

2019 Annual Meeting  
Heritage Lake Association  
March 23, 2019

Roll Call: March 23, 2019 9:04 AM

Present: President Coan  
Vice President Bob Pirtle  
Treasurer Barb Waldorf  
Secretary Barb Nafziger  
Director Brad Reed  
Director Rebecca Robards  
Director Shawn Cassatt

Absent: None

**Reports:**

**HLA Accounting:** Michelle R. Streit, CPA reporting – Brent Heinold, CPA

Cash in bank at year end (all funds) \$1,365,164 vs. \$643,702 at 12/31/17 \$721,462 increase (includes approx. \$600,000 settlement from Ameren for road damage received in August 2018. Increase without Ameren settlement is \$122,078). Subsequent to year end over \$800,000 was moved to CD's with varying maturity dates to increase return on the funds and to secure it.

Total assets are \$1,796,303, \$678,428 more than last year.

No debt outstanding at the end of 2018 or 2017.

Net operating income for 2018 of \$683,386 – 2017 had loss of \$(33,799) – swing of \$717,185 (again approx. \$600,000 due to settlement from Ameren).

Assessments billed for 2018 (total of General and Lake) \$301,470 – compared to \$607,893 2017, \$614,582 in 2016. Decreases due to Road fund assessment now being included on R/E tax bills and not assessed by association.

Operating expenses for 2018 were \$191,100 compared to \$672,511 for 2017 - \$481,411 decrease. \$340,000 decrease in Road Fund expenses and recovery of expenses from Ameren were the biggest source of the decrease. Also approx. \$30,000 decrease in legal fees associated with SSA and Ameren settlement.

Operating expenses included \$36,571 of depreciation (non cash expense) \$41,287 in 2017.

Operating expense breakdown:

General and admin \$66,036 (\$180,473 last year)

Property owner services \$12,577 (\$11,838 last year)

Conservation \$15,650 (\$23,668 last year)  
Campgrounds \$2,516 (\$1,749 last year)  
Beach \$4,137 (\$8,221 last year)  
Maint & repairs \$70,004 (\$403,139 last year)  
Lodge and pool \$20,180 (\$43,423 last year)

Questions: None.

**Heritage Lake Attorney Brian D. Mooty:**

Attorney Mooty was introduced and he asked for any questions from the floor.

Questions: None.

**Teller Committee –**

A total of 157 proxies were granted to the Board.  
A total of 54 proxies were marked As Abstained.  
76 lots were represented by members in attendance.  
Total votes at the Annual Meeting were 287.  
184 votes constituted a quorum.

Brad Reed was elected with a vote total of 175.  
Rebecca Robards was elected with a vote total of 153.  
Tom Keith was elected as a write-in candidate with a vote total of 34.

Rodney Stickrod was a write-in candidate with a total of 8 votes.  
Bonnie Lemke was a write-in candidate with a total of 2 votes.  
Jeff Barrick was a write-in candidate with a total of 2 votes.  
Tim Weir was a write-in candidate with 1 vote.  
Bryce Thompson was a write-in candidate with 1 vote.

The 2019 Teller Committee was Marvin Theobald, Mary Pirtle, Bonnie Lemke and Barb Nafziger.

**Committee Reports:**

**Environmental Control Committee** – Chairman Stokes reporting.

- Permits have been updated and have been approved by the Board. They will be posted on the HLA website.
- New house construction will begin at 657 Heritage Drive when the roads are no longer posted.
- A reputable septic service is Heilman Septic Service, Washington, IL (309) 657-4980. The information will also be available at the HLA office.
- Please limit use of liquid bleach.
- Please also limit the amount of toilet paper used. Cottonelle brand is recommended for use.
- The community burn pile is now at the Sandy Beach area and no longer at the boat parking lot.
- Other septic system suggestions are: do not put coffee grounds, cat litter, hair combings, paper towels, sanitary napkins, cigarette butts, or prophylactics into the system.

