

HLA Board meeting
September 16, 2013
Minutes

Call to Order : 7:04pm

Roll Call

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

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

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

Approval of Expenditures

Motion By: Treasurer McGrath Seconded By: Vice President Stickrod Vote tally: 6 aye 0 Nay

Treasurer's and Executive Finance Committee Reports

Please see pages 6-7

President's Report

We have an update from the authorities. Everything is going EXTREMELY well and hopefully we will soon be released to update membership. The authorities have still directed the board to not release any specific information.

Committee Reports

- **Conservation**
 - Meets just before each regular board meeting.
 - The Dam is one of most important structures to the lake, we need to pay a lot of attention to what they recommend.
 - Engineers report from Dam inspection.
 - No major problems / no emergencies. Should not have any other major expenses this year.
 - Things to consider over the next year or two
 - "Scour" hole repair: Pit that develops at the point where the water exits the drain tube. Point of potential erosion for the dam. We need to build up scour hole with rock or something to prevent erosion concerns. Discussions ongoing in terms of budgetary concerns.
 - General Erosion Control: We have some general issues to deal with to correct animal holes, gulley, undercuts etc.
 - Brush / tree removal: Tree and substantial brush roots might damage dam. We need to pull trees, fill hole, seed, mow. At the very bottom of Dam, we cut brush cut up to the bottom of slope. We need to extend that to 20 feet or so out from there "outlet structure" and do some major brush/tree removal at the bottom.
 - Seepage area from natural spring is also causing erosion. Discussions are ongoing of how to fix this area. This may be the earliest and most expensive concern right now.
 - Need to plan for care of dam in coming year(s)

- **Environmental Control**
No Report
- **Road Committee: Shawn Cassatt**
 - We have given proposal to Director Buckowski to remove shed by maintenance area. We would like to remove on next volunteer day if approved by the board. Then we will obtain permits to rebuild.
 - We need to remove salt spreader out of the way before that next volunteer day if we are going to take down the shed.
 - There is a wash-out on road (Sussex Ct. and Heritage Drive). 4ft holes with some concrete there from previous years but it is currently pretty badly washed out. A driveway is also being removed in the area That gives us the potential for free concrete at no cost to us.
 - An unknown member asked an inaudible question
 - Shawn: There is an 8in black tile that is laid down in there. We will raise that tile, fill in, and then lay the tile back down.
 - An unknown member asked an inaudible question
 - Shawn: Concrete is getting torn out tomorrow, we will have to check it in the morning. Inaudible conversation.
 - Directory Magarity: before we fill in, would like to check to ensure we would not be blocking any drainage tile.
 - Shawn: don't think it should be blocking.
 - Director Magarity: will look after meeting to ensure no blockage will occur.
 - Vice President Stickrod: please keep recording hours of volunteers as it might help when applying for grants to show sweat equity.
- **Rules & Regulations: Vice President Stickrod**
 - No suggestions were received.
 - No vote will be called tonight. The Rules & Regulations will be rewritten to include all proposed changes and some editorial formatting changes.
 - Reviewed proposed changes and allowed discussion. Please see pages 8-12 for these notes.
- **Office Relocation: Director Weir for Secretary Shake**
 - The committee has been working on weeding down our list of potential sites for the new office to a reasonable number to continue researching. Any site we look at is going to require raw new build or major remodel. Sites that are both currently owned by HLA and could be acquired by HLA are still being considered and evaluated. Next Meeting is Wednesday September 25th, 7pm.
 - Unknown Member: Who is the Contact Person?
 - Director Weir: Secretary Shake is the contact person.
- **Road Repair & Maintenance: Director Magarity**
 - We've been trimming brush.
 - Ran out of cold patch this week will pick up more next week
 - keeping pavilion and beach cleaned up
 - if anyone has complaints of where they can't see around turns, just let us know, e-mail me we'll get it trimmed
 - Mr. Brimner, are you still scaring geese.
 - inaudible
 - We're still dragging it for people going down there.

