

HLA Board Meeting September 24, 2018
Minutes
Call to Order: 7:03 PM

Roll Call

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

Appointment of Board Members to Fill Two Vacancies:

Motion by President Coan to nominate Brad Reed and Rebecca Robards to fill Board of Director vacancies until the Annual Meeting Board of Director elections: Seconded by: Vice President Pirtle Vote tally: 4-0

Approval of Previous Minutes

Motion By: Director Reed Seconded By: Treasurer Waldorf Vote tally: 6-0

Approval of Expenditures

Motion By: Secretary Nafziger Seconded By: Treasurer Waldorf Vote tally: 6-0

Treasurer's Report

All data presented is as of August 31, 2018.

The Total Cash Balance is \$1,366,519.52 and is made up of the following fund balances:

General Fund.....	\$830,279.33
Lake Fund.....	\$107,600.30
Road Fund.....	\$125,177.82
Emergency Fund MM.....	\$100,714.57
Lake Fund CD.....	\$101,880.63
General Fund CD	\$100,866.87

The outstanding receivables total is \$134,973.80, a decrease of \$65,633.15. For additional breakdown, please refer to the attached Balance Sheet.

The Year-to-Date Net Income is \$698,110.89 with Revenues of \$828,499.92 and Expenses of \$130,389.03. Please see the attached Profit and Loss Statement for further detail.

As for actual Cash details, for the month of August the cash deposits were \$613,989.32 and the cash expenditures \$17,199.43. Additional report details are posted on the Heritage Lake website.

The above numbers reflect the \$599,383.92 settlement with Ameren. \$52,559.29 was applied to accounts receivable for the outstanding Ameren temporary road repair bill. There were no unusual expenses in August.

Invoices for Lake Fees were mailed to members at the end of August. Payments are due October 1.

The Finance Committee did not meet in September. They are working with board members on the 2019 budgeting process.

This concludes the Treasurer's report for September 24, 2018.

Questions: None.

President's Report

None.

Committee Reports

Member Chaired

- **Conservation**

- Engineer Keith Plavic has inspected the sediment basin on Raleigh Drive and given the following recommendation: place an L-shaped 24-inch culvert at a level just below the existing yard, it will double the capacity to discharge water in that particular basin. Bids are being sought for this work.
- Chair Lemke also believes a berm/gully should be built from member McGrew's driveway to the corner of the sediment basin to facilitate the flow of water to the basin. The homeowner has given a bid for \$800 to do the work, with his own equipment, The Conservation Committee will discuss and decide.
- After the draw-down this year, a dam inspection will occur in late November or early December. The inspection report will be submitted to the insurance company.
- Chair Lemke is also going to ask the inspector for his opinion on procedure if negotiations with the IDNR are not resolved for the dam re-line project. Chair Lemke wishes to have information to provide to the membership at the Annual Meeting.
- The committee is also waiting to hear from HLA attorney Brian Mooty with regard to the dam project and correspondence with IDNR.
- The committee will be meeting to discuss whether or not to implement a lake draw-down this year. Some members of the committee are uncomfortable with a draw-down and believe the process damages the shoreline.

Director Reed questions the distance that the water will travel from the end of Raleigh to the sediment pond? His concern is the ditch that cost approximately \$800 to construct in that area. Director Reed also advises that once a cost is given for the pipe work, he can determine if the price is reasonable due to information he has recently gained. Director Reed also asks for clarification about the information with regard to the 24 inch pipe. Chair Lemke states that along the west wall of the basin in front of Member McGrew's house, a trench will be dug and a 24 inch culvert will be placed through the wall of the basin and then it will stand up at the west side of the basin.

Director Cassatt requests that the engineer submit specifications for this project along with the bid before any work is done.

Chair Lemke explains that a couple of bids will be sought along with specifications before any final decision is made.

- **Environmental Control**

- No report.
- Questions remain with regard to the setback at 235 Westminster, a garage that the owners wish to build and the issuing of a variance. Director Reed asks if the owners wish to extend into an easement or extend the garage past a property line? It is unclear exactly what the homeowners are requesting. Member Weir believes the owner wants to build in between the 40 foot set-back and the property line, but is not positive. Treasurer Waldorf believes that the building should not be built sitting further out than other structures on the street. Further information from the property owner needs to be gathered as well as a drawing and plans. The dimensions and placement of the garage also needs to be staked out on the property. More detailed investigation needs to be performed by Chair Stokes and Director Reed has offered to assist.