Comment from the floor: Member Mark Joy suggested putting two cans of stale beer into the toilet every two weeks. Chair Stokes replied that most septic companies do not recommend the use of any additives.

Some tree roots are causing obstructions. It is best to have the roots dug up. Chemicals to dissolve or kill roots are not recommended because the chemicals will seep into the system.

Risers can be added to aid in digging/cleaning.

**Advisory Finance Committee** - Chair Bonnie Lemke reporting.

- The finance committee is comprised of the Board President, the Board Treasurer, Member Jim Flynn, Member Pat Kennedy and Committee Chair Bonnie Lemke.
- They meet the second Monday of each month to review any outstanding financial issues for the Association. This includes reviewing and approving the financial statement each month, any large purchases over \$2,000 and account reconciliations.
- In 2018 there were no large capital expenditures made by the Association.
- The cash balance was reviewed and recommendations were made on how to secure the cash at local banks while drawing interest for the Association.
- Requests were made of the respective committees to develop a 5 – 10 year capital needs plan.
- Some of the projected needs include work to improve the Lodge parking lot, painting of the Lodge, modernization of the electrical system at the Lodge, kitchen update, pool maintenance, and work on the dam.
- The Finance Committee will complete a report on the long-term capital need requests and the Board will make recommendations.
- The Finance Committee will make sure that HLA is getting three cost quotes and the most competitive bid.
- If you wish to be a Finance Committee member, please contact the office or Chair Lemke.

**Road Update** - Director Reed reporting.

- \*Please see the HLA website for the PowerPoint presentation given at the Annual Meeting.
- The SSA that was passed in 2016 came into effect in 2018.
- Approximately ½ of the roads had reconstruction or resurfacing.
- Ditch and culvert work was performed.
- Thanks to the Street Representatives who communicated to their neighbors and beyond, the work in progress.
- Total funds spent were approximately \$2.87 million. The SSA in total (what could be spent) was \$4.3 million so we were under-budget.
- There will be some carry-over work to do this year.
- Taxes are per member and not per lot.
- 97% of the tax was collected, leaving 3% or 19 members who failed to pay their tax. There are currently 625 members.
- In 2019, the tax will be \$701.27.
- The interest payment and the principal payment will be lower. The tax levy should also be lower.
- 2019 projects will be on Roxbury and Martinique.
- Any issues that arose during the winter will be addressed.
- Lodge and beach parking lot repair planning will start in 2019.
- Information with regard to any further road work will be posted on the website.
- Homeowners effected will receive a letter.

- Winter and Spring weight limits are in effect until April 15<sup>th</sup>.
- If you have a home emergency where it is necessary for large equipment to enter your property, please contact the office. Variances will be written.
- Exceptions to the road weight limits will be posted on the website.
- Other than wrap-up work, there will be no major road maintenance work this summer. No seal coating will be done.
- Please keep your ditches free of leaves and debris. This will help alleviate over-flowing culverts.
- Homeowners are asked to be vigilant when doing work at their home involving equipment or trucks entering and leaving the property. Please watch near the edge of the road and ditches so as not to tear up the road with equipment.

**Social Committee** – Secretary Nafziger reporting.

- The Chili Cook-off, Easter Egg Hunt, garage sales, Poker Run, Rib Throw-down, Halloween Party and Christmas Party have all been successful endeavors for the Social Committee.
- Glen and Sandy Hoffmann deserve recognition for their work every February on the Chili Cook-off. This is always a popular and enjoyable event. This event is provided at no cost to Heritage Lake Association.
- In addition, acknowledgment and appreciation go to Rodney Stickrod for his time and effort on hosting the Rib Throw-down each October. This is also a well-liked and great event that is provided at no cost to the Association.
- Committee Chair Nicole Shake works each year to provide social activities for our community and she composes the HLA newsletter. She is recognized for her dedication.
- Donations of candy and baskets are needed for the upcoming Easter Egg Hunt. Please take any donations to the office.
- Volunteers are needed for the Social Committee. If you are able to give time to this worthy committee, please contact the office and Administrative Assistant Parmele will forward your information to Chair Shake.

