

Call to Order : 7:02 pm

Roll Call

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

Approval of Previous Minutes

Motion By: Vice President Stickrod Seconded By: Treasurer McGrath Vote tally 4-0

Approval of Expenditures

Motion By: Treasurer McGrath Seconded By: Vice President Stickrod Vote tally: 4-0

Treasurer's Report

Please see page 10

Questions:

- Unknown Member: What was the general fund assessment?
- Treasurer McGrath \$230.15
- Bob: What was that for?
- Treasurer McGrath: The general Fund assessment, per lot
- Bob: It jumped that much?
- Treasurer McGrath: The 2013 General Fund Assessment was 226.75 per lot. that is a 1.5 % increase.
- Unknown Member: Regarding the new emergency fund: what was the discussion about the 5%, when will that be enough, when will there be enough of a fund?
- Treasurer McGrath: The Executive Finance Committee would like the 5% to be ongoing. We are going to work with them and hopefully be getting it in the bylaws.
- Unknown member: is that based on the statute then?
- Treasurer McGrath: the 5% is not the statute does not have an amount
- Unknown Member: But the statute describes what constitutes an emergency?
- Treasurer McGrath: yes and we will cover that in the motion in New Business.

President's Report

The investigation into theft will probably be winding down, we do not have an exact date, and there will probably not be a comment from us just the authorities. We will answer anything that they allow us to answer at that time.

Committee Reports

Member Chaired

- **Conservation**

- We don't do much when it gets cold outside.
- We are in the process of getting quotes for signs down by boat ramp, the fishing limits, need to revise to bring up to IL law plus our specific changes for us. May consider other signs, something at the fish docks.
- Fish have been stocked. 1,000 hybrid striped bass approximately \$2,200 based on recommendation made by Wayne Herrman. Other discussion has been made about other fish to add, needs to be reviewed with Wayne Herrman. There are other types that have additional benefits like control of other spawn. We will look into this in March and will keep the board informed.
- Maintenance to the dam. There's some big chunks of money that could be spent, we don't know for sure what we're going to do next. Drain tube may have to be replaced. Currently looking at all of the maintenance for the backside of the dam, fulfilling the maintenance report from September. Estimate from Kaiser for brush clean-up, 30-32k but they promised to do a good job. We have a great Volunteer group that got about half the issue resolved already. Probably in the 10k range for what our volunteers have already done. The volunteer effort is worthwhile!!! We're going to let volunteers do what they can, what they can't we will bid out.
- Lake draw down (lowering the lake low enough that residents can work on dock and the beach can be attended to). Milfoil could be killed off if the roots are frozen. There are some downsides, ie. the lake doesn't fill back up, but we feel the risks outweigh the benefits. We're not going to do it this year, need full notice to residents. Probably next year to see if it can help.
- Sediment basins have to be cleaned out, 2 of them. Will cost about 6-8k per. Probably happening in the spring. There's one other that needs to be done as well in the spring.
- President Coan: only thing cost wise - for the draw down the bow if it doesn't close properly
 - Unknown Member: is the draw down the appropriate time to clean the catch basins
 - The catch basins aren't part of the lake
 - Shawn: We should let residents know that we're going to do a drawn down next year so they can plan
 - Director Weir: are you thinking about this time next year?
 - Yes, after boat pull before freeze
 - Unknown: when is boat pull?
 - Traditionally, Saturday after election Tuesday

- **Environmental Control**

- 3 tree removal permits

- **Road Committee**

- Shawn: Thank you for approving the sign replacements. Anyone who would like to keep the signs that are out, please contact Shawn. We will set a start date for setting signs as first volunteer day in June and are asking for maintenance assistance.
- Bid for signs came in lower than what was approved. Marvin Theobald has been working on new map for the entrance. Can leftover funds from the signs be used to reimburse Marvin for his costs?
 - Vice President Stickrod: We have to have receipts.
 - Treasurer McGrath: I told him to turn something in.
 - Marvin: I found a company that makes sign blanks then did the layout. There will be an additional cost for additional protection...automotive clear coat. Member who owns Midstate will do it at material cost \$100 for all 3 signs.
- Shawn: Have finances been approved for specific projects?
 - Treasurer McGrath: You and Director Magarity need to get together and figure it out, how to spend your \$75,000
- Shawn: Thanks again for all the volunteers they saved us a TON of money!
 - Vice President Stickrod: can you put together a list of names/hours for grant writing purposes. I have found we have potential for getting some grants but we have to show some volunteer work.
- President Coan: I will Ask Director Magarity to look for a 6 inch auger.