- **Road Committee**

- The sweeping of the roads has been nearly completed.
- A punch list has been generated to use for "touch-up" items. Director Reed will be meeting this week with the contractor to finalize the punch list.
- Speed humps have been installed and will be modified soon. The humps will be raised as they are currently not as effective as they should be. The speed humps will be raised 1 ½ inches and will focus on the initial transition when a tire goes up onto the hump.
- The project lead and engineer will be on site as the modifications are made. They will test the humps after modification. Well accepted speed hump designs are being used.
- The humps are requested to be somewhat jarring at 30mph and less jarring at 20mph. Director Reed gave the contractor permission to modify as needed.

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- The newly installed speed humps will be painted with a white triangle going in the direction of traffic. Director Cassatt will direct maintenance staff to paint the original existing speed bumps.
- Speed hump signage is not in the HLA contract with the engineer and the contractor. HLA will determine what type of signage best suits our needs.
- Director Reed has sign examples and prices for the Board to inspect. The prices reflect one sign per direction for each speed hump. There are seven speed humps throughout HLA but we could use one set of signs for the beach area for a total of twelve signs. The prices include the posts. White and red reflector spinning signs are also discussed as "attention getters" to mark the speed bumps. The price for the signs as described by Director Reed totals \$2,500.17.
- Director Cassatt questions if a cost comparison has been done with using recessed reflectors placed on the front of the speed bumps? Director Reed researched for snow-plow compatible reflectors and suggests that they can be an option. The engineer did not recommend that type of reflector because of possible damage occurring from snow plows. Director Cassatt explains that signs have been somewhat ineffective in the past and wants something that will draw attention to the humps. Director Reed and Director Cassatt will look into more information and cost comparison. Approval will be sought at a future meeting.
- The road work is complete with the exception of the humps and touch-up work. Two low spots (one on Westminster and one on King Richard) have become more apparent with the rain and the black rock. Director Reed is awaiting word from the engineer and the contractor with regard to those areas. Director Reed does not want a low spot that collects water.
- V.P. Pirtle commends and thanks Director Reed for all the work he has done on the HLA road project.

Member Robards asks if the board is aware of stress fractures on Kenton?

Director Reed and Director Cassatt are aware of the fractures. The cause is not known. The engineers have examined the area and will investigate further. It is not thought to be a significant structural problem. A decision on how to proceed will be made after a report from the engineers.

- The engineers are developing a plan for crack seal repair to Bradford.
- There are still culverts that need clearing of the inlets and outlets.
- Work on Roxbury is yet to be determined.
- Culvert lining will begin the first week of October.
- In budget terms: for the road work itself (paid to UCM) is \$1.98 million as of most recent UCM bill. There will be an additional UCM bill for speed bumps and other items. The bid price was 2.295 million and the final cost will end below the bid amount.

Question from the floor: Will the Ameren settlement go to offset the existing Road Fund or to future payments?

Director Reed: That is being explored and will be decided by the Board. There are infrastructure needs throughout the subdivision other than roads. There is discussion about what to do with the settlement money and one suggestion is to put it toward the roads. Some could be put toward the roads but none of that is final at this point in time.

Question from the floor: What about the Lodge parking lot?

Director Reed: There are parking lots to take care of and the Lodge lot is probably the worst. The Road Fund is responsible for the parking lots and are not included in the SSA. The boat parking lot may be left as is. Some work could be done to the beach parking lot and the Lodge lot.

As far as the remainder of the project with regard to the budget, the engineer re-ran the spreadsheet calculating tax payments every year along with road maintenance payments each year (the schedule that calculated the \$650. +/- 10%) with the full amount of the current contracts as they stand, in 2037 HLA ends with a fund balance of 1.35 million if the full tax amount (\$438,295.00) is paid each year. If any principle is paid down, that would affect the amount.

Delinquent property taxes have been a frequent topic of discussion.

Currently there are 6 house owners that have paid \$0 in taxes for 2018. All figures are as of September 20, 2018. 25 lot owners (people that own lots only) have paid \$0 in taxes for 2018.

