

HLA Board Meeting March 27, 2017
Minutes
Call to Order: 7:01 pm

Roll Call

<u>Present</u>			<u>Absent</u>
President Coan	Secretary Nafziger	Director Pirtle	Director Welsh
Vice Pres. Weir	Treasurer Waldorf	Director Cassatt	

Approval of Previous Minutes

Motion By: Director Waldorf Seconded By: Director Weir Vote tally: 5 - 0

Approval of Expenditures

Motion By: Director Pirtle Seconded By: Director Weir Vote tally: 5 - 0

Treasurer's Report

All data presented is as of February 28, 2017.

The Total Cash Balance is \$722,035.12 and is made up of the following fund balances.

General Fund.....\$159,369.29
Lake Fund.....\$ 83,250.59
Road Fund.....\$190,524.21
Emergency Fund CD.....\$ 87,791.07
Lake Fund CD.....\$100,973.34
General Fund CD.....\$100,126.62

The outstanding receivables total is \$325,092.16, an increase of \$156,249.75. This primarily reflects the 2017 assessments that were due in March. For additional breakdown, please refer to the attached Balance Sheet.

The Year-to-Date Net Income is \$177,294.49 with Revenues of \$249,713.13 and Expenses of \$72,418.64. Please see attached Profit and Loss Statement for further detail.

As for actual Cash details, for the month of January the cash deposits were \$92,846.25 and the cash expenditures were \$21,554.77. Additional report details are posted on the Heritage Lake website.

Engineering costs of \$29,289.50 relating to the SSA were paid in February. There were no unusual expenses.

The Finance Committee did not meet in March. They reviewed and approved the end-of-year report presented by Heinold at the annual meeting.

This concludes the treasurer's report for March 27, 2017.

Questions: None

President's Report

Annual meeting went well.

Committee Reports

Member Chaired

- **Conservation**
 - No report
- **Environmental Control**
 - Tree Permits –
 - 220 Heritage Drive
 - 25 Windsor Drive
 - 991 Heritage Drive
 - 7 Fairfax Court

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- Property pin locate
 - 963 Heritage Drive for an underground dog containment system.
- **Road Committee**
 - This Saturday (April 1, 2017) will meet with engineer and the Road Committee will identify order of roads (order in which roads will be worked on); meeting at beach pavilion at 0830.
 - A few errors have been identified in the engineer's report; the engineer has been contacted and the issues have been addressed.
 - With regard to the 20 year maintenance plan, projected costs are an estimate only. Future weather conditions, traffic or road issues can't be predicted for the next 20 years. Exact costs for the next 20 years also cannot be predicted. The maintenance plan may need to be addressed in 15 years.
 - Hope to have an initial timeline after April 1st for start on roads.
 - Chair Reed acknowledges Member Theobald for his help on the road project plans.
- **Finance Committee**
 - See Treasurer's report.
- **Social Committee**
 - The Easter Egg Hunt is this Saturday, April 1st. The committee is in need of candy and pre-made basket donations.
 - Garage Sales are April 29th. The forms are available on-line and are due by April 22nd.
 - The annual Pool Party is scheduled for July 9th.
 - Exploring the possibility of hosting a Bags Tournament and Poker Run this summer.

Board Chaired

- **Maintenance**
 - Director Cassatt met with the maintenance crew last week.
 - The New Holland tractor needs repair.
 - Transitioning from winter to spring.
 - Seeking approval for money for cold patch. Will begin patching the roads after the April 15th restriction date.
 - Adjustment needed in the overhead door at shed. Will contact a door company for repair.
 - A tongue jack is needed for the trailers.

Director Pirtle makes a motion to allow for the purchase of an amount not to exceed \$ 2,000 for cold patch.

Director Waldorf seconds the motion. Vote tally: 5 – 0.

Secretary Nafziger motions to allow an expenditure not exceed \$2,000 for repair of the New Holland tractor.

President Coan seconds the motion. Vote tally: 5- 0

- **Office Org.**
 - The oversight for the office is in a period of transition from former Director Shake to Secretary Nafziger.
 - Exploring WordPress training for several Board members.
- **Pool & Lodge**
 - 97 trees removed from alongside the pool. This is in an effort to aid in decreasing the pool water issues.
 - Working on disc golf. Meeting with Laughing Dog graphics to have signs made for the course.
 - Plans to use old posts, currently in storage, for the new signs.
 - Lodge - looked into replacing exterior light fixtures but replacing poles (going from 2-inch poles to 3- inch poles) would be cost prohibitive. Estimate is \$5,000. Will not proceed with this project at this time.
- **Administrative & HR**
 - None
- **Building & Zoning & Security**

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- None
- **Outdoor Amenities**
 - Will be opening the beach house prior to the garage sales.
 - Will also be getting the campground open for the season.
- **Website**
 - Pursuing WoodPress training.
 - Make effort to get more people engaged in/signing up for the Facebook page.
 - Director Waldorf received a compliment on the website.
- **SSA**
 - President Coan will attend the Tazewell County Board meeting on March 29, 2017. The County Board will be voting to approve the Ordinance to establish the SSA for Heritage Lake subdivision.

