

HLA Board Meeting
January 20, 2014
Minutes

Call to Order : 7:04 pm

Roll Call

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

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: Secretary Shake Vote tally: 4-0

Treasurer's Report

Please see page 7

Questions: None

President's Report

Thanks to crews for plowing, had one truck break down and it has been repaired already
Both lodge heaters went out and a pipe broke in the women's restroom.

Committee Reports

Member Chaired

- **Conservation – Dave Riggert**
 - Coming up most important, clean out of 2 sediment basins, Raleigh and sandy beach area.
 - Going to contact Paul Miller to get the process started, cost and time frame.
 - Should do it before spring rains.
 - Usually he can accommodate us cold weather frees him up.
 - We will do this in the next month and let the board know.
 - There may be additional work on basin 1, basin 2 has never been cleaned out and we need to figure out where to put it.
 - The trees are on the lake ready to sink when the lake thaws.
- **Environmental Control**

No Report
- **Road Committee – Shawn Cassatt**
 - Please take weight restrictions into consideration when dealing with the sediment basins
 - Dave: we will definitely take that into consideration
 - Proceeding with the road fund budget, it was suggested we break up into categories, has been presented a couple times to the board. If you need any more information, Bradford is a good starting point for asphalt
 - Ditch work - Cheshire and King Richard - dealing with culvert plugs and erosion. The culverts put in by homeowners have blocked the ditches and are causing the water to run on the road. IT appears the board doesn't really have much ground to stand on there. So it would be at our cost and our discession remove those culverts that are causing the issues.
 - Vice President Stickrod - what do you mean the board doesn't have grounds to stand on?

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- Shawn – The cost to remove those. When people put culverts in your ditches and block the ditches, basically the road becomes your ditch line. I was hoping that we could get a way to get the homeowner to participate in the project and try to explain to them that it's causing a lot of issues with our roads, but I'm not sure there is. I've given it to the finance committee
 - Cold patch it was estimated 10-15k tons delivered in one shot to save costs. It won't go bad, it is usable for an extended period of time.
 - Talked to Pat with input on cleaning up shoulders, he's on board with doing it. 3 areas: Brandy & Greenwood, Berkshire & Cheshire and Heritage Dr. & Thornton. Could be done in house with our maintenance group. We'd like to see someone to come in with skid-loaders and work on it. \$80/hour with skid-loader and dump truck.
 - Culverts in the ditch lines are bad news and our biggest problem right now.
 - Vice President Stickrod - if you have a drive over the ditch you have to have a culvert
 - Shawn- There's are areas of 100 feet of line that people have installed.
 - Director Magarity – These are people that have put a tile in so they have a flat yard to mow. These are 100+ runs that aren't sufficient width to handle the run off.
 - Shawn - Plows question it appears the plows are not taking off as much snow
 - Director Magarity - we have raised the plow so we don't tear up the road. I've got Randy Davis working with Pat and Ted to watch problem spots.
 - Shawn - I need feedback on budget
 - Treasurer McGrath - Work with Director Magarity
 - Vice President Stickrod – What has been done in the past, he is the chair of the roads so you need to work with him. That's the procedure.
 - Treasurer McGrath - You will both be invited to finance committee meetings because it's the EFC's 2014 goal, figure out how to get the funds to fix all the roads.
 - President Coan - when are the street signs coming in
 - Shawn - I was thinking installation in May or June.
 - President Coan – Can we get a sample to have at the Annual Meeting?
 - Shawn – I'll look into it.
- **Rules & Regulations**
 - Dave - Did everyone get the email. Did you read it? That's all I needed to know
 - Marvin sent a list, I'd like to review it with you.
 - We send you what you got, we would like your responses. After that, next is to get more input from the attorney, and we did, and now we will revise our first draft by middle of Feb. We will now have that done by end of January and get it back to. Which will incorporate the attorney suggestions, and then we'll get into discussions with you 1 on 1 and be completely done by mid-February.
 - Last part is the part that has to be approved by the membership, money, assessments and approval methods. We're not too concerned that you'll have issues, want to get it in front of the members. We're on schedule, early to mid-March is getting the membership ready to vote.
 - Next step, please give us any feedback you haven't that you want to. Second revision is coming out in a week. CCE&Rs also, not as many changes.
 - Vice President Stickrod: So you want us focusing on bylaws?
 - Dave: yes please.
- **Executive Finance Committee**