4 house owners that have paid half of their 2018 taxes.

4 lot only owners have paid half of their 2018 taxes.

Treasurer Waldorf: If somebody buys these taxes this year, do we get the SSA money immediately?

Director Reed: It is best to contact Tazewell County Treasurer Mary Burress for the exact answer to that question.

Treasurer Waldorf replies that she will contact Treasurer Burress and get a statement in writing.

Director Reed: HLA had 632 members billed for taxes this year; 2 of them in error, leaving 630. That gives 605 that will likely pay their taxes this year. This number affects what each member pays each year.

From the floor, Member Robards: 4% or \$28 each is the loss of revenue collection.

Director Reed: Yes. The money members pay in taxes first goes to the bond (principle and interest). Then it goes toward \$1,000/year administrative expenses for the county and then third, it goes toward maintenance. If there is a shortfall, the shortfall will affect maintenance. This is how it is structured.

V.P. Pirtle: Is the Maintenance Fund different from the Road Fund?

Director Reed: Yes. It is accounted for separately. When maintenance is needed, HLA will have to go through the county and hire an engineer because it is county money.

President Coan: We may be able to retain the same engineer for 10 years, which may save some money.

Director Reed: Early repayment of the bond has been discussed. The bank and HLA attorney say there is nothing that prevents HLA from doing that, the bank is willing to work with us. The bank is also giving us good rates on the money as it is in savings. The Bond Counsel will determine when the bond closes. The SSA Commission is arranging a meeting with the Bond Counsel to address unanswered questions.

- **Finance Committee**
 - None
- **Social Committee**
 - The newsletter went out with Lake Fund bills. The committee has not received any feedback and hopes the newsletter was beneficial to the members.
 - The Poker Run was a blast. It featured land only homes this year as there were no lakefront home volunteers. The decision was made to continue with land only checkpoints in the future. Seventy-five hands of poker were played and most people played two hands.
 - The Rib Throwdown is October 6.
 - The Halloween party is October 27th at the beach and the beach bath-house will be open for the weekend.
 - Director Cassatt and Director Reed will supply wood for the bonfire.
 - Trick or Treat will be held on Tuesday, October 30th from 4 PM – 7 PM.
 - The HLA Christmas party will be held on December 15th at the Lodge.

Board Chaired

- **Maintenance**
 - The staff has been performing tree trimming along the school bus route to prevent branches from scraping the sides of the buses.
 - A second bid has been received for the garage door at the maintenance shop. The bids for the door are \$1,440 and \$2,125. Director Cassatt will go with the lower bid and the door is insulated.
 - Work is being done on the salt spreaders and snow plows in preparation for winter.
- **Office Org.**
 - None.
- **Pool & Lodge**
 - Pool
 - Member Weir has been assisting Director Reed with end of year pool maintenance and winterization.
 - We are very thankful to the anonymous person who cleaned the pool deck and placed the chairs in storage for the winter.
 - Director Reed is doing research to explore different procedures and means to combat the chlorine resistant algae bloom in the 2019 season. Deano's pool service will assist.
 - From the floor, Member Robards: The pool area has a high water table and it could be an influx of ground water that caused the bloom.
 - Any leaks on the bottom of the pool have been sealed.
 - In 2019, Director Reed proposes taking weekly samples, send the samples to a lab, track the results throughout the summer and see if something changes.
 - Long term pool expenses – will include painting the pool at a cost of approximately \$25,000. There are no plans to paint the entire pool in 2019.
 - Three 9-foot umbrellas have been purchased on clearance at a price of \$45.00 each.
 - No large expenses are being requested for pool equipment at this time.
 - Lodge
 - Portions of shingles on the roof of Lodge are in poor condition, but the roof is not

currently leaking. A new roof may be needed in the next few years.

- \$440 in expenses for the tennis courts: two benches, a squeegee and a roller.

Director Cassatt asks if the Finance Committee and Treasurer Waldorf could address the reimbursement policy for equipment and necessary supplies for HLA. Currently a board member will purchase supplies with their own money, such as the pool umbrellas, turn in the receipt to the office and then will receive a reimbursement check. Director Cassatt asks if it is possible to obtain a credit card with a limit or a prepaid loadable debit card for HLA purchases? HLA does have an account at Menard's .