- **Office Organization: Vice President Stickrod for Secretary Shake**
 - Janet is back from vacation and back in the swing of things. Thank you to all the volunteers who helped to keep the office running in her absence.
 - Janet is in the process of following up with outstanding citations from 2012 and 2013 so we can close those files.
 - We need to reevaluate the citation procedure. Currently the offender gets one copy of the citation and the office gets the other 2. We need to come up with a process of the office person not being able to throw the citations in the garbage once they're paid. One copy will be given to the Association secretary and the other to office until paid.
- **Pool & Lodge: Director Weir**
 - We have closed the pool it has been drained.
 - We are looking into updating the painting and some of the mechanicals.
 - The lodge is pretty well self-sustaining. We don't have many rentals coming up, but we also haven't had much in the way of expenses this year.
- **Administrative & HR: Vice President Stickrod**
 - Part of what we're looking at is the hiring of an office manager or an association manager when Janet leaves us. We need to get someone in place by the end of the December.
 - We're doing research on the association manager and the new laws.
 - Dave Riggert: {inaudible}
 - Vice President Stickrod: we are still waiting on a ruling from our legal department on whether we have to have an association manager here at heritage lake or not.
 - I've already written up the job description for the office replacement person, but we need clarification on what those duties will have to be before we can post it.
- **Building & Zoning: Director Buckowski**
- **Outdoor Amenities: Vice President Stickrod**
 - Everything is closed
 - There are no trailers at the campground. There will be none there over the winter.
 - Beach is closed, the ropes and docks are supposed to be all weather. We will monitor throughout the winter and see how they hold up.
 - The bathrooms are about to close, end of October.
- **Website: Director Weir for Secretary Shake**
 - The process of updating the website has begun.
 - The "blog" page has been renamed announcements and will become the front page when she gets back.
 - Facebook posts are going out about once every 2-3 days, and are getting good feedback.
 - A Volunteer Days page has been added.
 - Any committee or group that would like their own space or information on the website should e-mail secretary@heritagelakeassociation.com and I will work with them to get the content up.
 - Treasurer McGrath has been trained and successfully posted this month's financial reports.

Unfinished Business

- Security at beach and campground
 - Nothing to worry about anymore this year. Needs to be in next year's budget for an additional person to help
- Bonding
 - Director Weir: Switch from Renee to Janet is complete.
- 5K
 - New Date in October 19
 - Director Magarity will set up barricades the night before

New Business

- Article 8 Section II of the bylaws must be revised.
 - Vice President Stickrod: "A member serving on the board for a complete year will be exempt from paying the following year's assessment only on one lot" IN order to be compliant with
 - Dave Riggert: This relates back to the other issue, the association manager. It might be appropriate to change styles for the entire organization to have someone who is more of a professional in nature, who doesn't have another full-time job, to run the day to day operations. This new statute that we are referring to says that the association may engage the services of a manager or a management team. It does not say that you have to do that, but it does include a lot of rules that lead you to believe that you should. It also says that if you are going to have that person that they have to be qualified and that there is licensing. The statute stops there. There is one other statute on licensing requiring a license in Illinois. Right now the bylaws allow for a free assessment for board members. The licensing statute requires that anyone doing work for the association for "remuneration" must be licensed. The majority of board member duties are on the list of actions that must be licensed if compensated, and the waiver of assessments could be considered compensation. It doesn't apply to office staff. and it specifically says that association directors are exempt if they are NOT compensated.
 - Unknown Member: {inaudible}
 - Dave: The statute says you are breaking the law if you violate any section of the statute, and I would prefer not to be breaking the law if we have any choice. So really, they should stop taking the benefit of the free assessment, or stop doing what they're doing. In the scheme of things, I leaning towards both of those, and let these guys be a strategic planning committee for the long term planning and let the day to day operations be handled by somebody else, but that conversation is coming later. We'll have to talk about how to pay that person, and that's another issue.
 - Vice President Stickrod: In the research I've done, for a person to get licensed there are a certain number of college courses in real estate and business management. Plus an licensing exam that costs \$800. What we're waiting on from our lawyer is what can we put in a job description for an office manager if we don't have an Association Manager above that person who's licensed. One of the things listed here is filing
 - Unknown Member: {inaudible}
 - Treasurer McGrath: That's not filing in general, that's big filings, county filings. There's other exceptions to the rule.

