

Annual Heather Lake Homeowners Association Meeting Minutes

March 15, 2017

Wagnall's Memorial

Call of Meeting to Order: 633pm

Attendance: Eric Jones, Mike & Cindy Smith, Rachel Valinsky, Sandy Stakely, Vickie & Doug Helton, Jeff Gates, Michele & Paul Finley, Valerie & Keith Hamilton, and Pat Mignogno

Proof of notice of Meeting: see print screen of newsletter and budget overview, below.

Reviewed 2016 Accomplishments and 2017 Goals (see below)

Approval of Minutes of Preceding Meeting: all approved through email

Reports of Officers:

- 1) **President:** reviewed Atlas website for updates on Lot 37: Fairfield County needs to schedule a court date.

Will mulch around the compressor when weather is better.

July 26th meeting date is good.

- 2) **Treasurer:** Reports: reviewed 2017 budget spent so far, bank account registers, open invoices, and passed around reconciled bank transactions. Reviewed legal fees history from 2016 and why the legal expenses increased for 2017.

Suggestion to look into a Return on Investment audit of the lawyers and the HLA once the budget decreases for legal fees and there is not another large amount needed for something else.

Discussed what the reserves are, the top range we are trying to reach and why we have to (state of Ohio), and that we would need to perform a general reserve study with an engineer if we want to cut back or get rid of paying to the reserves in our assessment fees (See Addendum with further explanation of Reserves).

- 3) **Secretary:** leaving the community, so there will be a vacancy to be filled.

Drop secretary hard copy history notebooks and provide all electronic files to Eric.

- a. Newsletter needs to go out in May. (Update newsletter after decisions made from meeting and send for approvals to mail out in April, per resident request to get the newsletter out prior to May).
- b. Is there going to be another community garage sale? Who will take charge of signage?

Add to newsletter for 2nd weekend in June

- 4) **Property/Common Area Manager:** no updates

5) **Deed Restrictions Coordinator:** noticed that new owners have a commercial vehicle parked in their drive. A welcome packet that includes the deeds restrictions and landscape requirements was given to them this past Sunday (4 days ago). Sandy will follow up with them soon as they have just moved in.

6) **Architectural Review no new submissions to review.**

The draft of the new ARB design review manual has been completed typing and was emailed to the board members. The board will determine next steps.

Election of Board Members: No Volunteers, letters or calls with interest have been received.

- 1) Treasurer has agreed to serve for another term.
- 2) No volunteers for the vacant Vice President, Parks and Common Grounds Coordinator, Architectural Review, and now for Secretary.

New Business:

HLA Website update could be \$2500 initially and \$50 a month to create and maintain a more manageable/user friendly site. Agreed that now was not the time to invest in this cost.

Discussed using Facebook as an alternative to the website but the lawyers advise being cautious using social media as content cannot all be controlled and the board has to watch what they endorse.

Suggestion from homeowner to include volunteer action items that the community could use help with, include in the newsletters or on the website.

Wooded plants in the spillway need to be removed, either hauled away or chipped up.

Actions Items:

Eric: pass along Deeds Restriction information to Sandy.

Sandy: communicate to the lot #72 owners about the commercial vehicle parked in their drive.

Rachel: update the newsletter and send for an April mailing to Mike.

Drop secretary hard copy history notebooks and provide all electronic files to Eric.

Team: Approval of the ARB Design Review Manual.

Round the room with the homeowners on any other questions or concerns:

-Board was thanked for the work and effort that they have put in this past year and accomplishments.

-Introduced Jeff Gates, one of the newer neighbors (October), to the group.

-Thanked and wished Rachel good luck on her new house and for her work on the board.

Next Meetings:

May 10th at Smith Residence

July 26th at Jones Residence

September 13th at 6pm at Smith Residence

November 8th at 6pm at Stakely Residence

Adjournment: 740pm

Addendum:

Update on Reserves following the annual meeting (expanding the discussion during the meeting):

Key points to know:

1. Reserve funding for Heather Lake follows Ohio Revised Code Section 5311.081(A)(1)

(A) Unless otherwise provided in the declaration or bylaws, the unit owners association, through the board of directors, shall . . .

(1) Adopt and amend budgets for revenues, expenditures, and reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of special assessments, provided that the amount set aside annually for reserves shall not be less than ten percent of the budget for that year unless the reserve requirement is waived annually by the unit owners exercising not less than a majority of the voting power of the unit owners association;
(emphasis added)

2. The Heather Lake Association board collects the required ten percent or larger annually, and saves it in a separate account. The board currently believes it best for the community to fund reserves, rather than ask members to waive the reserve requirement, risking a large future assessment.

3. The amount of reserves needed for Heather Lake major capital items is estimated at \$30,000, based on an estimate for complete pathway replacement provided to the Parks Manager several years ago. Once the HL reserve account approaches the estimate amount, we will follow the guidance below from our association attorneys Kaman and Cusimano. We will keep adding ten percent or more to the reserve fund until we are fully funded based on a Reserve Study. Since the cost of replacement of major capital items can increase over time, the board feels it best to wait to conduct the study (and any fees for the study) until the year we approach a fund balance near the \$30,000 estimate.