Treasurer Waldorf does not believe that a credit card is an option, but she will talk to the Finance Committee about a loadable debit card.

President Coan suggests asking if First Security Bank has loadable debit cards.

- **Administrative & HR**

- None.

- **Building & Zoning & Security**

- Newly appointed Director Robards will oversee this area.

- **Outdoor Amenities**

- The septic tank at the beach house restrooms backed up. The septic tank was pumped and the restrooms were cleaned; thanks to maintenance staff Sanford. Everything is now working properly. V.P. Pirtle suggests pumping the septic system every 3-5 years.
- Treasurer Waldorf suggests testing the septic system at the campground to make certain there are no problems with it.

- **Website**

- None.

- **SSA**

Beginning at the October meeting, Director Cassatt recommends combining the SSA and Road Committee into one report. President Coan, Director Reed and the full board agrees.

Unfinished Business

- HLA Lots - Treasurer Waldorf presenting/Treasurer Waldorf has asked Member Weir to be present at this meeting to explain, from a real estate standpoint, the advantages and disadvantages of taking a lot back as long as there is no cost to HLA to take it back, and if we can keep the taxes at \$12 per year.
 - Several members have requested HLA to take their lots back and are waiting for a decision from the Board.
 - Some are lots with unpaid taxes.
 - There are lots that have been quit claim deeded back to HLA without advance knowledge.
 - At one point in time, a policy existed that HLA would hold a total of 10 lots; HLA currently has more than 10.
 - Member Weir believes it is better for HLA to own the lots than to have members not paying taxes on the lots and the lots ending up under the control of Tazewell County Trustee where they will be in limbo for many years. These lots have little value and are "membership" lots. The minimum bid to purchase a lot from Tazewell County Trustee is approximately \$650 on a tax sale. If HLA owns the lots, we would be paying \$12 in taxes and we would not be getting the SSA funds from Tazewell County anyway, so we would be better off to pay the \$12 tax and have control over the lot. When someone wants a membership lot, HLA could sell the lot for \$100.
 - Treasurer Waldorf states that if there is absolutely no cost to HLA, all legal fees are paid, all current taxes are paid, all assessments are paid, then if those requirements are met, then the board would decide if HLA will take a lot back.
 - V.P. Pirtle states that his concern is HLA is not a realtor and he does not want HLA to be in possession of a large number of lots, and then have the SSA payment go up as we take the lots back.
 - Treasurer Waldorf states that it is going to go up if the lot goes into default because we have no one to bill.
 - Member Weir explains that if taxes are not paid for 3 years and nobody will "buy" the taxes, then Tazewell County Trustee takes them. There are companies out there that just buy taxes.
 - Treasurer Waldorf further states that she has spent hours trying to track some of these people

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down because when these companies realize there are assessments involved, then the company walks away from the taxes.

- Member Weir - Some on the list say "tax sale pending" and that is where tax buyers have bought one year of taxes so that after three years, they can redeem that and get the deed, but that is not their intention. It is a company that just wants to have the power and keeps things in limbo. They are not going to apply for the deed so the lot stays in the original owners name and it is a convoluted mess.
- Member Robards – what is the risk? What is the cost of the decision to take lots back? How many lots of the 630-some are we counting on for revenue? We could be putting ourselves in a big bind, because if we take one, we take all of them. How many lots will come back because they don't want to pay the tax bill?
- Member Weir: "Right now, three."
- Director Reed: I don't have the exact number, but there are approximately 520 – 530 with houses built on them.
- Member Robards: "We need to know what the risk is before you make a decision of what's it going to cost us". "Are you going to bankrupt us with an errant decision?"
- Member Weir: It is difficult to figure that.
- Treasurer Waldorf: One thing I look at is which of these have a clean situation? In other words, they don't owe us any money. Out of the 29 that Director Reed and I looked at, $\frac{3}{4}$ of them are behind on assessments. HLA will not touch those lots until the assessments are paid, but they are not going to pay their taxes, they are not going to pay their assessments. There are people out here with lots that do not have a house on them, they put junk on them, they owe us \$4,000 in back payments and they are not paying taxes either.
- Member Robards: Can you quantify them? Wouldn't that be a good thing to know?
- Treasurer Waldorf: About 29.
- Member Weir: We can put a figure on them today, but we are not taking them back unless they are paid up. All fees and assessments have to be paid for us to take the lot back. The risk is \$12 on each one is for the tax burden. So if each person pays the \$693, then that offsets a bunch of the \$12 tax bills.

