

2022 Annual Meeting
Heritage Lake Association
March 19, 2022

Roll Call: March 19, 2022, 9:01 AM

Present: President Brad Reed
Vice President Cam Stalzer
Treasurer Barb Waldorf
Secretary Patty Parmele
Director Matt Cagle
Director Rodney Stickrod
Director Bob Pirtle

Absent: None

Reports:

HLA Accounting: Michelle R. Streit, CPA reported:

First and foremost, I would like to thank the Board and staff for the opportunity to provide accounting and bookkeeping services to HLA. It has been my privilege to work with the Association for the past nine years. At Donald M. Heinold CPA PC, we appreciate your confidence in our ability to provide these services.

Moving on to the financial information, I want to provide some comparative information between the 2021 and 2020 calendar years:

Cash in Bank: For all checking, savings and CD accounts, the balance at the end of 2021 was \$1,578,203 which is an increase of \$54,068 over the 2020 balances – about a 3% increase

Debt: There was no debt outstanding at the end of either 2021 or 2020

Net Operating Income: For 2021, net operating income was \$86,778 compared to \$43,007 for 2020. This is an increase of almost \$44,000. 2021 operating income is similar to pre-Covid levels. Last year was a bit of an anomaly.

Assessments billed: 2021 assessments billed for General, and Lake Fund were \$311,020. 2020 assessments were \$305,451. Current year billings were approx. 2% higher than 2020.

Operating expenses: Expenses for 2021 were \$315,703 compared to \$296,921 during 2020. The operating expenses include depreciation (a non-cash expense) of \$43,303 for 2021 and \$35,805 for 2020.

Operating expense breakdown by area:

General and Admin \$130,200 (\$131,388 in 2020) less than 1% change
Property Owner Services \$16,243 (\$15,341 in 2020) 5% increase
Conservation \$24,475 (\$37,444 in 2020) 35% decrease (previous year included some excavating work and cleaning out the sediment basin)
Campgrounds \$1,989 (\$1,659 in 2020) 20% increase

Beach \$4,534 (\$3,690 in 2020) 22% increase

Maint and Repairs \$59,606 (\$70,578 in 2020) 15% decrease (previous year included some bigger truck repairs and also replacing overhead doors on garage)

Lodge and Pool \$78,565 (\$36,821 in 2020) 113% increase (power upgrades, paint and repair wood siding, gutters at lodge – all in 2021)

Heritage Lake Attorney Michael Seghetti Introduction: I have been practicing law in Peoria since 1988, do a lot of municipal work, real estate transactional and experience in working with homeowner's associations both commercial and residential. My office is in Peoria a medium size firm with 10 attorneys.

Teller Committee – Presented by President Reed

981 lots that are eligible to vote - 197 lot vote consists of 20% quorum (196.2 rounded up). A quorum has been established with the following counts:

Proxies Granted to the Board: 105 lots

Abstained Proxies: 53 lots

Members in attendance: 42 lots

Total votes: 200 lots

145 votes cast for Matt Cagle

144 votes cast for Bob Porter

145 votes cast for President Brad Reed

The 3 elected Board Members are Matt Cagle, Bob Porter, and Brad Reed.

We would like to thank Bonnie Lemke, Jodi Wood, LouAnn Woodburn and Barb Waldorf for serving as Tellers.

Committee Reports:

Conservation Committee: Reported by: Chair Kurt Lemke.

Bob Pirtle is also a member of the committee he will run our sentiment basin; they get cleaned out every other year.

Greg Richman is doing some Facebook postings for us and helping with spraying the lake.

Rodney Stickrod is a board member and a member of the Conservation committee.

Bob Porter is a new member of the Conservation Committee.

Andrew Clinton does the fish stocking and is co-chair for the committee.

Cam Stalzer is the Board liaison.

