

Harbour Towne Executive Board Meeting Saturday, September 5, 2009

The Harbour Towne Executive Board Meeting was called to order by President Steve Bradbury W-304 at 9:00 a.m. on Saturday, September 5, 2009 at the Harbour Towne Clubhouse. Those Board Members in attendance were President Steve Bradbury W-304, Treasurer Darrell Barber W-1401, Secretary Diane Roush W-701, Spencer Thomas, and Dan Galvin W1407. Lisa Hesprich, Joe Hesprich, Cassidy Van Ness, and Lonnie Dean represented Nichols Management. Homeowners in attendance were Joyce Kreyling W-1205, Jim Cissna E-305, Barb Fleming W-507, David French W-1002, Michael Miller W-905 and John Nichols W-108.

President Steve Bradbury began the meeting by stating that there would need to be a break in the meeting to go into executive session to hear a report from the special committee appointed to research the management contract due to expire at the end of this year. The meeting would continue after this report and the Homeowners and others would be welcome to come back.

President Steve Bradbury gave the homeowner's a chance to introduce themselves and said he would welcome any comments but asked that they limit their time and avoid repetition.

The first order of business, President Steve Bradbury stated that during the past three months several items came via email and/or telephone, and that those items were listed on the attached page. The first approved item was siding repair for the gutters, and that an extra \$300 was added. Installation for the water meters and backflows coming into the development was approved where needed, by the pools, etc., They approved a bid to add siding to the plywood panels behind the electric units. They approved repairs to Unit E-205 for water damage. They approved siding damage repair for W-1308 and W-1309, as well as an additional \$800 charge to clean the dryer vents that were out of reach by ladders. Homeowner's were concerned that the dryer vent issue was not complete; there are still a few that United needs to do from the inside.

The June 6th, 2009 meetings minutes were approved by email. Steve Bradbury made a motion to accept the approved minutes. Second: Spencer Thomas – Motion carried.

PROPERTY MANAGER'S REPORT – SEE ATTACHED

Lisa – please remove your report from the minutes and make it an attachment exactly as it was written and read.

Lisa Hesprich with Nichols Management reported that Mainstream's timeline was to get started right after Labor Day weekend, weather permitting. As far as resurfacing the parking lot, they are to start on the East end, so there will be signs up letting people know this, The signs were to be put up Monday, September 7th so they could begin on Tuesday.

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Lisa Hesprich with Nichols Management stated that Colt Tree Services would be meeting with the Landscape Committee to go over what they were going to do with tree trimming. They have already removed some that were to be removed, but they had to come back in the fall to complete the trimming

Lisa Hesprich with Nichols Management stated that the City of Lake Ozark has given a 60 days extension to install the backflow devices. Joe Hesprich has been working with Jim Chipley with the City to be sure that we are in compliance with that process.

Lisa Hesprich with Nichols Management stated that there have been several water leaks this year, some of them due to flashing on the windows ... some due to roof leaks ... some due to internal pipe leaks, and that work has been done on several of those units. She stated that repairs on the E-205 leak would begin on Tuesday, September 8th, and should take about a week and a half to complete. This would be followed by the clean up and mold inspection, which pricing was included in the attachment, at a total estimated cost for all repairs of \$6964. Homeowner's questioned the cost of the mold inspection to which Lisa Hesprich responded, saying it was more than just on the windows, it was also on the shower walls caused by a pipe leak.

Lisa Hesprich stated that Joe Hesprich has walked with some Board Members through the complex on various issues, like the stair towers, the West driveway that is washing away, docks and other miscellaneous repairs throughout.

Lisa Hesprich stated that there had been a flood in the lower part of the clubhouse that was caused by a toilet that had broken. They had to have an outside company come in to extract all the water, but that it had been taken care of. The ceiling still needs to be patched, but the water problem has been resolved.

Lisa Hesprich stated that she had questions regarding how to handle water leaks on patios. She stated that some homeowners have the ceilings on their patios that the water runs off of. That's been more prevalent as the patios start to age and crack at the natural seam in the concrete. Lisa Hesprich requested that the Board advise her on the best way to resolve this issue, such as caulking, or whether it should be the responsibility of the homeowner. It was recommended that Management go in and try to caulk it to see if that would take care of the problem. It was then decided that the carpeting was holding the water, and that it would have to be pulled back and/or removed, so Management would not be responsible for the carpeting. The patios are considered common elements so Association should be responsible for the concrete repair. It was then decided that any upgrades to patios, such as carpet, screening, etc., are the responsibility of the homeowner. This, in turn, opened up the issue of having to remove screening when repainting the deck rails. It was stated that that was directly related to the age of the screen, as to whether it was homeowner's or Association responsibility.

Lisa Hesprich stated that M&S Docks were ready to permanently set the buoys, but were waiting on the Board Meeting from Water Patrol that they are having on September 14th. Lisa stated that they have been out twice to discuss whether the buoys can be placed where we wanted them. It was also stated that the measurement was from the end of the dock ... 100 feet out, not the shoreline. It was stated that there is a bid for \$1394.35 for this installation.

