

Harbour Towne Owners Association, Inc.  
Executive Board of Directors Quarterly Meeting  
March 6, 2010

**Introduction and Ground Rules:**

Steve Bradbury called the meeting to order at 9:00 a.m. Attendees were:

- Executive Board: Steve Bradbury, President  
Darrell Barber, Treasurer  
Diane Roush, Secretary  
Dan Galvin, Director  
Ron Pressley, Association Manager
  
- Owners: Mike LeGay  
Mike Miller

**Approval of December 5, 2009 Meeting Minutes:**

A motion was made by Darrell Barber and seconded by Dan Galvin, that the notes for the December 5, 2009 Executive Board meeting be approved. The motion passed unanimously via a subsequent yeh/na vote.

**Vote Confirmation:**

The following issues were voted and approved via e-mail by the Executive Board in the interim between the December 6, 2009 meeting and the March 6, 2010 meeting:

- 2009 Audit Bid: The bid from Evers and Company, CPA's for the performance of the 2009 annual audit was approved.
- Forfeited Lease Return Policy and Procedure: The procedure by which delinquent owners who have had their garage(s), boat slip(s), and/or PWC slips(s) lease rights forfeited could regain the lease rights was approved.
- Dock F and Dock H repairs: The bids from Atlas Docks for the repair of Dock H and dock F were approved
- LOMA Applications: The bid from Harms Engineering for the elevation surveys of all buildings and the preparation of LOMA applications was approved.
- W1201 Deck Ceiling Request: A request from the owners of W1201 for approval to install a ceiling over the deck area of the unit was approved. However, the request to extend this ceiling over the walkway area was denied.
- Past Due Demand Letter: A demand letter to be sent to owners who are delinquent in the payment of their assessments was approved for future use by the management company
- Snow Removal Bid: The bid from Nelson Land for snow removal for 2010 was approved.
- E702 Waiver of Late Fee: A waiver of the late fee previously assessed to E702 for delinquent payment of assessments was approved. The previous management company had failed to recognize the address change provided by the owner resulting in a delay in receipt of the assessment invoice and subsequent payment

- W1307 Mailbox Request: A request to allow installation of a mailbox adjacent to W1307 was approved. This request was approved since it is a medical necessity, supported by written confirmation from the requestors' physician. All subsequent requests of this nature will also require written confirmation of the medical necessity from the requestors physician
- PWC A-11 Lift Installation Request: A request to install a Galva Lift PWC lift in slip A-11 was approved.

### **Property Managers Report;**

Diane Roush made the motion that the property managers report detailed below be approved. Dan Galvin seconded the motion and it passed unanimously via a subsequent yeh/na vote.

- LOMA Applications: The LOMA applications for the buildings and clubhouse were completed and mailed to FEMA on February 17, 2010. The Elevation certificates which accompanied the LOMA applications reflect that all building and clubhouse are above the Base Flood Elevation therefore approval of the applications is expected. FEMA has acknowledged receipt of these applications after which it typically takes FEMA 60-90 days to review and rule on LOMA applications
- Repair of Dock H: Atlas Dock has completed the contracted repairs on Dock H. An invoice for the remaining balance due the amount of \$11,420.00 has been received and processed for payment the week of 3-8-10
- Repair of PWC Dock: Atlas Dock has completed the contracted addition of the superstructure to the PWC Dock. Per the contract Atlas provided the labor at no charge with Harbour Towne paying for the cost of the materials which was \$1433.19. An invoice for this amount has been received and processed for payment the week of 3-8-10
- Building Re-siding: A & E Siding & Construction has provided a quote of \$40,352.00 (attached) to re-side Buildings E100, W100, and the Clubhouse. The cost of residing of the Clubhouse accounts for \$3850.00 of this total. Included in the quote is removal and disposal of the old siding, repair/replacement of some deteriorated OSB sheathing, installation of a house wrap, and installation of white vinyl "Triple – 3 " siding. A & E does not anticipate that a large amount of flashing repair/replacement will be necessary. A & E also recommends that the vertical siding use on the gable ends be converted to horizontal to preclude leakage which occurs at the vertical to horizontal interface. Triple-3 siding is special order with a lead time of 2 weeks and must be paid for in advance. The cost of the siding represents 40% of the quote, therefore A & E will require a \$16,140 down payment. Residing is expected to take approximately 3-4 weeks per building depending on the weather.
- Chimney Repair: Dr. Soot (Mike Matthews) has provided a quote (see attached) of approximately \$972.00 to correct the issues noted in the November 9, 19, and 20, 2009 inspection report. This quote includes installation of damper clips in the chimneys of the units noted in the above report at a cost of \$15.00 per damper and replacing/repair of the storm collars on in the complex at a cost of \$18.00 per chimney. The \$972.00 estimate allows for the repair of 44 chimneys which equates to 60% of the 67 total chimneys in the complex plus a 10% overrun.