I am responsible for Dam maintenance and that happens every 2 years. We have to have an engineer certify that the dam is safe, and we get a license from the State of Illinois to operate the dam. Several years ago, we learned that there were a set of federal guidelines that governs dams. Around 2005, they grandfathered in any of the dams that were built prior to 2005, until we needed to upgrade our dam. This is a challenge for all of us because we need to reline the drain tube. It's a 50-year-old culvert that needs to be relined with a fiberglass liner. In order to do that the State of Illinois said it's a major adjustment to the dam and, as such, we need to bring our

dam up to compliance with the 2005 federal regulations that were put in place. We started on a long journey of how we can get the drainpipe relined. The answer we are not going to get it relined until we build a secondary spillway. We need to find a way to dissipate more water faster than we are able to do it now with our 50-year-old dam spillway. We worked on the problem in the committee for several years and called the engineer that did our roads to help us move this process along. He brought in another gentleman who used to work for the DNR in Springfield and currently is an engineer in Springfield who came up with a design and plans that we need to upgrade our dam. Two years later we moved those decisions to the Board so they can look at those problems directly and we could get out of the committee process that was slowing the production down. We will have plans submitted to the DNR this summer for the first phase of the secondary spillway and pipe lining. Once the phase 1 pipe lining plans are approved, there is a 7-year window to finish the pipe lining and secondary spillway. Hopefully, this year we will be able to get the drain tube relined.

Sediment basins need to be cleaned out every other year. Bob Pirtle is helping with that, and we have a vendor that comes in and empties two sediment basins one on the end of Raleigh drive and one on Sandy Beach on the east side of lake. He lets the sediment sit for three weeks so that the water drains away, and we truck that material out of the lake. We have been able to build up the areas around the sediment basins the past couple of years and we cannot do that anymore so we will have some trucking expense associated with cleaning those sediment basins out. The good news is the sediment basins are working and it is keeping our lake from filling in. The bad news is it costs money to get them emptied out every other year. We bring in a landscaper who cleans up after we get done so that the green space around the sediment basins looks good for the homeowner's association.

We are reviewing bids for aquatic weed control now. We will outsource spraying the lake. We have had successful treatment with a product called Procellacor that genetically attacks the milfoil that used to grow in our lake and makes it go away. Now we need to find a vendor that can do that every 3 years to keep the lake clean and nice.

Andrew Clinton does fish stocking in the fall. He works with Herman Bros out of Peoria. They bring in sport fish. They have 10-year averages for what we did in prior years. We use Nate Herman's expertise along with the documentation we have put together over the last decade.

Discussion regarding draw-down of the lake

Environmental Control Committee - Chair Tim Weir

No Report

Advisory Finance Committee - Chair Bonnie Lemke

No Report

Social Committee - Reported by: Chair Tawnya Mountjoy. .

I grew up at Heritage Lake and just moved back a couple years ago. I reached out to Patty and wanted to get involved in the Social Committee. I started working with Secretary Patty Parmele last fall and have been trying to pull some events together for groups of all ages.

Scheduled Events for 2022

- Easter Egg Hunt April 3 (Rain Date April 10)
- Spring Garage Sale – May 6 & 7 (Pending Volunteer to head up)
- Fall Garage Sale – September 9-10
- Halloween Party – October 29
- Christmas Event –Early December

The committee also started to meet once a month to get move events on the calendar. Some other ideas may include:

Tennis
Pickle ball
Disc golf lessons
Adult swim
Teen Nights
HLA 5K
Fishing Tournaments
Arts & Craft Events
Paint Nights

The committee is looking at other general events such as meeting your neighbors, member picnic, movie nights, coffee at the lodge, maybe even a summer concert. We are open for ideas and will continue to meet monthly. Meetings will be posted online, if you are interested in helping

Road Committee/SSA – Reported by President Reed
See presentation attached to these minutes

Discussion of recent Real Estate Tax Sales and recent HLA lot purchases from Tazewell County Trustees. County technically owns those lots, which they try to sell. Several lots were sold by the County unbeknownst to HLA. We are working with Tazewell County to identify the new member information; most are not local owners. We are sending letters and invoices to each of the new owners.