Lisa Hesprich stated that Matt from M&S Docks came out and did some more

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repairs to F Dock, underwater bracing. This work was done at no charge other than what they did the first time. They came back out and replaced more things that had broken since their original work.

Lisa Hesprich stated that the rail painting was complete, and that she walked every inch of it with the contractor, and it was 99% perfect. There were some things that had to be touched up, and a section that was overlooked, but that he came back and took care of all those issues. The paint that was used dries harder, and is not supposed to oxidize like the previous materials used.

Lisa Hesprich questioned whether chimney sweeping would be done again this year. It was stated that it would, so she will proceed with obtaining bids. Lisa Hesprich stated that the person who completed the work two years prior had sold the business to someone else and they had different ideas about whether it had been performed properly the first time. It was agreed to stay with the same company who did the job last year, to keep things consistent.

Lisa Hesprich stated that there was another issue with homeowner's charges for repair work. It is the homeowner's responsibility to pay the vendor for any repairs they are responsible for. If the vendor is not paid in a timely manner they don't want to continue doing repairs for Harbour Towne, and this places the Association in a position. President Steve Bradbury stated that the homeowner of the unit that was responsible for causing damage should be responsible for payment through their homeowner's insurance or personally. President Steve Bradbury stated that if proper channels are followed the Association should pay the vendor, and then bill the homeowner. If the homeowner doesn't claim it and have it paid through their homeowner's insurance or personally then it should be tacked on to their assessments.

Lisa Hesprich stated that the "Danger" and "No Trespassing" signs were installed on the breakwaters. Additional signs were installed to alleviate any problems or misunderstandings.

Lisa Hesprich stated that the roofs were looked at from the water for missing shingles, and that everything looked good. President Steve Bradbury questioned whether a warranty was obtained from work done on the roofs in the past, and it was stated that all the work that has been done in the past year and a half was under warranty.

Lisa Hesprich stated that Lonnie had some items that he wanted to discuss from the last meeting's Treasurer's Report, including some errors.

Lonnie stated that there were some questions from the Treasurer's Report from the last meeting. He stated that the Breakwater was being addressed. He stated that there was a question regarding the Profit & Loss issue with the insurance claim, and how we pay out the claim versus when the reimbursement checks from the insurance company are posted. He stated that we track all that under one account, and the reason is the intent of the insurance claims that it is a zero account ... money coming in and money going out leaves a zero out ... the difference would be the deductible, and when the money is pulled out, the rest of the budget covers the deductible, and zeros out the account. That's why it's only a one-line item on the budget instead of two, because they don't want to show insurance proceeds as income, so they put it right back against the expense as paid out. Lonnie also stated that there were some expenses put in the books last quarter that

they did not know they were allocated to the actual insurance claim, so they were entered under repair and maintenance. Lisa Hesprich with Nichols Management questioned that since E-205 was not going to be claimed, where that expense should be allocated. It was stated that it should be under repair and maintenance.

Lonnie also stated that there was a problem with the Legal & Accounting account where it looked like a lot less expenses compared to what was paid out in legal fees ... most had to do with one particular unit. He explained that when we are billed from a lawyer for legal fees, that's going to be turned back out and billed to the owner. When the bill is received, it's assigned to that unit owner, and it's invoiced to the unit owner. When that happens under an accrual accounting system, that removes that expense from that account because it's been billed out ... so under the Association's expenses, it doesn't reflect that.

Diane Roush moved to approve the property manager's report as is to the September 5th, 2009 minutes. It was decided that they did not need to have a motion for this and it would be attached to the minutes.

Treasurer's Report Attached

COMMITTEE REPORTS

- **Landscaping** - It was stated that an email was sent to the Committee on Thursday, September 3rd. It was requested that they take a look at the list regarding tree trimming. Darrell stated that he was going to try to get Colt Tree Trimming Service in next week to evaluate the list, and that several of the trees might get put on a removal list for next Spring. It was stated that some of the requests have come from new homeowner's that would like a better view. It was stated that there are some who are against taking trees out, but what has been done so far has been good. It was also recommended that berms or flower beds be put in to get a more uniform look from the lake, that would be attractive and maintenance free. It was also stated that the low growing trees need to be pruned and trimmed up. It was stated that some homeowner's have offered to pay for some of the cost of shrubs and trees.