- **Rules & Regulations**

No Report

- **Office Planning**

- As was sent to the board, the recommendation is that the Board work with the bank to come up with a 5-10 year contract to allow us to stay at the bank and allow us the time to plan and finance a new office/beach house at the beach, debt free.
- In the analysis of locations, the committee felt this location gave us the most bang for our buck and would also be improving existing amenities. Hopefully with replacing the beach house being in the 5-year plan, those funds could be put toward this joint project at well.

Board Chaired

- **Road Repair/Maintenance**

Treasurer McGrath for Director Magarity: The plows are on the trucks, salt in the barn

- **Office Org.**

- Need to get with Randy on implementation of new citation audit procedure. Need to work with Director Buckowski, and figure out how Randy will get citations copies to Director Shake to be audited quarterly.
- Janet has provide a shopping list. Need to work with Treasurer to get that list fulfilled.

- **Office Org. (continued)**

- Question about storage space. Boxes of documents from maintenance shed are damaged. We need better boxes to protect our stuff if we are going to continue to use the maintenance shed.
 - Director Weir: we can use the mechanical room as storage, but I don't know how much space there is.
- Secretary Shake: do we look into getting plastic totes for file storage anyway regardless of where we are storing them?
 - Consensus is yes.
- Exterior lighting is not coming on at appropriate time in evenings. Need to contact them about fixing the timers.
- Janet put together sample packets for sample meeting, working on how to save some costs with that mailing.
 - President Coan: Don't we have bulk rate to save us on that?
 - Treasurer McGrath: We're not going to, that wasn't going to save us anything
 - Secretary Shake: We're working at this point to reduce the amount of paper that goes into the envelope. We're hoping to get the mailings down to 1 46 cent stamp for up to 2 lots. The current mailings going to 1 lot is 46 cents, 2 or more lots is the additional ounce rate.
 - Treasurer McGrath: Janet is going to buy forever stamps tomorrow before they go up.
 - Secretary Shake: The bulk rate was going to cost \$200 per year, and with the amount of mail we send, it was actually going to cost more than stamping everything. We weren't sending enough.

- **Pool & Lodge**

- Director Weir: Pool nothing, the lodge had a couple maintenance issues related to getting it ready for the winter.
- Vice President Stickrod: What's the word on the lodge rental that wanted to use the fireplace, did we tell them no?
- Director Weir: We told them that works but if they want to use it they have to get it back in current condition.

- **Administrative & HR**

- Vice President Stickrod: Administratively, Rules and regulations needs to change to Bylaws. Bylaws have been worked on and the committee is working on getting them up to date. Keeping that as a smaller committee keeps it moving ahead a lot quicker. Should be ready to present soon
- HR: I do have a job description for an administrative assistant. If we don't hear from the lawyer soon I will submit to board to review, but it's basically a receptionist. Person will be answering the phone and taking membership correspondence for board members. We will need to discuss pay scale for that set of duties. I was hoping they could do more than that.

- **Building & Zoning & Security**
No report
- **Outdoor Amenities**
 - Everything is buttoned up and ready to go for winter. The beach is locked down, bathrooms drained and ready to go.
 - Monitoring docks to make sure they holdup. Seems they've done more damage pulling them out then leaving them in.
- **Website**
 - Updated Rules and Regulations with the version approved in October.
 - Updated the CICA with a link to the State Site so it is always the most current version.
 - Plan to work on a major site revamp over the next month to be completed by January 1. Please review the outline (page11) and let me know if you have any comments, concerns, feedback.
 - Please send me board member bios. I'm not going to make them up. Still missing President Coan, Director Magarity, and Director Buckowski
 - Requested a pool-lodge@heritagelakeassociation.com e-mail address for the 7th director.
 - E-mailed Holly to confirm she's ok with continuing our consultant arrangement continuing into 2014 as included in the proposed budget.