NEW BUSINESS

CCE&R Fence Amendment:

ECC Chair Tim Weir clarified some issues of what the ECC was enforcing and what is stated CCE&R's. In the CCE&R's it states there are no fences allowed but in the building permits it states that the ECC has variances for fences. Since we have been granting variances, we should take the language out that they are no longer allowed. I would like to change Section 2(c) Fences of the CCE&R's:

Motion by ECC Chair Tim Weir to change CCE&R's Section 2(c) to the following:

- c. Fences: In order to preserve the natural beauty and aesthetic appearance of the existing geographic areas within the development, only black vinyl coated chain link fencing shall be permitted. The ECC shall determine the size, location, and height of the fence.

Discussion regarding ECC's recommendation of only black vinyl coated fences requirement.

Motion to Amend the ECC's Motion of Section 2(c) of the CCE&R's to:

- c. Fences: In order to preserve the natural beauty and aesthetic appearance of the existing geographic areas within the development, from and after this date of this amendment, only visually non-obstructive fencing shall be permitted. The Environmental Control Committee shall determine the size, location, height and composition of the fence or other enclosure.

Motion by: President Reed

Seconded by: Vice President Stalzer

34 Lots in favor

4 Lots opposed

Proxies - 7-0

Motion for the Amendment passes as presented above.

Motion to change the CCE&Rs to the amended Motion above.

Motion by: ECC Chair Weir

Seconded by: Director Stickrod

34 Lots in favor

0 Lots opposed

Proxies - 7-0

Motion passes to amend the CCE&R's per the statement above.

CCE&R Fence Setback Requirement:

Motion to add the following requirement in Section 2(c)(i) of the CCE&R's:

- i. Fence Setbacks: Fences must be no closer to any lot line than 10' without a current survey or clear definition of said lot line by a licensed Illinois Surveyor or equivalent.

Motion by: ECC Chair Weir

Seconded by: Director Stickrod

Lengthy discussion on the motion and the 10' requirement.

Motion to Amend the ECC's Motion of Section 2(c)(i) of the CCE&R's:

- ii. Fence Setbacks: All fence permits must require a survey by a licensed Illinois Surveyor.

Motion by: ECC Chair Weir

Seconded by: Director Stickrod

19 Lots in favor
22 Lots opposed
Proxies - 1-6

Amended motion failed. Original motion was withdrawn.

CCE&R Drawing Scale Amendment:

Motion to change drawing scale requirement in Section 5(a) to (change is in bold and underlined):

- a. Generally. No dwelling, building structure or improvement of any type or kind may be constructed or placed on any lot in the Development without the prior written approval of the Environmental Control Committee. Such approval shall be obtained only after written application has been made to said Committee by the owner of the lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and shall be accompanied by two (2) complete sets of plans and specifications for any such proposed construction or improvement. Such plans shall include plot plans showing the location of all improvements existing upon said lot and the location of the improvement proposed to be constructed or placed upon said lot each properly and clearly designated. Such plans and specifications shall set forth the color and composition of all exterior materials proposed to be used and any proposed landscaping, together with any other material or information materials which said Committee may require. All plans, drawings, etc. required to be submitted to said Committee shall be drawn to a scale of **1 inch = 10 feet**, or to such other scale as the Committee may require. There shall also be submitted, where applicable, the permits or reports required under Section 4 of these restrictions. All such plot plans shall be prepared by either a registered land surveyor or engineer or architect.

Motion by: ECC Chair Weir

Seconded by: President Reed

43 Lots in favor
0 Lots opposed
Proxies - 7-0

Motion carries as presented.

CCE&R ECC Composition Amendment:

Motion to change CCE&R's Section 5(c), to (change is in bold and underlined):

- c. Composition of Committee. The Committee shall be composed **no less than three (3)** members who shall be appointed by the Heritage Lake Association Board, and who shall be subject to removal by the Heritage Lake Association Board of Directors at any time.

Any vacancies from time to time existing shall be filled by appointment of the Heritage Lake Board of Directors.