**Conservation Committee** - Chair Kurt Lemke reporting.

- A PowerPoint presentation is given.
- The Conservation committee is responsible for care and upkeep of the lake, the dam, the spillway, the sediment basins and other areas.
- Jim Grant is introduced as a new committee member. He will oversee the silt basins.
- Greg Richman has been creating the committee informational posts that provide information about the condition of the lake and what homeowners can do to protect the lake.
- Committee members Bill Schaumburg, Dave Riggert, Rodney Stickrod, Tom Keith, Greg Richman and Marvin Theobald are acknowledged for their dedication
- Rodney Stickrod is recognized for receiving certification in herbicide application for the purpose of controlling lake weeds. His training will save the Association a significant amount of money by alleviating the need to hire a professional service. Committee member James Grant will assist Member Stickrod with lake weed control. Milfoil continues to provide a challenge.
- Dave Riggert examines long range needs such as dredging, the need for another sediment basin and how to budget for the needs.

- Kevin Robards, Tom Keith and Marvin Theobald and have been studying the issue of how best to address the IDNR request for installing a secondary spillway to accommodate a larger pipe to handle the discharge of water in the event of a 100-year rain event. The recommendation is to seek the service of professional engineers to determine the best course of action.
- Engineer Keith Plavec from the firm of Maurer-Stutz, is working on plans for the Association.
- A second set of plans is being developed to determine what the solution for the amount of water that our dam can discharge is and the cost to carry out the plan.
- Chair Lemke estimates that this project may be 10 – 15 years in the future.
- The existing drain tube must be relined. A fiberglass bag and ultraviolet light process is thought to be the best solution to reline the tube. This process could give HLA another 25-30 years of use for the existing drain pipe.
- The IDNR is requiring a commitment and plans from the Board to increase capacity to discharge water.
- The Board will be given one set of plans this summer and if permission is given, then plans for a second option will proceed.

Member Robards reporting: 15 years ago HLA and the IDNR had discussions about relining the dam tube. At that time the State spoke of a lack of compliance on the part of HLA to the standards at that time with regard to a secondary spillway. This issue has remained through the years throughout the different IDNR administrations. The issue is being studied through an engineering prospective and Keith Plavec engineer agrees we are not in compliance. The possible effects of a flood on the dam have been researched. The State insists on compliance from Heritage Lake and there is litigation pending for other lake associations in Illinois who are not in compliance. The State has given HLA 20 years to comply with the current dam standards. The drain tube needs to be relined ASAP. HLA needs to issue acknowledgement to the IDNR stating that we are working for compliance and a permit will then be issued to proceed with the relining drain tube project.

Member Theobald speaking: He believes that, according to the computations from the engineer, we are not far off from meeting the State's requirements in terms of the amount of discharge we have capability for and capacity. He also believes there is potential for getting the State to accept the dam with minimal modifications. The engineering proposals are major changes to meet the requirements. He hopes the State would work a compromise without major modification. He would like to see the engineer and the committee discuss this with the State and see if it is possible to avoid major modifications.

Member Kennedy question: During a 100-year event, at what level would the Mackinaw River be?

Member Theobald answer : The river would not impact our dam in a 100 year event.

Chair Lemke continues:

- James Grant will oversee the sediment basins. They are cleaned on an annual or biannual basis.
- Sandy Beach was cleaned during the winter.
- James will also be receiving a certificate to apply chemicals to the lake for lake weed control.

Question from Member McGrew: when do you plan to dredge the sediment basin at the end of Raleigh Drive?

Answer from Chair Lemke: Jeff Miller will proceed when he is able to get his equipment into the area. The clean out will involve spreading of the dredged dirt, seeding of the area and straw application.