No additional report (see treasurer's report)

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Board Chaired

- **Road Repair/Maintenance**
 - Keeping up on plowing
 - One truck blew a transmission, got a re-manufactured one put in and the truck back up and running.
- **Office Org.**
 - General assessment bills were sent with the help of volunteers. Thank you!
 - Working on annual meeting prep
 - Phone interviews set up for new office assistant candidates.
 - Treasurer McGrath: So you're do phone and in person or just phone.
 - Secretary Shake: Both me doing a phone interview and the committee doing the in-person interviews.
- **Pool & Lodge**
 - Directory Magarity: Both furnaces went down. They're both back up and functioning now, coming tomorrow with one more part.
 - Had the plumbers in after we found out it was so cold in here. Everything tested fine, my guess is there was a crack and when they had the party in here is busted. Plumbers are coming back tomorrow.
 - Treasurer McGrath: They're going to run the new pipes under the ceiling so if this ever happens again we don't have to take down the ceiling.
- **Administrative & HR**
 - Interviewing replacement for Janet , by her request. Got 6 applicants, phone interviewing 3.
 - Secretary Shake will conduct phone interview, narrow down to 2 or 3 favorites. Vice President Stickrod and Janet know 2 of the applicants, Secretary Shake knows none of the applicants. Secretary Shake will guide the interview process to prevent bias.
 - The job is mostly a learn as you go job and should be fine for the month of February.
- **Building & Zoning & Security**

No report
- **Outdoor Amenities**
 - Be very careful on the lake it appears to be frozen, it is thick in some areas but not all. Areas where springs come in are not really frozen well enough to be on it. You are 100% at your own risk out on the lake.
 - Secretary Shake: Should we be posting something on the website?
 - Vice President Stickrod: No, we just always tell everyone it is at your own risk.

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- **Website**
 - Site re-org is complete. Went live first week of January.
 - Need to get with Conservation, roads and ECC to clean up content on your pages.
 - Need contact for Volleyball, 50+ club, DOG park, HLA Heroes
 - 50+ club can be eliminated
 - Is there an official Social Committee
 - HLA Heroes is the board – Lets keep it and revive it!
 - Spring Garage Sales are coming up, we need a new chair.
 - Working with Janet and Tim Weir to put together a Property Sale Packet
 - Unknown Member: Can we add the accountants address somewhere so we know where to send assessments?
 - Secretary Shake: It wasn't on the statements? We'll get that added quickly and obvious.
 - Plowing updates have been very well received.

Unfinished Business

- **Annual Meeting**
 - Important Dates
 - Meeting 3/22
 - Ballot Deadline Wednesday 1/22 6pm
 - Date of Record 5pm Wednesday February 5. (all 2013 and prior assessments paid in full)
 - Need to coordinate with Shelli to get a list.
 - Need to get mailers to Attorney for review.
 - Send to printer last week in February
 - Prep mailing first week in March
 - Still need recommendation for chair of the Teller Committee.
 - Lawyer and accountants will be at Annual Meeting