Motion by: President Reed

Seconded by: Member Hardy

43 Lots in favor

0 Lots opposed

Proxies - 7-0

Motion carries as presented

CCE&R Solar Energy Amendment:

Motion to add to the CCE&R's Section 2(i)

SOLAR ENERGY. The following restrictions shall apply to the use of solar collectors, solar storage mechanisms, and solar energy systems:

- a. Each lot owner shall not permit solar collectors, solar storage mechanisms or solar energy systems to fall into disrepair or to become safety hazards.
- b. Each lot owner shall be responsible, at their own costs, for all maintenance and repair of solar collectors, solar storage mechanisms and solar energy systems and any damage, maintenance, repairs, or replacement to the home as a result of the installation of solar collectors, solar storage mechanisms and/or solar energy systems.
- c. Each lot owner shall be responsible, at their own costs, for repairing or replacement of solar collectors, solar storage mechanisms and solar energy systems must match or closely match the existing roof color. No white or clear glazing of panels shall be permitted.
- d. Solar collectors, solar storage mechanisms and solar energy systems shall meet applicable standards and requirements imposed by state and local permitting authorities and shall be certified by the Solar Rating Certification Corporation (SRCC) or other nationally recognized certification agency. No homemade or non-commercially produced collectors, mechanisms or systems may be installed. Owners shall be responsible, at their own cost, for any and all applications and permits required by the state, county, or municipality.
- e. Solar collectors shall only be installed on the roofs of houses and should be, upon installation, completely contained within the vertical plane of the exterior wall line of the house. Under no circumstances, unless otherwise approved by the Heritage Lake Association Board of Directors, shall any solar collectors, solar storage mechanisms or solar energy systems extend beyond the bounds of the Owner's roof.

- f. Solar collectors may cover, but shall not exceed, fifty (50%) percent of the house's roof, unless such limitation hinders the effectiveness of the solar collector. The Heritage Lake Association Board of Directors encourages owners to install solar collector systems on the rear facing roof of the house, for aesthetic purposes.
- g. Solar collectors, solar storage mechanisms and solar energy systems, whenever possible, should be installed on the existing plane of roof material, should match the slope of the existing plane of the roof and be flush mounted with the existing plane of the roof.
- h. Solar collectors, solar storage mechanisms and solar energy systems installed on roofs must be firmly affixed to the roof surface.
- i. All of these provisions will be in effect, to the extent not in conflict with state law.

Motion by: ECC Chair Weir Seconded by: Director Stickrod

Discussion of solar energy and Illinois State law passed around August 2021 restricting what homeowner's associations can restrict in regard to solar systems. Concerns that some of what is here could not work well with state law. Recommendation that we get a legal review.