Unfinished Business

- **Rules & Regulations**
 - Approved last meeting and posted on the website and available at the office. Thank you for everything that has been done with that.
 - As we go through the bylaws, once we vote to accept the new bylaws, the articles that have to do with money have to be approved by the membership then the rest of the bylaws are approved by the board and that ties the bylaws to the rules & regs. Once submitted to the county, that ties these documents to the properties as a part of the property you own and would sell. It is an extremely tedious process that we are going through (thank you Marvin and Dave).
 - Bob: Did the state send guidelines to get the rules & regs into the bylaws
 - Vice President Stickrod: It is part of the new law
- **Road Signs**
 - Approved by board last month and EFC the next week
 - Treasurer McGrath: Bud is looking into if we need to order now to get that pricing or if we can order in the spring at that price.
 - Bob: What will they signs look like?
 - Treasurer McGrath: Standard street sign, 6 inch signs with 4 inch tall lettering, brown with white lettering

- **Fall 2014 Lake Draw Down**

- Lake Drawn Down: Notice of intent for Fall 2014 will be posted on website

New Business

- **2014 Budget**

- Treasurer McGrath: The 2014 budget will be voted on and adopted at December board meeting. It is available here tonight, at the office and on the website. Remember when you look at it, look at the cash flow. Profit & loss tells you what expenses there are, but it also includes items that we don't spend cash on (depreciation and non-collectible write-offs). Look at the cash flow. YOU will see a loss on the profit & Loss, but don't get scared, the general fund will be adding cash every single year.
- Marvin Theobald: On the 2014 budget, the general fund income is showing as coming in in January but it isn't due until March, is that correct?
 - Treasurer McGrath: That is the base of our accounting, accrual versus cash basis.
- Marvin: Pool concessions are expenses \$2,000 out and \$1,200 in is that intentional
 - Treasurer McGrath: That's what is budgeted, but we don't anticipate spending that. it a buffer.
- Marvin: In regards to state statute and mailing and delivery, does posting on the bulletin board on the website qualify for delivery?
 - Treasurer McGrath: The definition is an "accessible delivery method". The EFC decided that the way it was delivered was acceptable, posted on the site, the bulletin boards, at the office, and at this meeting. Waiting on a response from lawyer.
- Marvin: So we're not getting a response from the lawyer?
 - President Coan: Yes that's a true statement
 - Treasurer McGrath: We have someone looking into that
- Bob Pirtle: So cash at end of year end of 2018 is almost 500,000?
 - Treasurer McGrath: yes that's correct, between ALL accounts.
- Bob: I appreciate the EFC and what you're doing, but is there a number you have in mind for the emergency fund before you start increasing amenities or services or roads? At some point there's going to be rumblings about lowering fees if we have that much on hand
 - Treasurer McGrath: I don't disagree with that, and we would have a lot a major projects. We're establishing the emergency fund to cover major expenses i.e. dam going out, culvert etc.
 - Bob: I understand what you're doing what I'm asking is there a target?
 - Treasurer McGrath: We have not set a goal but probably will over the next year as we see how things go.
- Unknown Member: Is the emergency fund out of the existing fees?
 - Treasurer McGrath: Yes it will not be an additional cost to the membership. We thought about going down that route, and eventually we may have to go that way, but at this point we have chosen not to go that way.

- **Emergency Fund**

- Treasurer McGrath: The EFC would like to establish an Emergency fund.
- Motion by Treasurer McGrath: Start an Emergency Fund in December 2013 using \$50,000 of the general fund balance as of 11/30/2013, and add annually to the fund 5% of gross annual general assessments in June of each year. The use of the fund will be based on the definition of "emergency" stated in the CICAA. It reads an "emergency" means a danger to, or a compromise of, the structural integrity of the common areas or any of the common facilities of the common interest community. "Emergency" also includes a danger to the life, health or safety of the membership.
- Second: Secretary Shake
- Discussion:
 - Treasurer McGrath from EFC: This is a good start and is advised by the accounting firm several years ago. 50k is a base and is actually undersized based on the age of our amenities and the cost of some potential disasters.
 - Unknown Member: Say there was a health problem on the beach, say it wasn't that expensive. Wouldn't that come out of the lake fund?
 - Treasurer McGrath: That would actually come out of the general fund first the lake fund can't be used for the beach.
 - Member: A catastrophic expense
 - Treasurer McGrath: If we were to have a catastrophic expense to be honest, this wouldn't even begin to cover it and it would probably take every dime we have.
 - Member: what you're looking for is 5 years in the future.
 - Treasurer McGrath: 5 years in the future we're only going to have a half a million dollars in the bank and even that may not be enough. We need to continue to look into whether we need to gather more money from the community and as a EFC we will.
 - Chris Quiram: Have we looked at our insurance policies to make sure were covered for such disasters
 - Director Weir: We are for some things.
 - Vice President Stickrod: Insurance wouldn't cover if the culvert were to collapse. We would have to fix that.
 - Bob Pirtle: So again do you have a target?
 - Treasurer McGrath: No we don't yet. We have a 5 year plan. If you want a target, in 2018 we will have half a million.
 - Bob: I appreciated what you're doing, I can see 10 or 15 years out.
 - Treasurer McGrath: Do you have a suggested target I can take back?
 - Bob: I'm asking what your goals were. I can see what you're doing and I like it.
 - Treasurer McGrath: We currently have a 5 year plan, you can see it. We want to buildup of cash reserves so we can do bigger projects. But that's all we have at this point.