New Business

- **Amendment to Article 5 Section 3**
 - The purpose of this is to amend the bylaws NOW to prevent any confusion at the annual meeting.
 - Motion: Secretary Shake Amend the following statement: "Starting at the March, 1980 annual meeting, directors will be elected for a four (4) year term." to read "Effective January 20, 2014, directors elected at an annual meeting will be elected to a three (3) year term."
 - Second: Treasurer McGrath
 - Discussion: None
 - Vote Tally: 4-0 motion carries
- **Reclaiming Lots 110 Heritage and 7 Beechwood**
 - Treasurer McGrath : Janet and I have gotten a call from an investment company that owns 2 lots and wants to quit claim them back to us. According to Tim Weir they are unsellable. Tim inquired around and has no interest in anyone to even list them. I told the investor the board would discuss taking these back, if and only if taxes and assessments are paid in full. He has 2 options, pay and we'll discuss taking them back, don't and we'll sue. We need to discuss taking it back.
 - Vice President Stickrod: How much do they owe
 - Treasurer McGrath: \$1000 in back taxes, road and lake from 2013, we would consider waiving assessments for 2014. They weren't being billed at all prior to May 2013.
 - Janet: His leverage is they're not going to pay anything and let it just go to tax sale.

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- Treasurer McGrath: We can still sue for assessment, but my opinion is that we take them back so they are under our possession. The cost of suing will not be worth what we get (or don't get) in suit. WE are in no way going to pay their back taxes.
- Treasurer McGrath: Motion: If he pays in full (taxes & Assessments) then we take the lots back.
 - Vice President Stickrod: Then we owe the taxes?
 - Treasurer McGrath: The current taxes yes.
 - Director Magarity: You can fight the taxes if their unbuildable.
 - Treasurer McGrath: Director Weir can help us lower the taxes to where they're minimal annual.
- Inaudible
- Treasurer McGrath: Restated the motion.
- Vice President Stickrod: second
 - Vice President Stickrod: how do you monitor that?
 - Treasurer McGrath: We will pay before we take it back. We will call Tazewell county and the accountant to make sure it's paid before we sign a quit claim deed.
- Dave Riggert: So he says he's not going to pay the taxes unless we do what?
 - Treasurer McGrath: He says he's not going to pay the taxes at all. He needs to discuss it with his boss.
 - Dave: What's his boss have to do with the decision?
 - Treasurer McGrath: It's an investment company. They own the lots
 - Dave: So do you think the same general rule about the outcome is the same for a general person as it would be for an LLC? In terms of leverage?
 - Treasurer McGrath: I don't see why it wouldn't be.
 - Dave: the fact that he has to talk to his boss doesn't give us much pull.
 - Dave: So you're deciding that no one will ever buy the property again? Because they have to pay our lien if we put one on the property, and then someone has to pay our lien if it is ever to be sold again.
 - Inaudible
 - Treasurer McGrath: On the other two that just went through tax auction, the liens were wiped clean.
 - Dave: So you've already done the research and decided we are better off sitting on it.
 - Treasurer McGrath: I believe so yes, it's not worth the filing fee and the suit.
 - Dave: And how much are the taxes on it?
 - Treasurer McGrath: we don't own a single lot that's over \$50 a year
 - Dave: what makes this lot unbuildable?
 - Treasurer McGrath: I don't know I haven't looked at them yet.
 - Vice President Stickrod: Tim Weir would not list them because he does not feel they are sellable.
 - Treasurer McGrath: Several realtors according to the investment company.
 - Dave: The people who want to get rid of the lot are telling you what the professional opinion is?
 - Treasurer McGrath: What do you suggest we do?
 - Dave: I'm just questioning whether you have done the correct analysis. I'm not sure that you have. Do it again and decide later.
 - Janet: what's missing?
 - Dave I don't know I was trying to ask questions

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- Vice President Stickrod: Tim Weir feels it's not buildable, that's why he wouldn't list it. One of the board members, who is an expert feels it is not buildable. So we're taking his advice as part of it, as well as the company that was trying to sell it.
- Treasurer McGrath: And Tim Weir didn't say we take it back so we'll keep billing them.
- Janet: This is one of those situations where someone bought a lot 30 years ago because it was going to be a great investment. Well it didn't pan out and now they want to sell. Now there's a new group of people wanting to buy lots and in 20 or 30 years we'll go through it again. From one tax sale to the next.
- Treasurer McGrath: rescind motion
- Vice President Stickrod: Postpone until Tim Weir and the ECC can assess the lot and see if there's something we can do with the lot. Can we turn it into something else, something that can be used by the membership. Let's see if we can leverage them into paying their back taxes and assessments.
- Treasurer McGrath: Who would like to talk to them?
- Vice President Stickrod: I will.