40 Lots in favor
2 Lots opposed
Proxies - 7-0

Motion carries as presented

MEMBERSHIP QUESTIONS - none presented

Motion to adjourn by: Member Flynn

Seconded by: Member Derr

Meeting adjourned – 11:05am

ANNUAL MEETING EXECUTIVE



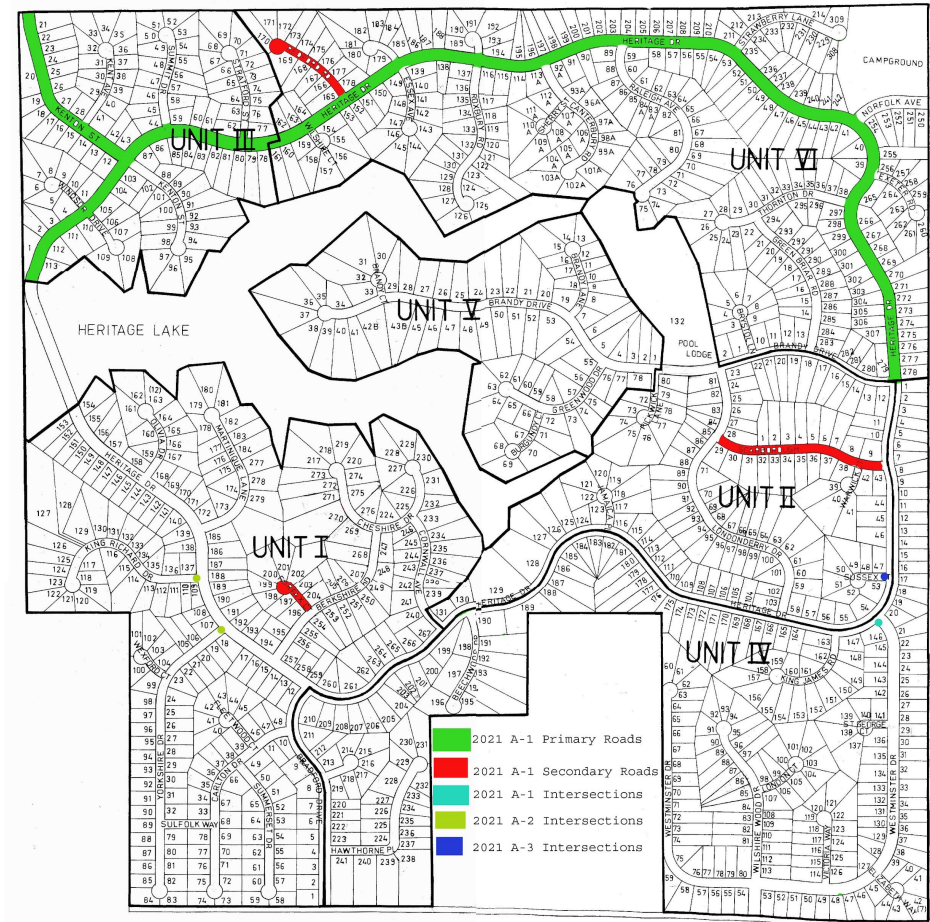
Heritage Lake Association Annual Meeting

March 19, 2022

2021 Projects



- Maintenance Spray Patch
- Maintenance Seal Coat
 - Heritage Dr
 - Kenton
 - Fairfax
 - Redford
 - Scarborough
- King James Drainage





SSA Tax Levy

- HLA submitted a list of property ID numbers
 - This was approved by the SSA commission in Jan 2022
 - Members should only receive one SSA tax even if multiple lots are owned
 - **It's critical to keep the HLA office informed of any ownership changes or combination of lots, especially if the sale of a lot creates or removes a member**
- Tax levy of \$425,000 was passed by the commission in Aug 2021
- Heritage Lake has 605 members
- 2021 tax levy per member = \$702.48
 - Balance will be split like other taxes - half June, half September
 - This will be on the 2021 property tax statement that is due in 2022

2022 Projects



- Maintenance Spray Patch
- Repair at Heritage and Kenton intersection
- Lodge parking lot renovations
- Future communications will be posted on the HLA website

Preliminary 2023 Projects



- Maintenance Spray Patch
- Maintenance Seal Coat
 - Mainly primary roads
- Culvert lining and replacement

Winter Weight Limits



- From Jan 1 to Apr 15, max Gross Combined Weight (GCW) allowed is 6 tons (12,000 lbs)
 - Township roads have similar restrictions
 - This affects semi loads, large delivery trucks, and dumpsters
 - Limits are in place to reduce road damage when they are most susceptible - typically during daily freezing and thawing, and when the base is wet in the spring
 - Exceptions were posted on the HLA website
-



Future Maintenance Plans

- Resurfacing schedule
 - Main roads: 5 year rotation
 - Secondary connecting roads: 7 years
 - Other secondary roads: 9 years
- Spray patching and crack filling will be performed as needed
- Culverts and ditches will be lined/cleaned as needed
- Members will be charged to clean out any ditches that are intentionally filled in



Reminders

- Weight limits are still in effect
- Clean out leaves and debris from ditches, ravines, and driveway culverts
- Use caution during construction projects
 - loading, unloading, running equipment