- Emergency Fund Discussion (cont.)

- Bob: I can see worst case scenario 15 years down the line the Emergency fund becoming huge, and we can't use it for roads, amenities, because it doesn't fit that narrow definition.
- Director Weir: In 5 years, that half mill isn't just in the emergency fund, its all funds
- Treasurer McGrath: we need to think about how do we use that money to go forward
- Becky McGrath: if we don't do anything with the roads in 15 years it will become an emergency. It's not inaccessible, it's just being protected so it's not being floundered away.
- Treasurer McGrath: So for example, the lodge, if something were to happen to the roof, and it's a danger to the members. If it fits the definition it's going to be used, with EFC approval
- Bob: How long is the current road fees going to cover the repairs to road fund.
 - Treasurer McGrath: To be honest were not targeting that at all right now. A team tried to target that, and there's been discussions, we might go down the path in the future to getting a bond.
 - Bob: I know when you look at roads, it doesn't look like something's happened with fixing the roads.
 - Treasurer McGrath: I don't think they could be considered a threat to health, safety, or life yet.
 - Director Weir: We're patching them
 - Treasurer McGrath: There's no master plan right now.
- Bob: The road committee is still a viable committee?
 - Treasurer McGrath: Yes. With the effort that was put into the previous bond and then the membership just threw it away, there's not a desire to go down that road again.
 - Bob: You're doing a good job getting things back the way it should be
- The motion was re-read.
- Vote 4-0 Motion Passes

- **Adding Emergency to Article 15 at annual meeting**

Emergency fund will need to be added to article 15 so it cannot be changed except by a majority vote at an annual meeting. Vice President Stickrod will add to bylaws notes.

Open Floor for Members

- Bob Pirtle: Annual Meeting package can we included whatever specifics we can about what happened over the previous year when it becomes available. It seems like it would be to the members advantage to have some information, what happened, names, dates, etc. These are the steps that we have made to improve our position. A summary for housekeeping purposes?

- **Open Floor for Members (cont.)**

- Treasurer McGrath: If there's been a resolution, we will have a statement which you will probably read in the paper. We will probably be able to tell you what we recovered, and an estimate of what was taken. We will not probably be able to give names, but it will probably be in the paper. Something similar to the statement to members that was before. A little bit more detail, some numbers.
 - Vice President Stickrod: We can add what actions the board took, who resigned when who was brought in when etc.
 - Treasurer McGrath: I will also check with the authorities to find out exactly how much we can share.
 - Bob: a brief bloodletting and
 - Treasurer McGrath: We're not going to give you any names that aren't public. I'm not going to risk myself. If the statement that comes from the authorities has names in it we will give them to you if not...
 - Unknown Member: Since I don't get a local paper, I'd like
 - Treasurer McGrath: We will put whatever is printed in the local paper on the website, whatever is public.
 - Unknown: Rather than a witch hunt with actual names just a steps of what has happened
 - Treasurer McGrath: We will put together a summary of what happened.
 - Bob: I don't want to beat this to death, but I think the important part is what steps were taken.
 - Director Weir: it needs to be out there so it doesn't happen again. If you don't know what transpired that allowed this to happen, it can't be prevented in the future.
 - Unknown Member: For those of us that are not privy to local information, how bad was it? I don't know how much was lost.
 - Vice President Stickrod: Read the financials and you can figure it out. We can't tell you right now legally.
- Bob: Does the office person handle any funds?
 - Treasurer McGrath: They shouldn't be. It seems logical, but do you know how many people takes their checks up to the office.
 - Bob: It's convenient, and I want a receipt.
 - Treasurer McGrath: But if we can train the membership to not do that, still on deaf ears to some people. I agree 100% that we shouldn't take any money at the office, but we are working towards that.
 - Bob: The laid back way of doing things 30 years ago made sense, but there's now a law.