Mike noted that installation of the dampers could facilitate the ability of insects to enter the units and the escape of conditioned air. The use of the damper clips is however a manufactures recommendation to preclude the build up on carbon monoxide in a unit. Mike indicates that those chimneys which show evidence of a chimney fire should be replaced prior to their utilization for a wood or propane fueled fire. Given the structural configuration of the chases which contain the flues it would be impossible to replace the flue without dismantling the chase. Mike indicated that it is not possible to re-sleeve these flues. These chimneys should be used for only electric fireplaces until the flues are replaced.

Steve Bradbury made a motion that the Association accept this bid and proceed with the installation of the damper clips and repair/replacement of the storm collars. Since the fireplaces/chimneys are limited common elements, the maintenance of which is the respective owners responsibility, the Association will pay for these repairs upfront with the individual affected owners to be re-billed their pro-rated portion of the repair costs with their 3<sup>rd</sup> quarter 2010 assessments Darrell Barber seconded the motion and it passed unanimously via a subsequent yeh/na vote.

Pressley Property Management to send certified letters to all owners whose chimney's exhibit evidence of a past chimney fire advising them that their fireplaces and chimneys can be used for electric inserts only and cannot be used with wood or propane inserts

- 2010 Pest Control: Absolute Pest Solutions (Don Deppe) will handle the pest control for the complex for 2010. The pest control schedule will remain the same as was used in 2009 i.e. the 2<sup>nd</sup> Monday of each month from March through October and will include the building exteriors and accessible balcony's and docks. Don has provided an educational brochure (attached) which could be posted on the association website if desired.
- Breakwater: Pressley Property Management has noted that 4 of the anchor ropes for the breakwaters have broken and have been observed floating between the docks and the breakwater. Modular Dock (Jerry Mattson) has inspected these ropes and indicated that do to the redundancy of the anchors they use the breakwaters are not in danger of moving. They will replace these ropes under warranty as soon as the weather permits.
- Unclaimed PWC: Janice Delaney W705 closed on the sale of her unit on March 3, 2010. Janice advised that there has been an 'abandoned" PWC (Maroon/white Yamaha 650: MO 1476 CS: registration P095200 expiring 6-30-10) moored in her PWC slip D-19 since last fall and that she needed it moved immediately. Verification through the Water Patrol indicated that the owners' last name was Nichols. They will not divulge any other information other than the owners' last name. Presuming that this belonged to John Nichols and being unable to reach him since he is out of the country on vacation, Pressley Property management moved the PWC from slip D-19 to D-17 which was assigned to John.
- 2009 Financial Audit & Income Tax preparation: The 2009 financial audit was conducted on February 10 and 11, 2010 by Sonny Evers and Jennifer Junge of Evers and Co. No issues were found during this audit. As of February 26, Evers was finalizing the Associations 2009 state and federal returns.

Darrell Barber signed both the Missouri state return, to whom no taxes are owed, and the federal return, to whom a \$1.00 is owed.

- January and February 2010 Work Orders; Attached is a list of the work orders issued in January and February and their current status.
- Ice Eater Thermostats: Harbour Towne currently has 35 Ice Eaters with which to protect the dock and boats/PWC's from ice damage. None of these Ice Eaters are thermostatically controlled, necessitating that they be manually turned off and on. This is inefficient both from an electrical consumption and labor aspect. Thermostats which will monitor the air temperature and automatically turn on and off the ice eaters are available for \$69.99 + tax and S/H (see attached brochure).

