

**Regular Heather Lake HOA Meeting Minutes**  
**Smith Residence 1800 E Glenhurst Dr NW**  
**January 23, 2019**  
**Meeting called: 6:09 p.m.**

**Members present:** E. Jones, G. Ware, R. Ware, M. Smith, C. Gates, T. Nutini

**Previous Email Approvals:** Minutes for November 14, 2018

**Approved Architectural Review Board Applications:** N/A

**Meeting Minutes:**

**1. Eric**

- Eric asked Mike to explain where \$6,310 (Estimated) for the Drainage Project (listed on Treasure Summary Item # 4) was coming from in 2019. Mike explained that as treasurer, he ensures the budget operating revenues and expenditures are balanced. As a non-profit, we do not want to be collecting more than we plan to spend. To make sure we have funds for operating expenses (e.g. mowing, lake maintenance, etc), we classify the expense as capital improvement and budget it from the reserve fund. If the HOA operating account is in a good cash position when the invoice is due, some of the funding for the completion of the drainage project may be able to come from operating/checking, however for budget planning, we need to target the reserve fund for the expense.

**2. Mike**

- Mike opened the meeting defining the process of budgeting according to Kaman and Cusimano.
- Mike explained that the drainage project from 2018 was not completed due to inclement weather as reported in the November meeting by Tim Theado. For that reason, the remainder of the project must be carried over to the 2019 Budget, and it is listed as a Capital Improvement so that it can be withdrawn from the Reserves if necessary.
- Mike explained that as a non-profit organization our budgeted expenses need to match our revenue (dues). Unspent funding for projects that must carry over from one year to the next like the drainage project can be placed in a Sink Fund in the future. Mike will do more research on Sink Funds.
- Mike noted that Kirkbride will begin charging an extra \$50 per mowing to include mowing the additional footage from the drainage project.
- Mike noted that Lake Doctors will increase \$9 for added cattail treatment, but he did not include an increase for muck digester because its effectiveness is in question. The Lake Doctors also provided a quote for cattail treatment that was added to the budget for Lake Maintenance per agreement by the board.
- Mike explained that the HOA website's hosting company, XO Communications, is transferring the service to Hospita on March 1, 2019. Mike and Don Hornbeck are evaluating WIX. Changing to WIX would save money, costing \$11 per month.
- Mike stated he feels confident about the current state of the Reserves. The fund was \$6,000 in 2013, and now has a balance of nearly \$28,000. Mike shared a table and graph of yearly fund growth.
- Mike stated that Capital Improvement projects (drainage, pathway repair) can come from the Reserves.
- Mike stated that the Reserve Target needs to be increased to at least \$35,000, based on the quotes Tom received for walking path repairs and improvements.
- Mike proposed to move Signs and Fencing Repair to fall under the Park Upkeep part of the Budget, and he recommended to plan for \$10,000 of Reserve funding to be budgeted toward Capital Improvements (path repair and drainage) to keep the operating portion of the budget balanced.
- Mike recommended that in the future the Board needs to have a Reserve study completed and needs to hire an engineer to give an estimate on dam and path repair.
- Mike made the motion to approve the 2019 Budget. All board members present voted in favor of the proposed budget. The detailed motion is included at the end of the minutes.

**3. Andy (Not Present)**

**4. Ginny/Robert**

- Ginny seconded Mike's motion to approve the 2019 Budget.
- Robert reviewed his research for new street signs. He stated that, thus far, six signs with posts would run about \$818 not including cement and labor.

**5. Carin**

- Carin reviewed the rough draft of the January 2019 Newsletter.

**6. Tom**

- Tom mentioned that several areas of the walking path are in need of repair.
- Tom obtained an estimated of \$35,000 to repair the path in its entirety.
- Tom asked the Board to consider how to proceed since the need for repair to the path is great at this time, and he recommend budgeting \$7500 to \$10,000 for repairs to the worst areas.
- Tom, Robert and Mike agreed that all drainage issues must be rectified around the lake before path repair can commence.
- Tom mentioned that he had investigated the area below Lot 6 and had sunk several inches while the other areas of drainage repair were dry. He offered to contact Fairfield County Health Department during the next dry spell to investigate possible septic run off from Lot 6.

**Action Items:**

**Eric:**

- Compile a list of goals and accomplishments for Annual Budget Packet and send it to Mike by January 31, 2019.

**Mike:**

- Finalize 2019 budget as agreed upon.
- Send out Annual Budget Packet to all community members.

**Ginny:**

- Continue to act as point of contact for homeowners looking to submit applications to the ARB.
- Continue researching street signs with Robert.

**Andy:**

- Send out letters about mailbox repair during early spring.

**Carin:**

- Reserve room for at Wagnall's Memorial Library Community Building for Thursday, March 21, 2019 from 6-8 P.M..
- Complete Winter Newsletter and email to Board by January 27, 2019.
- Complete meeting minutes and email to Board for approval.
- Create signs for Annual Meeting on March 21, 2019.

**Tom:**

- Contact companies about golf cart pavers and request estimates for walking path.
- Begin compiling quotes for said estimates on path repair.
- Give names of sign companies to Robert.
- Contact Fairfield County about water issue on Lot 6 during next dry spell.

**Other:**

**Did not review:**

**Tabled items:**

**Meeting Adjourned @: 8:43 pm**

**Next Meetings:**

Wednesday, May 15, 2019 at 6:00 PM at 1954 Wilshire Ln.

Wednesday, July 17, 2019 at 6:00 PM at 1982 Wilshire Ln.

## **2019 Budget Motion**

**Jan 23, 2019**

Mike: I move that we adopt the following budget and assessment related details.

- 1) For the calendar year 2019, I motion to adopt the budget, a copy of which is attached to the minutes. The budget total is \$22,320 (Ordinary Expense \$20,160 + Reserves \$2,160).
- 2) I further move that the \$22,320 be assessed to all owners of record in two semi-annual amounts of \$155. The first half total amount is due 7/1/2019; the second half total amount is due 1/1/2020.
- 3) I further move that the board, acting through its treasurer, is authorized to expend the funds collected in accordance with but not in excess of the limitations of the individual budget categories established by the attached budget.
- 4) I further move that the board, by a majority vote, throughout the year, may transfer unexpended funds from one budget account or category to another when needed.
- 5) I further move that on December 31, 2019, all unexpended funds in the budget be allocated towards reserves and any balances outstanding in individual accounts where the home has been sold at foreclosure sale be written off as bad debt.