Member McGrew: What is that going to do to our neighbor's septic system?

Chair Lemke: I will be happy to have that discussion with you.

Committee Member Stickrod reporting: Aquatic weed control

- Last summer was particularly bad for weeds due to temperature ranges
- The lake draw down is part of the control process. The more extreme cold temperature that the weeds are exposed to helps to prevent growth.
- Measurements and notes are being taken to document the effectiveness of different types of measures for control.
- Less liquid herbicides and more pellets are being used.
- Milfoil continues to be the biggest problem. Control is the issue; nothing kills it.
- 30 tons of new sand has been dumped on the ice at swim beach area. This will help control milfoil growth.
- Procellacore is a new weed-seeking herbicide. It is safe for swimming and fishing and provides 3-year weed control. A company is going to treat the Sandy Beach area, the north cove area and the swim beach. The areas will be monitored for results.
- Research is being done via the University of Illinois Extension for ideas on other types of plants to introduce to the lake. The plants will be listed on the website.
- Members can also plant plants along the shoreline or in a stream bed behind their house, if appropriate. This will help absorb nitrogen before it enters the lake.
- Native plants are encouraged.

Question from Treasurer Waldorf: Could U of I give a bulk/group sale rate for members to purchase plants? Pre-order/pre-pay?

Member Stickrod will inquire if that type of program is offered through U of I Extension.

Member Kennedy: Does use of lawn fertilizer by property owners cause a problem?

Answer: There does not seem to be much lawn fertilizer used by members. If a member does use lawn fertilizer, please pay attention to run-off and predicted rain.

Fish Stocking Report:

- Use of historical data from the past 15 years is used for the stocking program.
- Fish stocking is done in October or November.

Committee Member Riggert - presenter

- Long range planning and budgeting continues.
- Projects are prioritized. Some are very costly.
- Short term vs Long term budgets are reviewed.
- Future projects:
- Sediment basin maintenance. The sediment basins work very well but are costly to clean out.
- 3<sup>rd</sup> siltation area is considered.
- Fish stocking.
- Dam Maintenance.
- Aquatic plant maintenance.
- Lake dredging excavation.
- Lake fund equals \$66 per year or \$40,000 total per year. Committee spending equals approximately 25 – 30K a year for established needs. This allows for a savings of only about 10K per year to go toward the large projects.
- Budgeting remains a priority.

Question from the floor:

How is the Ameren settlement going to be spent?

Answer from Director Reed: No decision has been made by the Board on how the Ameren settlement money will be spent. Many options will be considered.

Attending monthly board meetings are a good way to keep informed.

### **New Business –**

Treasurer Waldorf ask the membership to please keep the HLA office updated with current contact information in the event of an emergency with a member's home (such as a water leak or a downed power line). The phone numbers are not shared or published.

Director Reed reminds members that if a house or lot is sold, if lots have been combined or if your house is being rented, please inform the HLA office.

Question from Member Burns: The pool closed early last year and there were problems with it. Will \$10 off of a family pass be honored this year?

Director Reed answers: At this time, I do not know what is wrong with the pool. E.C.C. Committee Chair Stokes and I are going to work very hard to figure out the problem. Contacts have been made with other professional pool managers and we will work on this. No guarantees can be made at this time. Some issues may be beyond our control. If you had a pool pass in 2018, a \$10 discount will be applied to 2019 pool passes.

Vice-President Bob Pirtle: Presentation of Heritage Lake Hero Awards

Member Tim Weir is recognized for his initiative in getting communication re-started with Ameren after a stall in negotiations and helping to receive a fair settlement for HLA.

Director Brad Reed is recognized for his extreme dedication and commitment to overseeing the road reconstruction project. The project finished under budget and on time and the outcome was influenced by his efforts.