RESERVE STUDIES

How does a board know how much money is enough to repair or replace a major item? How does it know whether its reserves are adequately funded? How are owners notified how much in reserves they are being asked to waive? To ascertain these numbers, a board should seriously consider hiring an outside firm to perform a "reserve study." While Ohio law does not specifically require a reserve study, it is virtually impossible to have the owners intelligently vote on waiving reserves if the owners are not told how much they are waiving. A reserve study will contain a listing of each of the component parts of the association property. (e.g. the siding, roof, driveways, boilers, hallway carpeting and wallpaper) Next, the study will predict the useful life of each component part and the replacement cost of each. The replacement cost of each component part will be divided by the useful life. The result is the amount of money that should be allocated to the reserve account annually. Once this amount is determined for each of the component parts, they all should be added together and the total amount added to the budget or disclosed to the owners as a part of the reserve waiver ballot. If the total amount is added to the budget, the reserves are "fully funded." Once the reserves are fully funded, special assessments will not be necessary and the board has complied with the new law.

4. HL Major capitol items would include:
A. Paved walkway around the lake.

- B. Spillway and spillway dam.
- C. Major repairs to resolve lake drainage issues.
- D. Major repair or replacement of entrance areas.

Mike Smith – HLA Treasurer – March 17, 2017.

Heather Lake Association

February 2017

ANNUAL MEETING OF HLA:

THURSDAY, MARCH 15, 2017 6:30-8 PM

WAGNALL'S MEMORIAL in the Children's Programming room (lower level). Accessible using the elevator in the main library.



VOLUNTEERS NEEDED!!

Volunteers are needed for the Architectural Review Board Committee and a Coordinator. The ARB must approve building materials and plans using the guidelines provided in the Heather Lake Design Review Manual.

YARD SIGN REMINDER

Our covenant states:
No sign of any kind shall be displayed to the public view on the Lots except: one professionally prepared sign advertising the Lot for sale.

WINTER WEATHER

The association does not salt or remove snow/ice from the walk path around the lake, so walk at your own risk.

Just a reminder that there is no skating on the pond. Our weather is not conducive to a thick, solid ice formation.



Upcoming Board Meetings

Board meetings are open to the homeowners. The next meeting is scheduled on Wednesday, May 10th at 8pm at the Valinsky residence, (1954 Wilshire Ln NW) and Wednesday, July 26th at 8pm at the Jones residence (1982 Wilshire Ln NW). Kindly notify a board member if you plan to attend.

www.heatherlake.org

Heather Lake Homeowners Association

February 2017

2017 BUDGET

The 2017 budget has been approved by the Board and a copy will be provided to each Lot Owner for review. Please bring any questions you may have to the HLA Annual Meeting or feel free to contact a board member.

2017 Annual Assessments

Over the last three years, the board has worked hard to avoid assessment increases. After carefully reviewing our financial position and anticipated budget needs in 2017, the board has determined that fees will increase \$40 for the year, \$20 each assessment. The increase will help fund necessary maintenance of the common areas and entryways and legal expenses. There are now fewer volunteers able to help with maintenance items, so services will be contracted instead.

Our current Bylaws stipulate that we have six (6) board members. We currently have four (4). If you are interested in joining as a board member or in a volunteer capacity, please contact any member below:

Board Members:

- *President - Eric Jones 740-739-8441
- *Vice President - Vacancy
- *Treasurer - Mike Smith 614-619-0070
- *Secretary - Rachel Valinsky 614-203-1893
- *Parks & Common Grounds Coordinator - Vacancy
- *Deed Restrictions - Sandy Stakely 740-808-6041

Board Support:

- *Park/Common Grounds - Tom Nutini 614-834-4511
- *Architectural Review Board Coordinator - Vacancy
- *Architectural Review Board Committee - Multiple Vacancies

www.heatherlake.org

Heather Lake Association
Profit & Loss Budget Overview
January through December 2017

	<u>Jan - Dec 17</u>
Ordinary Income/Expense	
Income	
Association fees	20,160.00
Total Income	<u>20,160.00</u>
Gross Profit	20,160.00
Expense	
Annual Meeting	
Room rental	40.00
Total Annual Meeting	40.00
Bad Debt	2,000.00
Bank fees	60.00
Computer and Internet Expenses	216.00
Copying	110.00
Electric for pond pump	660.00
Insurance Expense	650.00
Legal fees	4,000.00
Office Supplies	105.20
Park upkeep	
Asphalt repairs & sealing	0.00
Drainage repairs	0.00
Lake maintenance	1,878.80
Landscaping	750.00
Mowing	7,300.00
Mulching	1,000.00
Weed control	1,100.00
Total Park upkeep	<u>12,028.80</u>
Postage and Delivery	240.00
Taxes - Property	50.00
Total Expense	<u>20,160.00</u>
Net Ordinary Income	0.00
Other Income/Expense	
Other Income	
Reserve fund	2,160.00
Total Other Income	<u>2,160.00</u>
Net Other Income	<u>2,160.00</u>
Net Income	<u><u>2,160.00</u></u>