Open Floor for Members

- Trace: Salt has been mentioned a couple times, I'm just wondering what the cost difference between salt and cinders. Why use cinders instead of salt
 - Director Magarity: we're doing a cinder/salt mix
 - Trace: but why?
 - Director Magarity: cost savings, road upkeep. It's easier on the roads. Cinders seem to help out for keeping traction on the hills.
 - Trace: I was wondering, because I slid down the back entrance and it was warm enough for salt.
 - Director Magarity: it's the same mix we've been using for 5 years
 - Trace: the other concern about the cinders is the heavy metal content they're banned in a lot of places, lead, high arsenic, coal ash. I'm assuming you do reads in the lake for conservation. I don't know, all I know is that I slid down the hill.
- Shawn: have you looked into calcium chloride for when it's really cold? The green stuff?
 - Trace: at least for the problem areas.
 - Director Magarity: You have to have liquid tanks then. I didn't know about the content issues. We'll check into that.
- President Coan: A person suggested we put out 55 gal drums with sand or cinders in the bad areas.
 - Janet: self-serve salting
 - Director Magarity: I have safety concerns for someone out spreading and some car flying around the corner. I think we should look into just a pile of sand for improved traction to replace the cinders if they have metal content. It's just been a really bad winter.

Executive Session

Motion By Vice President Stickrod

Seconded By Secretary Shake

Vote tally 4-0

Adjournment

Motion By Vice President Stickrod

Seconded By Treasurer McGrath

Vote tally 4-0

Treasurer's Report

January 21, 2014

All data presented is as of December 31, 2013. (With the exception for possible Income Tax)

The Total Cash Balance is \$324,516.69 and is made up of the following fund balances:

General Fund -	\$89,127.56
Lake Fund -	\$145,491.37
Road Fund -	\$39,888.59
Emergency Fund-	\$50,006.17

The Quarterly true up between funds have been made. \$4,068.76 from the Lake and \$4,768.01 from the Road Funds for a total of \$8,836.77 have been transferred to the General Fund.

The new "Emergency Fund" has been setup with the bank and will has been funded with \$50,000 from the General Fund.

The outstanding receivables total is \$57,654.88, a decrease of \$8,671.06. For additional breakdown, please refer to the attached Balance Sheet.

Collection Data: Of the 83 owners we sent to collection we have the following: 34 paid, 4 written off, 13 on payment plans, 19 being sued, 6 pursuing next steps (potential suit), 3 bankruptcies, 4 not enough to be cost beneficial to sue yet. During the month of December we received an additional \$1,920.92 in payments for a total of \$15,125.93 this year, all within 5 months of working with the attorney. Our portion of the total is 75% or \$11,344.45.

The Year-to-date Net Income is \$346,798.58 with Revenues of \$621,961.94 and Expenses of \$275,163.36. Please see the attach Profit and Loss Statement for further detail.

As for actual General Fund Cash details, for the month of December the cash deposits were \$40,672.21 (\$37K from Ins.) and the cash expenditures were \$73,556.58. The Largest expenditures were \$50K to fund Emergency Fund, \$3K for pool fixes, \$2K for Salt, and \$2K for court costs to file suits against delinquent members. Please see the attached monthly reports for further detail.

For those not at the November board meeting, 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 have been posted on the website and a copy is available at the office.

The Executive Finance Committee continues to meet. Here are the 2014 projects for the EFC:

1. Re-establish options for funding the repairing the roads.
2. Review the current listing of assets owned by the association.

This concludes the treasurer's report for January 21, 2014.