HLA Board meeting

August 19, 2013

Minutes

Open Floor for Members

- Unknown Member: There is an article 15 in our bylaws that article 8 can't go without membership approval. With all we're doing I just want to make sure we're ok with that
- Unknown Member: {inaudible}
- Bob Pirdle: There is a sign at the boat ramp requesting boats to be washed before being put in the water, but there's no water available there to do that. Shouldn't we also add a sign that list the other rules (ie. electric motors only)
 - Vice President Stickrod: Once the rule revision are approved, we will look into that.
- Bob Pirdle: Line in the financials notated "Reconciliation Discrepancies" what is that?
 - Treasurer McGrath: It from when I was cleaning the books, most of that is credit card expenses that had no category at all. I stuck all my clean up in that group so the accounting firm could keep track with what I had done versus what the previous bookkeepers had done for purposes of the investigation.
- Bob Pirdle: I've got some ideas on the new office. Perhaps it would be more appropriate to attend the next meeting instead of taking the boards time.
- Shawn Cassett: Revenue building ideas: We have had 500 pine saplings donated. Wondering if the association would be interested in putting them in the open area behind the lodge to create a Christmas tree farm for members. Additionally there are government programs about subsidizing plots of land for planting trees.
- Unknown Member: {inaudible}

Adjournment

Motion By: Director Weir

Seconded By: Unknown

Vote tally: 6 aye 0 Nay

Treasurer's Report

September 16, 2013

All data presented is as of August 31, 2013.

The Total Cash Balance is \$127,743.51 and is made up of the following fund balances:

General Fund - \$85,594.34

Lake Fund - \$2,319.39

Road Fund - \$39,829.78

We have received monies from our insurance claim. At this time that is all I will comment on because of the ongoing investigation.

Our accounting functions have been outsourced to Donald Heinold, CPA. This transition process has been extremely smooth and the ongoing services are proceeding as expected.

Please remember your Lake Fund payments should now be mailed to Heinold at 1819 South Main St, PO BOX 209, Eureka, IL 61530. This address is also stated at the bottom of the invoice in the "Remit To" section.

The outstanding receivables total \$82,347.17. Please note this amount does not include the Lake Fund as it was invoiced on September 1st. For additional breakdown, please refer to the attached Balance Sheet. The major component of outstanding debt is the \$30,309.17 credit card balance, which I cannot comment on due to the related investigation.

During the month of August, we have cleaned up the uncollectible receivables that were deemed to be uncollectible per our collections attorney. Our collections attorney has sent out letters giving members that owe past due amounts 40 days to pay or prove that they have paid. After the 40 days I will work with the attorney to pursue the members thru the court process.

The Year-to-date Net Income is \$137,412.17 with Revenues of \$347,515.29 and Expense of \$210,103.12. 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 \$53,888.56 and the cash expenditures were \$13,727.30. 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 August and still on the radar to be completed over the next few months:

Completed:

1. 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 March 2014. More information in the months to come.
2. The property lien analysis has been completed. I will work towards putting a process for new liens into place over the next few months.
3. Cell phone plan has been changed. This change will save us \$170 per month.

In Progress:

1. The subcommittee to reassess the late fee and service charge structure is still waiting on guidance from our attorney on some language in the CICA to determine the next steps.
2. The EFC has begun setting up meeting with Board members and respective committees to discuss and begin the 2014 budgeting process. The goal will be to advise the Board at the October board meeting.

This concludes the treasurer's report for September 16, 2013.

RULES AND REGULATIONS, REVISIONS AND AMENDMENTS
Discussion from September 16, 2013 Board meeting

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**

Discussion:

- Unknown Member: {inaudible}
- Vice President Stickrod: There are some places where there is parking on the curb all of the time and we don't get on them about that. The suggestion is for a 48 hour continuous period. So if they leave for an hour and come back they get another 48 hours.
- An unknown member made an inaudible comment
- Vice President Stickrod: That would be really hard to regulate. Does anyone else agree that it needs to be longer, shorter, should have less time?
- Unknown Member: {inaudible}
- Vice President Stickrod: Plow them in if they're in the way. That's what they do now, they plow around them and leave the pile around them if they're there.
- Unknown Member: {inaudible}
- Vice President Stickrod: Do we want to add except during snow removal, or do we want to leave it unchanged. If we leave it unchanged we are going to start ticketing for all those that do park on the streets. That would mean Volleyball would have tickets, parking on private property would incur tickets, members who have created parking spots at the road side that have steep driveways below, etc. Any suggestions about that?
- Unknown Member: Is there a {inaudible} now?
- Vice President Stickrod: It just says in the rules that you're not supposed to. We are going to submit this to the county now, so we want it to be right. If we have that in there and something happens or another board decides to enforce the rules as written, they would be able to.
- Unknown Member: {inaudible}
- Vice President Stickrod: That's why it reads less than 48 hours unless in a permanent parking area. You would be fine under the revision, currently you are not.