**Adjournment** - Member Flynn moves to adjourn the Annual Meeting.

Seconded by: Member Stickrod. Motion passes by majority. Meeting adjourned at 10:21 AM



# Heritage Lake Association Annual Meeting

*March 23, 2019*

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# 2018 Projects



- Roads/Ditches/Culverts: Significant reconstruction throughout Heritage Lake
  - Big Thank You to the HLA Street Reps for communication efforts
    - Glen Hoffmann
    - Jenni Campbell
    - Jim Flynn
    - Lori Carlson
-

# Budget Allocations



	2016	2017	2018	2019
Ditch/Culvert	\$ 26,822	\$ 141,503	\$ 283,272	\$ 25,000
Culvert Lining	\$ -	\$ 21,172	\$ 59,454	\$ -
Spray Patch	\$ 11,215	\$ 12,407	\$ 724	\$ -
Seal Coat	\$ 162,625	\$ 91,276	\$ -	\$ -
Design Engineering	\$ 26,684	\$ 79,400	\$ 93,153	\$ 8,000
Inspection Engineering	\$ -	\$ 33,745	\$ 131,657	\$ 19,450
Reconstruction	\$ -	\$ -	\$ 2,123,631	\$ 10,000
Maintenance	\$ 8,524	\$ 10,110	\$ 1,501	\$ 1,791
SSA Admin/Legal Expenses	\$ -	\$ 120,366	\$ 1,111	\$ 1,000
Yearly Total	\$ 235,870	\$ 509,979	\$ 2,694,503	\$ 65,241
<i>Estimated</i>				
SSA Bond Funds Allocated	\$ 2,874,594	97% of the Tax Levy was collected  19 members delinquent		
SSA Maintenance Funds Allocated	\$ 1,791			
HLA Road Funds Allocated	\$ 629,208			
HLA Road Fund Balance	\$ 126,688			
2016 to Present Allocations	\$ 3,503,802			

*Does not include interest or yearly bond admin fees*

# SSA Tax Levy



- HLA submitted a list of property ID numbers
  - This was approved by the SSA commission in Jan 2019
  - 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 \$438,295 was passed by the commission in Sept 2018
- Heritage Lake has 625 members
- 2018 tax levy per member = \$701.27
  - Balance will be split like other taxes - half June, half September
  - This will be on the 2018 property tax statement that is due in 2019

# 2019 Projects



- Engineering planning is underway for 2019 ditch projects
    - Primarily on Roxbury and Martinique (culdesac)
  - Planning is underway to complete remaining road work and repair any deficiencies
  - Planning for parking lot renovations
  - Future communications will be posted on the HLA website
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# 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
- Some exceptions will be 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
- Planning will start in 2019 for maintenance beyond 20 years
- 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
    - Fines have already been imposed for road damage
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# BACKUP

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# 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.
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# SSA Tax Levy, Cont'd



- Levy per member increased because of the reduction in the number of members
  - Tax levy was kept the same between 2017 and 2018 tax years
    - Tax levy is determined in Jul and Aug, approved in Sept/Oct
      - County fiscal year is Dec to Nov
    - Evaluated reduction, but bond principal and interest could not be modified from SSA ordinance until the project is complete and the bond is closed
    - Bond was closed in Dec 2018, principle and interest recalculation in process
  - Tax levy will fluctuate year over year, based on number of members and actual expenses and revenues
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# SSA Commission