Long Range Planning - President Steve Bradbury stated that they met two weeks prior, and asked the Long Range Committee to come forward with recommendations to look at issues that will impact us in the future to establish cost estimates for dealing with those issues ... priorities of the issues, and recommendations for budget. He stated that, the Committee has identified three issues to resolve in the coming year. The first issue is the crawl spaces under the buildings ... the report from the engineering survey that was done last year identified a number of bits and pieces kind of things. The most difficult of those to deal with is the spring that comes out of the West 200 building that presents a bit of a challenge. Other issues include dryer vents that were not vented to the outside, and in some places there was insulation that was missing, and some places there was rust beginning to develop on the steel base supports. It was stated that there were three buildings that Nichols Management

actually went into and worked through resolving the bits and pieces that needed addressing. Based on that, they were able to develop an estimate and now have a proposal to clean all those up next year for a total of \$6,000. Secondly, the far west drive is the primary entrance for emergency equipment and has to be kept cleared and serviceable. The problem is with all the rain that has fallen, the drive is beginning to erode. The lakeshore side of it is beginning to break off. An estimate of \$14,000 has been obtained to put in heavy rock and improve the drainage to retain that drive which is a onetime project to be done next year. The third issue is a proposal to go forward, on an age basis, to re-side, re-flash, re-caulk, and re-do all the buildings. The proposal is to do two buildings next year, East 100 and West 100, which are the two oldest buildings, and the estimated cost is \$33,700 for both, which is an all inclusive project. This should take care of mold, rot, leaks, and the aging siding that will be replaced with the siding that was put on the garages up top, which is the newer one that is UV and hail resistant. It was questioned and answered that there are not dehumidifiers in all the crawl spaces. It was stated that residing the backs of the buildings first was a consideration to eliminate the water intrusion around the windows. It was also stated that the flashing and guttering that was put in should alleviate the problem. Lisa Hesprich stated that the only real issue would be the bay windows in certain buildings that are currently presenting a problem. She estimated that the cost for those repairs would be \$3,000 based on what has already been done. It was stated that seawall railings were in the plan for 2011, and they have identified an aluminum railing in powder coat green, but no more details are available at this point.

- **OLD BUSINESS** - It was stated that stair towers were not addressed this year. The cost for the stair towers is \$27,000. There are two other bids ... one for \$25,000 and one for \$13,000 ... Roger Hoven, who is a contractor at the lake area, suggested taking out as much of the metal as possible and replace with wood or composite. Roger also stated that the legs on the stair towers are underground, so they can't be treated for rust, and you can't get to them for repair. He then recommended supporting them temporarily, cutting the legs off, and pouring concrete to bring up the difference and then reset them with a sleeve or something similar, to eliminate the problems. There are already existing footings in place, so it would just be raising them up. We are currently waiting for a bid from Prater Baxson. It was suggested maybe branching outside of the area for more competitive bids ... this could be a budgeted amount instead of having to be a special assessment. The question is how to make it an attractive enough package for companies to bid. President Steve Bradbury stated that the last issue was the water meters. He stated that the bid had been received and approved, but may hold off until after January 1, 2010, because of budget constraints. He stated that the equipment for backflows on the two incoming water mains had been ordered and given the down payment, and expects that to be completed shortly. He stated that we are outside of the original 90 day period for completion, but a 60 day extension had been obtained.
- **HOMEOWNERS** - Lisa Hesprich with Nichols Management stated that Spencer Thomas, Dan Galvin and Don Beckley completed candidate bio forms for this year's

election.

- David French W-1002, expressed concern over the positioning of the breakwater. He stated that it is positioned in such a way that it is amplifying everything that comes into the cove, and that he has had to have Somerset out three times this summer to repair his boat lift. He stated that it would just need to be straightened out, so that it didn't create a funnel effect. President Steve Bradbury stated that Ameren UE dictates the positioning of the breakwater. It was agreed that M&S Docks would come out and inspect the problem, and Management would review problem. President Steve Bradbury stated that if the breakwater had been moved any further out, they would have had to accept liability for all the docks on the other side, and that Ameren UE required a certain amount of distance that it had to be from that point. Therefore, it's laid out how Ameren UE requires, not how we would have wanted. David French, W-1002, stated that the specific repairs that were done on his dock, were replacing every bolt, replace one bracket that had broken completely off, redo all the bushings which is normal maintenance. This is a 10 year old dock that has not experienced these kinds of problems in the past. President Steve Bradbury said he would be happy to look at his bills, and to investigate the issue. It was agreed for the Board to take a look at E Dock, to see what exactly is going on.

2010 Budget given by Darrell Barber. 2010 budget is attached for review. \$.06 per sq. ft. increase in budget for 2010. It was discussed that Nichols will deposit money from Soda machine then purchase the soda so we can track it better. Cost of painting pool was discussed. Other misc items were discussed like West drive, Siding, Water Meters, Docks and Permits, Reserve, Stair Towers, etc. Spencer motioned to approve Budget as amended. Dan Galvin Seconds. Darrell Barber states that the management fees need to be discussed. Darrell Barber disagrees with management fees in this budget. Spencer Thomas states that we should approve the budget as amended and that management fees will be discussed later but the budget will remain for now. Motions were approved. Budget was ratified by Board.

Joyce Kreyling asked about receiving bids from other Management Contracts for comparison, President Steve Bradbury advised that yes we have and this will be discussed at the closed session.

A motion was made by Spencer Thomas and seconded by Dan Galvin to adjourn the meeting. Motion was carried and the meeting was adjourned at (Time).