

Board meeting held at 7pm in Heathlake Clubhouse, Jan 26, 2023.

Board members present:

Don

Bruce

Evelyn

Gerrit

Board Members absent:

Bryant Banes - Bryant gave his proxy to Evelyn via email beforehand

Meeting was called to order at 7pm

## **II. Board Roles:**

Gerrit nominated Evelyn to chair the board, Bruce 2nded. motion was passed unanimously  
Bruce nominated and Gerrit seconded Evelyn as president, motion passed unanimously  
Evelyn nominated and Don seconded Gerrit as Secretary, motion passed unanimously  
Evelyn nominated and Don seconded Bruce as treasurer, motion passed unanimously  
Evelyn nominated and Bruce seconded Bryant as VP, motion passed unanimously  
Evelyn nominated and Gerrit seconded Don as director, motion passed unanimously

It was confirmed that Bryant's proxy agreed with the above

## **III. Review and vote to approve the previous minutes:**

No minutes were taken for Oct 28 board meeting, so no minutes to approve. That meeting was where budget was approved, and was published on the website, but no minutes were taken.

## **IV. Agenda Changes/Approvals:**

No changes are proposed to the agenda. Agenda is approved unanimously

## **V. review 2022 year-end financials:**

Bruce presented a summary of 2022 year-end financials.

- All homeowners paid their assessments
- Need to account for misc clubhouse fees - minor changes
- Operating expenses are 43% above budgeted items. Primarily due to electric bills. Our electric provider is Constellation Energy. It appears that our contract is on spot basis, and rates went up significantly. Budgeted \$5400, cost was almost \$10,000. We will be looking at alternate providers
- Contract services variances - trash has a negative variance of \$14000 (we overspent) and recycle is \$5200 under budget. The large over/under is because the invoice comes

as one item and Graham allocates the total between those two items. Over the summer there were some adjustments to bills due to poor performance, and those adjustments were not allocated properly. We also paid Dec 2021 bill in Jan, so there's one month extra expense for 2022. If we add recycling and trash together and deduct the extra bill, the actual numbers are very close to the budgeted value. As part of the renegotiated trash contract that John Trahan did last year, we included penalties for poor performance.

- City reimburses us some money for having private trash. City payments are typically 3 months in arrears.
- Patrol service has large positive variance due to changing from constable to state patrol.
- For month of Dec, patrol service contract with constable was on automatic pay and we paid for service that wasn't rendered, and we finally received the money for refund in Dec.
- River forest reimbursements were in arrears and we have a positive variance due to updated payment from river forest.
- Landscaping replacement was overbudget by \$25,000 due to damage from freeze and drought.
- Overall financials show a positive operating income of \$11,000. If we normalize the numbers to account for timing variances, positive operating income is still about \$10,000.
- We have \$191,000 in reserves. This number has not changed appreciably in 5 years. Rule of thumb, about 25% of collections should go towards building reserves, which should be \$60,000, but we're only putting in \$10,000 per current budget.
- We have a roof problem that will likely cost about \$25,000, which is currently unbudgeted.

## **VI. Review Board Priorities for 2023.**

Disclaimer, this board has been in place for 3 weeks, so this is preliminary.

- The past 3 weeks have been primarily spent handing over from previous board members and catching up with the various committees and volunteers.
- Graham management recommends that every ~5 years, an independent entity review the condition of the neighborhood amenities vs the actual reserves, to see how much we SHOULD have in our reserves for expected expenses over the next 5 years, and to make sure that our dues and expenses are in line with expected values for other similar neighborhoods.
- There are a number of committee members that are looking to step back and step down, and we ask that anyone that is interested in serving on a committee, please let us know and we can help identify where your assistance might be most helpful.
- Of all the committees, the one we're most focused on is capital improvement. There has been a big push over the past 2 years to take a longer 5 year look at what ought to

happen with the clubhouse and the grounds per the bylaws, we are supposed to maintain the grounds to the same or better quality level than they were when we started. We want to do the right thing while being cost effective. We are looking at things that are truly broken that need to be fixed. What things might cause damage or safety issues if they are not fixed. After those priorities, what should be the second priority?