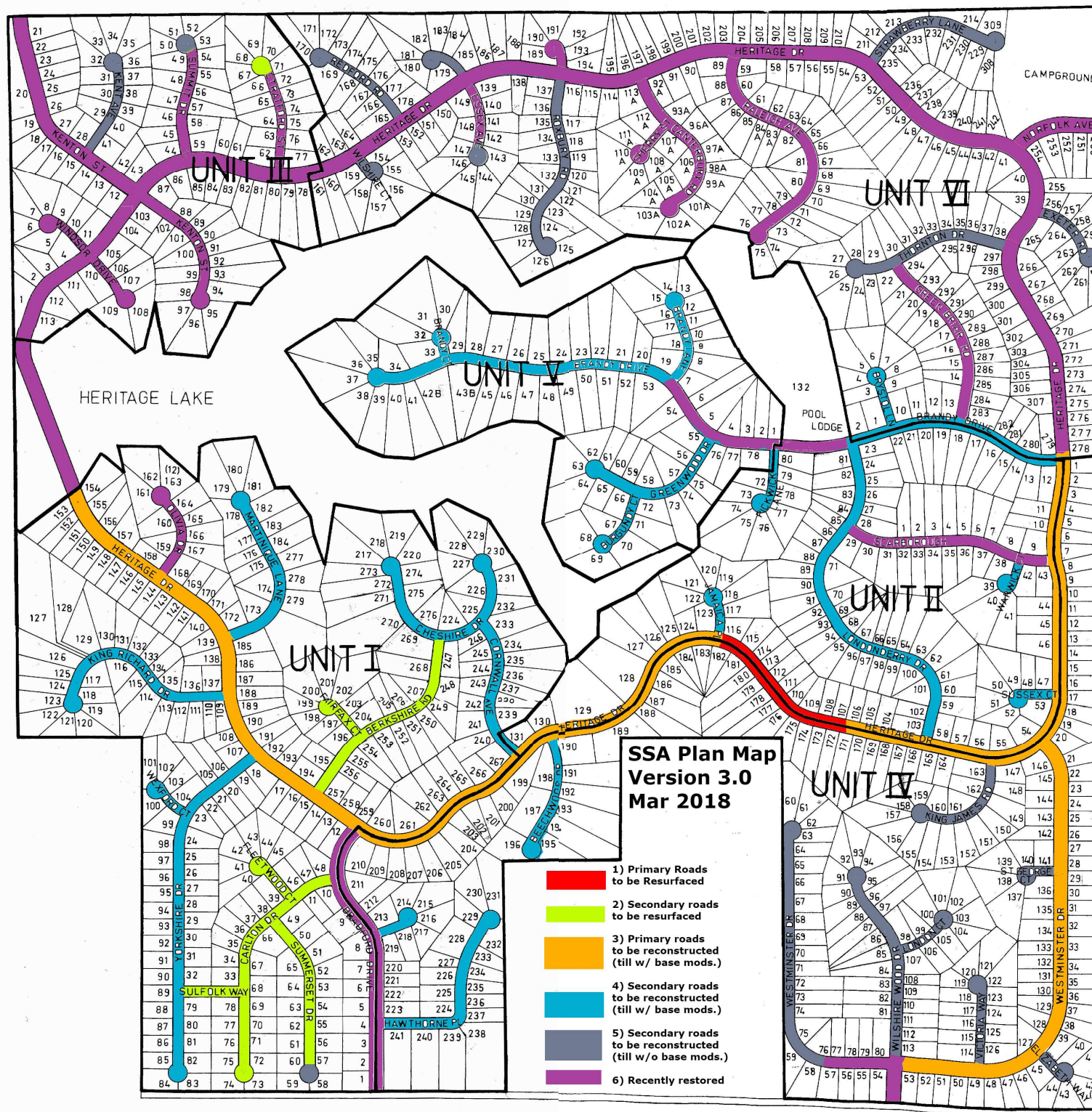


- Tazewell County formed a commission:
  - Oversee and manage the operation of the SSA
  - Annually submit appropriation and tax levy ordinance for the SSA
- Public meetings several times a year
- Current Members:
  - Wendy Ferrill, County Administrator, Chair
  - Greg Menold, County Transportation Committee Chair
  - Craig Fink, County Engineer
  - Brad Reed, HLA Rep
  - Jim Flynn, HLA Rep
  - Tim Coan, HLA Rep

Heritage Lake

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# 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.