**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.**

Discussion:

- Vice President Stickrod: People that go camping drink at the campground and on their own boats. Is this a rule you would like to change. Does everyone agree that we should allow drinking at the campground at on the lake?
- Unknown Member: {inaudible re. insurance coverage}
- Vice President Stickrod: I don't know that it would change our insurance coverage. I doubt it since we already allow drinking at the lodge and the beach, I would assume they know we're allowing drinking.
- Unknown member: It sounds to me like the only place you can't drink is on the beach.
- Vice President Stickrod: you can't drink at the pool. Are we going to allow that? Striking it all together would allow drinking at the pool.
- Unknown Member: {inaudible}
- Vice President Stickrod: It would be the parents drinking at the pool not the kids, I hope.
- Unknown Member: {inaudible}
- Vice President Stickrod: On the beach itself, the state law dictates we can have glass, alcohol down there
- Unknown Member: {inaudible}
- Vice President Stickrod: ok we'll just strike that completely then

**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.**

Discussion:

- Vice President Stickrod: This would allow members to keep their camper in the campground from Memorial day to Labor day if the entire summer is paid in advance and you maintain the camping area. If there is any issues you will be asked to remove your camper. Other than paid in advance, the 14 day rule would apply at \$20/week. The fee would not change , it would still be \$20/week to keep your camper here all summer. This has been a request of members who just own lots that are members of other associations that have this. They can park their campers all summer and then use it like a cabin and come in and out all summer without moving the camper. I talked to the neighbors who live around the campground, and they are fine with it as long as we're not getting rowdy campers, but we also have rules against that.
- Unknown Member: {inaudible}
- Vice President Stickrod: It could be, but it would have to be a trailer that is designed for camping, and you have to maintain around it. Unfortunately the last 4 years, many people were told they could store year round, and that's what we're trying to get a handle on. We have been told that people would use the campground a lot more if they could leave the camper there for the summer. I think that it's a good idea. I think that if we do some renovations to the campground it will get used a lot more, and I'm willing to try it and help regulate it. If it becomes a problem then we can decide to make it not a campground and make it something else. Neighbors have okayed trying it for a year and see how it goes.

D. Motor Restrictions

**1. Operation of gas motors in Heritage Lake is prohibited
(Revision, II, D-1) Except for boat loading when necessary**

Discussion:

- Vice President Stickrod: I have a problem with that one. I think this would be impossible to control and the oil. We need to strike this completely out of the rules because its covered by the CC&Rs. Do you agree? Yes. I will strike it.
- Dave: Except for 2 exceptions to that and both have to do with Conservation. 1 is for IL DNR to come down and shock the lake, and they use a gas motor to do that. Also for spraying the lake, they use a gas motor for that. Do we need to carve out an exception for that.
- Vice President Stickrod: I think the board can make an exception for that every time we need to I don't think it needs to be a rule.
- Unknown Member: {inaudible}
- Vice President Stickrod: Yes, right. As we upgrade the website and all of those things, that's one of Nicole's goals to make these things easier to find. We'll get them posted in multiple places now, including their designated places.

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.**

Discussion:

- Vice President Stickrod: this is attempting to make an exception for members who have invisible/electric fences.
- Unknown Member : do we need to clarify this as owners membership property
- Vice President Stickrod: I'll get that wording figured out.

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.

Discussion:

- Vice President Stickrod: This has not been updated since we changed to allowed golf carts on the roads. This follows with what we are doing already.

C. Off Road Vehicles

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.

Discussion:

- Vice President Stickrod: If you have to have headlights and taillights, why are they not allowed to operate at any time?
- Unknown Member: 9 o'clock
- Vice President Stickrod: 9pm?
- Unknown Member: {inaudible}
- Vice President Stickrod: Licensed with the state? They have to be 18, they have to be licensed to drive, it just like driving a car Randy said. You can't drive down the road with a beer in your hand just because you're in a golf cart. You have to be a licensed driver, just like on a golf course.
- Unknown Member: {inaudible}
- Vice President Stickrod: Any other concerns about driving at night. Do we want 9pm? In the summer, 9:30 it's dark. Should we say 10?
- Unknown Member: {inaudible}
- Vice President Stickrod: Well quiet time, but that has nothing to do with a quiet golf cart, an electric golf cart.
- Unknown Member: Dawn to dusk
- Vice President Stickrod: You want dawn to dusk, so it will change with the season?
- Unknown Member: {inaudible}
- Vice President Stickrod: Randy will enforce it. This is a little more specific than just "daylight". You can look up an official sunrise and sunset time.
- Unknown Member: {inaudible}
- Vice President Stickrod: They did not consider snowmobiles in that. They just considered RVs, 4 wheelers, and golf carts. What about snowmobiles? There's not that many here are there?
- Unknown Member: {inaudible}

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.