Executive Session

Motion By Secretary Shake

Seconded By Vice President Stickrod

Vote tally 4-0

Note: in Executive session it was determined that the Annual Meeting will be held on March 22, 2014

Adjournment

Motion By Vice President Stickrod

Seconded By Treasurer McGrath

Vote tally 4-0

Treasurer's Report

November 18, 2013

All data presented is as of October 31, 2013.

The Total Cash Balance is \$305,849.60 and is made up of the following fund balances:

General Fund - \$119,949.47

Lake Fund - \$142,789.94

Road Fund - \$43,110.19

We are in discussions with the insurance company over additional claim data and we will see some additional money in the next month.

The outstanding receivables total is \$83,769.15, a decrease of \$15,512.95 (mainly Lake Fund). For additional breakdown, please refer to the attached Balance Sheet. The final payment of the credit card was made for \$25,335.70. This was about \$5000 less than we expected to have to pay.

Collection Data: Of the 83 owners we sent to collection we have the following: 32 paid, 10 on payment plans, 12 being sued, 22 pursuing next steps (potential suit), 3 possible bankruptcy, 4 not enough to be cost beneficial to sue yet. During the month of October we received an additional \$4,500 in payments for a total of \$10,573 this year, all within 3 months working with the attorney.

The Year-to-date Net Income is \$343,600.64 with Revenues of \$583,990.84 and Expenses of \$240,390.20. Please see the attach Profit and Loss Statement for further detail.

As for actual General Fund Cash details, for the month of October the cash deposits were \$4,402.75 and the cash expenditures were \$41,472.12 (Please remember \$25K was credit card). Please see the attached monthly reports for further detail.

The 2014 Assessment Fees have been determined. The increase percentage was 1.5%. Here are the fees:

- General Assessment: \$230.15
- Road Assessment: \$80.35
- Lake Assessment: \$61.85

These fees will be posted on the website and available a copy of them will be available at the office.

The Executive Finance Committee continues to meet. Here are the items that have been executed during October:
Completed:

1. The EFC have established and approved by fund a 2014 budget and 5 year forecast. This is available tonight at the meeting, at the office, and posted on the website. The recommendation is for the board to adopt the 2014 budget at the December board meeting.
2. Along with the budgeting process, the EFC has approved creating an emergency fund in accordance with the definition within the CICAA. The EFC has also approved funding this "emergency fund" with 5% of the gross annual general assessments each year.

This concludes the treasurer's report for November 18, 2013.

www.heritagelakeassociation.com Proposed Website Summary

- Home (blog)
 - Current Announcements
- Administration Info
 - Meet your Board (Board Member photos/bios)
 - Board Meeting Schedule/Minutes
 - Financial Reports
 - Request for Review
 - Committees
 - Give each committee their own page similar to the current ECC and Conservation pages.
 - Include committee meeting dates and times and chair contact info
 - Ethics Policy
- Resident Info
 - Bylaws, CCE&R's , Rules & Regulations
 - Assessment Info
 - Amenities
 - Lodge
 - Pool & Tennis Courts
 - Lake (Beach & Fishing)
 - Campground
 - Utilities
 - Fee Schedules
 - Forms & Applications
 - Vacation Patrol Request
 - Emergency Management Notification
- Community Info
 - Calendar of events
 - Maps of HLA (UPDATE the maps!)
 - Clubs & Groups
 - Volleyball League
 - Social Club
 - 50+ Club (general info and contact)
 - DOG Park (general info and contact)
 - Are there others?
 - Seasonal Garage Sales
 - HLA Heros
 - Volunteer Days
- Realtor Info
- Contact Us (Form to contact specific board members or the office for general contact)
- Photo Album - Need a better album client. Current one is too slow to load.