President Coan recognizes members of the Walschaert family who are present at the meeting and requests their lot be taken back. They have owned the lot two years and bought it for fishing. With the increase of taxes, it is no longer cost effective for them to own it. The taxes and assessments are paid. They have not put their lot on the market.

V.P. Pirtle states that we are not realtors and do not want to be realtors, so the more lots HLA takes back, the more lots we have in inventory, the higher the cost of the SSA for members in good standing. V.P. Pirtle refers back to the motion that he made where HLA would not own more than 10 lots at a time. He thought that the board had stayed with that rule and didn't know that HLA had more lots than that.

Director Reed remembers that the motion passed one year and then it was reviewed the year after.

Member Weir: We have had a handful of these lots; maybe 15 or so.

V.P. Pirtle would like to have some time to come to some "middle ground" where maybe we increase the number. He also believes that once we take the first one, if we don't have a procedure in place, it will be difficult to say "no" ever again.

Director Reed: In addition to lots we already own, our minimum risk is 29 additional lots because those are people that haven't paid their taxes, the maximum risk is the number of lot only owners we have at HLA.

Member Weir: some lots HLA needs to own because some lots are drainage lots.

V.P. Pirtle requests that the Walschaert family give the board a month to determine exactly the number of lots HLA owns and develop a policy that is fair to everyone.

Member Kennedy – could the lot be offered to the nearest home?

Treasurer Waldorf: that always happens with the right of first refusal.

Treasurer Waldorf and Director Reed will work on the numbers of the lots and will determine risk to HLA and they will consult with Member Weir.

Burning at Boat Launch Parking Lot

- Burning at the boat parking lot – Director Reed doesn't think it is necessary for HLA to provide members with a place to burn. There is an argument to be made for how to dispose of yard waste such as leaves and grass clippings but the burn piles at the boat parking lot have gotten out of hand.
- V.P. Pirtle states that we have allowed it for so long that it is going to be difficult to stop, "No dumping" signs could be put in place but members have been dumping there for 30-40 years.
- Director Cassatt has been experiencing people dumping trees, pieces of a deck and other large objects. Some items have been placed back in the trees where there is no possible way to deal with them now. Some are large tree trunks.
- A note is being made that there is no longer anywhere to dump grass clippings because people have been filling the area up with tree trunks, trees and garbage. The privilege has been abused.
- Director Cassatt offers that we could still designate a place to burn. The Sandy Beach may be a safer and better place to burn.
- Maintenance can create an area to burn and can also put up a sign.
- A posting can be placed on the website with regard to no dumping and an area where members may burn.
- UCM did dump at the boat parking lot. Director Reed will confirm with the contractor what piles are waste piles and what piles HLA may be able to use.
- Member Kennedy reports that a truck and trailer with license plate "Cub 5" was dumping a large load at the lot. He talked to the person. Is there an area on the tickets to designate dumping or littering?

New Business

- V.P. Pirtle is having necessary sheet piling work done along the shoreline of his property. The bank is so steep on the property that some of the rip-rap is not holding it. Some of the work will need to be done from a gas motor boat.
- Director Cassatt acknowledges the request and asks that a variance request form be completed. If people need to bring a gas motor on the lake, it must be board approved and a variance request form must be submitted.

Motion by: Director Reed to allow a gas motor boat on the lake to perform necessary sheet piling work done at the Pirtle home. Seconded by: President Coan Vote tally 6-0

Discussion: Treasurer Waldorf – do we have any restrictions on what we put on the lakefront property?

V.P. Pirtle is not aware of any variance on rip-rap or rock. The bank is steep, the rip-rap is not holding and he does not want to lose any more trees.

Open Floor for Members

- None.

Executive Session: None

Motion By: Seconded By: Vote tally:

Executive Session Adjournment:

Motion By: Seconded By: Vote tally:

Meeting Adjournment: 8:46 PM

Motion By: President Coan Seconded By: Secretary Nafziger Vote tally: 6-0