Discussion:

- Vice President Stickrod: This eliminates the swimming off the dam docks and boat launch docks that are predominantly for swimming. I may reword this a little bit The one input we got from the county was that most of the large lakes in this area have a restriction of swimming allowed within 20 feet of a personal watercraft instead of just open swimming across the lake.
- Unknown Member: {inaudible}
- Vice President Stickrod: That already part of the rules of the beach area, but right now you're only supposed to swim at the beach
- Unknown Member: {inaudible}

- Vice President Stickrod: is anyone concerned about swimming without a personal watercraft? Is there any problem with people just swimming anywhere in the lake. It's not a law, we can do what we want. I will reword that swimming in heritage lake is at the swimmers own risk.
- Unknown Member: {inaudible}
- Vice President Stickrod: by the dam we put the fish trackers down, so there's big pipes and things, plus we don't clear that area of stumps and things. When the lake gets down low enough, you can see how dangerous it is. I've been telling the kids all summer that you can't swim there because of all the things you can't see, you could get tetanus. We have been sued in the past by a swimmer who hurt herself on the swim dock. Swimming in an area where you shouldn't be will at least give us some protection.

Conclusion

- Vice President Stickrod: I will get these posted for a second time on the website so they can be reviewed. They will be voted on next month. Please bring any questions or concerns to Rodney or the office.
- Unknown Member: {inaudible}

Notes From Marvin Theobald

- Marvin: Citations: Who can they be issued by for violations of what?
- Vice President Stickrod: A citation can be issued for violating any of the rules
- Marvin: Under Campground: mobile at all times. what about trailers and campers that have to be hooked up to a vehicle? Are we leaving vehicles there at all times?
- Vice President Stickrod: That just means you have to be able to move it. You can't take the wheels off.
- Marvin: Pets on leash: add "and except in the Dog Park"
- Marvin: Boat Registration: we don't do that anymore and we've had problems with boats being left unattended. We might make a change that no boats are to be left unattended on HLA common property.
- Vice President Stickrod: Is anyone interested in renewing boat registration
- Director Weir: I like it, only for if they one to leave it on association property, so we know that we don't have the problem with if they're wanting to leave it there year in and year out year round
- Vice President Stickrod: So you want to do registration for members leave boats at the ramp. We don't allow that anymore do we.
- Director Weir: there's nothing that says that they can't
- Vice President Stickrod: So we want to put something in there that they can't
- Director Weir: I like that they can. People that don't live on the water that have johnboats that want to leave them on that lot, that's what that lot was designed for in the first place.
- Unknown Member: {inaudible}
- Director Weir: That's why you need to have it where they need to register them. I'd say they can only be there Memorial Day to Labor day, perhaps a little longer. People go out and enjoy the lake as long as the weather is nice.
- Vice President Stickrod: ok so they must register to leave
- Unknown Member: {inaudible}
- Director Weir: I agree with that, I've had people ask me about it.
- Vice President Stickrod: I say we build a marina there and have a boat ramp where people who don't live on the lake can pay to store their boat, and generate some income.
- Director Weir: Honestly I've had people question me, "hey can I put my boat back down there" that don't live on the water.
- Unknown Member: {inaudible}
- Vice President Stickrod: I'll revise the boat registration
- Marvin: Boat restrictions #2: {inaudible}
- Marvin: #4 no boats may be left on the water through the winter. This is happening. I don't know if that is causing us problems.

- Vice President Stickrod: Conservation to you have any issues with boats being left on the water over the winter?
- Unknown Member: Its not causing any harm to the lake, it might ruin the boat.
- Unknown Member: {inaudible}
- Marvin: General page 3 section 3 Membership #5 Members must accompany guests at all times. We've decided that lodge rentals could happen with member sponsorship
- Vice President Stickrod: I will change that to make an exception for the lodge.
- Director Weir: You can strike that all together, that was put in place when you had to have a member escort you from the gate.
- Vice President Stickrod: we will strike that.
- Marvin: Re-subdivision of lots. This duplicates what's in the bylaws, and should be struck.

Vice President Stickrod: That is for the new rules. They will be posted on the website and voted on next month.