- We need to execute on the priorities - roof and fence have been talked about for a while now. It's time to start checking some of these off the list. Budget will be a factor, and we need to look whether we need to make changes to the budget accordingly.
- Last priority is working on centralization of data and documentation of processes. Rosie was mentioning a "board box" with historical data that none of the board knew about. Things are in people's heads, personal files, emails, etc. We are bringing all of that into a central cloud storage so that all info is stored in one place that all members can access it.
- Don and Bruce met with Sara on security and security company now has Don's contact. There is a question whether the security company should be coming 20 or 30 hours per week. Executed contract is 20 hours, but they have been coming 30 hours a week.
- We will be updating the website soon to list all the committees with the board liaison person for each committee.
- Looking at updating the member list and communication methods on the website so that more people receive the desired updates about the neighborhood.

## **VII. Schedule of board meetings.**

- Today, Jan 26
- March 22
- May 17
- TBD for 2nd half of year.

Evelyn moves that we adopt March and May dates. Bruce seconds and the motion passes.

## **IX. ACC nominations**

A policy was adopted last year that we will ask for nominations of ACC members annually. We will formally ask for nominations in Feb, and we will appoint members in March meeting.

Current ACC members are:

- Fred Graves
- James Healey
- Eric Nagel

We need to give 30 days notice for nominations, so nominations will be sent out before Feb 22.

The board needs to discuss philosophy regarding enforcement of deed restrictions. Enforcement and approval is very nuanced. The most important thing is to communicate with the homeowners before going to legal routes.

Fred pointed out that there are 3 currently on the ACC. There is nothing that specifically requires 3, Fred recommends 3, but could have more. Highly recommend that board interviews nominees, ACC is very important and we need high quality people.

#### **X. Homeowner nominated items**

No homeowner nominated items are on the agenda.

Bruce motions to adjourn meeting, Don seconds, official board meeting is adjourned

#### **XI. Homeowner open forum:**

Piero Puccini raised the following queries:

we are a nonprofit organization - we got approval today from IRS as nonprofit

Regarding ACC - important to clarify what is ACC and what is deed restriction - 2 totally different things. Enforcement in the past has been inconsistent.

Balance sheet - need to make sure that any information given to one homeowner must be provided to any homeowner. Bruce reinforced that any homeowner that would like info, he will gladly share it.

A resident asked:

Is graham responsible for deed restriction enforcement? Yes, they tour once or twice a month. If they see violations they put them on a report. Last year they were sending notices for everything. Last year's board reigned them in and board now approves those items before proceeding to a formal notice.

Was the board provided with 2019 asset evaluation report - template from another neighborhood? Asset life, amortization schedule. Board is not aware of this

Fred Graves said that board is, by law, responsible for enforcement of ACC and deed restrictions. We don't specifically need Graham to do this, and it is up to us to give Graham guidelines for how to enforce the deed restrictions.

The ACC by statute is empowered to approve construction. Deed restriction violations do not fall under the ACC. there was previously not sufficient direction given to Graham and they went overboard. That has now been discussed with Graham and things have calmed down.

The board had a zoom call with Graham about overall management issues. Graham manages 72 associations. Graham does varying scale of activities and we have less scope for Graham than most other neighborhoods.

Rosie Graves asked about Flock cameras. Don mentioned that Sara thinks we should have one more than we do. They are capturing license plates, pedestrians, etc. Nobody monitors the cameras 24/7, but if someone calls State Patrol they have the ability to go back and review. They scan license plates and generate automatic reports of which cars come and go.

A homeowner asked about celebratory fireworks during 4th of July, does state patrol have any increased patrol during those events? Since State Patrol is not law enforcement, there is no expectation that they would do this.

Karen Singer asked about static amount of reserve - is there an investment strategy for that money? A bunch of the money is invested CD earning 4%.

Candy raised issue of Country Village emptying their pool into her backyard. James Healey suggested that pool guys probably came and did the work without any thought. Likely that country village board was not aware of it until after the fact. Recommend that if anything was damaged, put together a list of what was done, and we can take it to Country village to ask for reimbursement before country village has paid their pool company off. Homeowner went over when the water was being drained and nobody was over there to stop it. The only legal way to drain a pool is into the sewer, not into the storm drains.

Board will try to get better contact with the Country Village board to help prevent future recurrences of similar issues.

No additional questions, the meeting was adjourned at 8:00pm.