BACKUP

FAQ



- Will Tazewell County maintain and/or own the roads?
 - HLA Roads remain private, the SSA is only a funding mechanism. The county will not be maintaining the roads. They are only responsible for: oversight of road plans and approvals SSA fund allocations. SSA funds must be used according to state law and county ordinances.
- Will the SSA fund repair/maintenance costs?
 - The SSA will fund most repair and maintenance costs. There are small expenses such as cold patch, minor ditch repairs, etc, that are much more cost effective if performed by the HLA maintenance staff. Assuming successful reconstruction, pot holes will be few and far between.
- Can the county increase the SSA tax above \$715/year/member?
 - The Development Agreement, SSA Ordinance, and the Bond documents state that the per member tax will not exceed the \$715.00 limit per member per year or a total tax levy of \$438,295 for all members ($\$715 * 613$ members). Ordinances: E-17-111 & E-17-123
 - In the case that the tax levy collected does not satisfy the debt service to retire the bonds, there are provisions that allow the county to raise additional taxes to satisfy the debt service.

FAQ



- Can the SSA bonds be purchased on the open market?
 - The SSA loan was offered to several area banks, **not** on the open market. Morton Community bank loaned the money for this project. The SSA is actually structured closer to a construction loan, where funds are available, but aren't withdrawn until they're needed.
- Who oversees and manages the operation of the SSA, submits appropriations, and tax levy ordinances for the SSA?
 - The 6 member SSA commission which is made up of 3 members from the county and 3 appointed by the HLA board.
- Will the HLA annual road fund fee be in place in 2018 and beyond?
 - The 2016 SSA motion at the annual meeting set the annual road fund fee at \$0 once the SSA is in place. The SSA is now in place, the road committee does not have plans to increase the yearly road fund beyond \$0.
 - Remaining funds in the road fund account will stay in place to be used for small maintenance jobs.

FAQ



- How is the tax levy split to pay for the bond and maintenance expenses?
 - Per the SSA ordinance (E-17-108, Section 10), the total tax levy is first used to satisfy the principal and interest of the bond, then \$1000 per year of county administrative fees. Any remaining funds are then transferred to the maintenance reserve account.
 - Any underpayment in the tax levy will result in underfunding of the maintenance reserve account. There is a provision to use the maintenance reserve account if there are any deficiencies in payment of the principal and interest of the bond. Analyses have been completed to show that there's a low probability of this occurring.
 - These accounts will be monitored by Tazewell County and the SSA commission. The HLA board of directors and membership will be notified if any problems arise in regards to bond payment and/or future maintenance obligations.

