Owners Association

I. Motor Vehicle

E. Parking

1. No vehicle shall be parked on any street or shoulder in the subdivision
(Revision, I,e- 1) longer than 48 hours unless in a permanent parking area

II. Amenities

A. Campgrounds

3. No alcoholic beverages allowed on any HLA property except the Lodge, Upper Tier of the beach

(Revision, II,A-3) and on personal watercraft on lake.

6. Camping at campground is limited to no longer than fourteen (14) days per month.

(Revision, II, A-6) Camping is open for full summer if paid in advance.

D. Motor Restrictions

1. Operation of gas motors in Heritage Lake is prohibited

(Revision, II, D-1) Except for boat loading when necessary

III. General

A. Animals

1. All Domestic animals must be on a leash at all times. No animal is to run at large.

(Revision, III, A-1) All animals must be leashed unless on private property.

C. Off Road Vehicles

1. All unlicensed all-terrain vehicles shall not be allowed to operate on the roads in Heritage Lake Subdivision, but shall only be allowed to be operated on the lot of owner and shall not be operated on any other lot.

(Revision, III, C-1) All unlicensed all-terrain vehicles must be registered with the HLA and properly labeled with registration sticker, lot number, and slow moving triangle.

Head lights and tail lights must be on and visible at all times.

2. All such vehicles shall be operated only during daylight hours and shall be equipped with a muffler system that reasonably controls the noise level of the vehicle.

(Revision, III, C-2) All such vehicles shall be allowed to operate at all times.

D. Swimming Regulations

1. Swimming at beach area only.

(Revision, III, D-1) Swimming at beach area and in open lake at own risk. No swimming off HLA docks is permitted at any time. With the exception of the beach docks.