Unfinished Business

- **Road Committee Additional Expenses**
 - With the exception of the cold patch, no other expenses at this time.

New Business

- **Waste Management Options**
 - No report
- Campground – discussed ways to make/encourage the use of campground
 - One suggestion is to erect storage units and also allow boat and trailer parking for a fee.
 - Another idea is to build a pavilion similar to the structure at the beach. This would provide an area for people to gather if the beach pavilion is in use.
 - Also discussed running electricity to some of the campsites.

No decisions made at this time.

Open Floor for Members

Question: Member Nelson – questions if the association could do away with the campground and possibly sell it for buildable lots.

Answer: The Board is not allowed to “take away” an amenity and it would have to be brought before the membership at the Annual Meeting. It also involves more than a membership vote since it is part of the Covenant. None of the amenities pay for themselves and none of them were designed to pay for themselves.

Question: Could someone come and re-assess the condition of Stratford St.? The amount of traffic on the curve is greater and the road is crumbling. It has gotten much worse during the past six months.

Answer: Road Committee Chair Brad Reed will go and inspect the area.

Suggestion made to explore industrial LED lights for the Lodge.

Director Weir explains that LED were brighter but more expensive. It is the new poles that are cost prohibitive. Member Nelson will research lights for the Lodge.

Request by Director Waldorf for members to go online and sign up for the HLA website. It allows for easier communication between the Association and the members.

Chair recognizes Member Theobald:

Question: The bond interest methodology; is it a one-time draw or a revolving account? How is the interest being charged?

Question: There is a clause in the agreement about the bond reserve fund being kept with a minimum amount? Does it require a \$400,000 minimum balance in that account? How does the bond reserve fund work?

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Question: With regard to County charges: how far back can the County charge us, is there any accounting to HLA on the part of the County and how much are future charges going to be?

Further comment: Road improvements last year with A-2 seal coat on the roads was supposed to minimize the amount of work on the roads, that money was to help offset those costs and reduce the \$715. He further states that he is not trying to cause trouble, but these are honest questions and he would like to have answers.

Reply:

Road Committee Chair Brad Reed has worked with Member Theobald and provided answers to some of his questions. He is working on the engineering questions. He also forwarded questions, sent via email by Member Theobald, to the entire Board so that all were made aware of Member Theobald's concerns.

President Coan:

We won't know until the Bond Counsel provides us with a number on what is required.

Question from Member Theobald: What if the charges take us up past the \$715 limit?

President Coan: The Bond would not be allowed.

Reply from Finance Committee Member Flynn to Member Theobald's questions:

This is related to cash flow. The Bond Counsel is working on the cash flow, the engineer puts together the initial cash flow, the HLA attorney and the County attorney agreed that it fits within what was approved by the membership. If it doesn't fit within the guidelines approved by the membership, then no go. The plan will fit within what was presented to the membership.

Accounting related to the expenditures by the County – Chairman Harris of the Tazewell County Transportation Committee, believes the charges are inflated and does not believe we should be charged back to 2011 when much work was done. Chairman Harris is advocating on HLA's behalf to have the amount reduced. If we are charged for it, it would be a "rounding error" in the overall amount of dollars being spent.

We have a maximum number of dollars approved by the membership. Dollars spent this year, may also reduce the overall amount of the Bond. The first set of projections put together by the membership last year, significantly underestimated the amount of maintenance based on what the Road Committee felt was appropriate in terms of the interval of maintenance on the roads. \$1.1 million has been added to the maintenance program from the original projection. The goal is to stay within amounts approved by the membership and have the best possible reconstruction and maintenance program using all of those dollars.

Everyone is working very hard to stay within the \$715 limit. If we don't stay within that number, it all ends. The engineers are working on it. At the end we will have a plan with professional opinions from engineers who specifically do this type of work and we will have the best plan in place. The plan will change, that is a given, every year, the plan will change. Every year the roads will have to be re-evaluated with the goal that we stay within the budget. We can't project prices of petroleum out for years.

The interest rate will be known, we will agree to it and the Bond Counsel will lock in the rate.

There are contingency percentages built in within the cash flow.

Hope to get 5% rate or lower.

Executive Session

Motion By: Director Coan

Seconded By: Director Waldorf

Vote tally: 5-0

Executive Session Adjournment 8:17PM

Motion By: Director Weir

Seconded By: Director Pirtle

Vote tally: 5-0

Meeting Adjournment 8:34PM

Motion By: Director Weir

Seconded By: Director Pirtle

Vote tally: 5-0