SSA Tax Levy, Cont'd

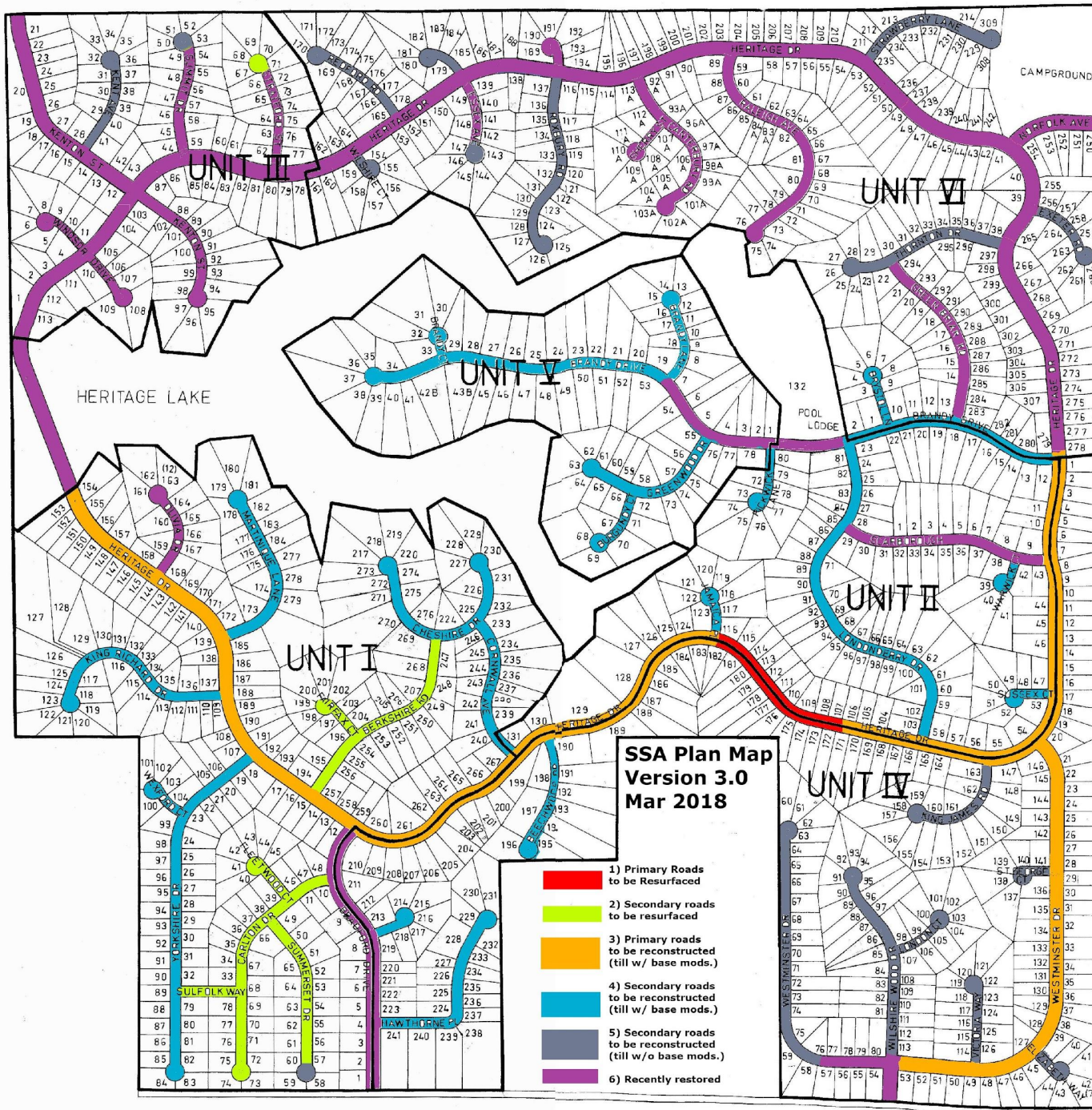


- Levy per member increased because of the reduction in the number of members
- Tax levy is the same between 2020 and 2021 tax years
 - Tax levy is determined in Aug, approved in Sept/Oct
 - County fiscal year is Dec to Nov
- Tax levy will fluctuate year over year, based on number of members and actual expenses and revenues

SSA Commission



- Tazewell County formed a commission:
 - Oversee and manage the operation of the SSA
 - Annually submit appropriation and tax levy ordinance for the SSA
- Public meetings several times a year
- Current Members:
 - Vacant as of Feb 2022, County Administrator, Chair
 - Greg Menold, County Transportation Committee Chair
 - Dan Parr (Mar 2022), County Engineer
 - Brad Reed, HLA Rep
 - Jim Flynn, HLA Rep
 - Bonnie Lemke, HLA Rep





2016 Road Fund Motion

The Reserve Road Fund Assessment shall remain in effect at \$500 through 2016. If the County Tax billing cycle begins levying the SSA Tax to Heritage Lake Association members, the Reserve Road Fund will go to \$0. If the SSA is disapproved, the Reserve Road Fund will return to \$123.58 adjusted for the CPI. Budget priority for the Reserve Road Fund shall be given to fund costs associated with creation of the SSA as well as maintenance deemed necessary to preserve road integrity before SSA funding and emergency repairs of the roads.



2017 Road Fund Proposal

A Reserve Road Fund Assessment of \$500.00 shall be assessed to all members in 2017. The assessment will apply one time to each individual member regardless of the number of lots owned. Budget priority for the Reserve Road Fund shall be given to pay for costs associated with resurfacing roads, creation of the SSA, and reconstruction of ditches and culverts in advance of road improvements planned under the SSA. This billing will be due on July 1, 2017.