The Board elected to defer the purchase of thermostats for the ice eaters until the fall of 2010 unless a special price could be negotiated.

- Dock – GFI Checks: Pressley Property Management is in the process of checking the operation of all dock GFI receptacles. This is something done each spring as a safety precaution. This is not to say that a GFI could not fail subsequent to our checks. To this point we have located 20 receptacles which are not functioning correctly. Typically we purchase these 20 amp GCI receptacles in contractor 3 packs at a cost of ~\$29.00. Installation takes approximately 15 minutes per receptacle.
- January 1-29-2010 Auto Incident: On Saturday 29, 2010 a minor incident occurred involving the automobile of Roseann Schmitz (W901) and garage GW2-1. Roseann indicated that at approximately 9:15 p.m. while attempting to enter the complex using the center west entrance, her car started sliding down the hill, striking the left hand post at the bottom of the entrance with the passenger side mirror (breaking the mirror), subsequently striking the corner of garage GW2-1 (damaging the corner bead on of the garage siding and adjacent downspout) and subsequently causing the vehicle to continue across the parking lot where it struck a parked vehicle. No damage to the parked vehicle which was struck was reported. Ms. Schmitz indicated that the entrance had not been salted or cindered prior to the accident Nelson Land who was responsible for pre-treating and plowing the entrances and parking lots indicated that they had 3 trucks at the complex from 6:30 p.m. through 7:45 p.m. plowing and treating the entrances and parking lots and that the center west entrance was plowed and treated heavily with salts at 7:45p.m. Subsequently they returned at 9:45 p.m. to plow and treat the areas again. The damaged downspout has been replaced and repair of the corner bead will be completed concurrently with the re-siding of E100, W100, and the Clubhouse.
- Water Meter Replacement: The City of Lake Ozark replaced one of the two water meters which supply water to the complex on Tuesday March 2, 2010. This replacement necessitated that the water to the East buildings be interrupted for a short time on the morning of March 2<sup>nd</sup> and was necessary as the existing meter had failed. Unknown to Pressley Property Management until after the fact, but the City of Lake Ozark also interrupted the water the morning of Wednesday March 3<sup>rd</sup> to complete the replacement. Nathan Boggs of the City of Lake Ozarks is not aware of any plans to replace the second meter at this time.
- Out of Office: Maria and Ron will be out of the office from Thursday March 11th to Monday March 15<sup>th</sup>, returning to the office on Tuesday March 16<sup>th</sup>. 2<sup>nd</sup> quarter 2010 invoices will be mailed prior to our departure. We will be checking voice

mail and messages periodically during our absence. Sue DeWinter (extension # 13), Association Manager and Jane Ferris (extension # 14), bookkeeper, will be in the office to handle any issues which might arise during our absence.

### Treasurers Report:

Steve Bradbury made the motion that the Treasurers Report detailed below be approved. Dan Galvin seconded the motion and it passed unanimously via a subsequent yeh/na vote.

- Balance Sheet (As of February 26, 2010):

Checking (Bank Star One)	\$ 84,262.41
Golden Passbook (Bank Star One)	\$ 13,365.50
Money Market @ CBOLO (Breakwater)	\$ 18,065.98 *
CDARS (#3484) (Great Southern)	\$ 45,933.17
CDARS Invest. Acct. (Great Southern)	\$ 45,955.91
CD #3597 (Great Southern)	<u>(\$ 990.61)**</u>
Total Funds	\$ 206,592.36

\* Quarterly Breakwater payment due March 31, 2010

\*\* This appears to be associated with entries allocating interest earnings on the CD. Nichols Mgmt. was supposed to fix the error in December before closing out our 2010 records.

- Accounts Receivable:

As of February 26, 2010, our Accounts Receivable total is \$40,002.78.

- Profit & Loss Budget vs. Actual (As of February 26, 2010):

Grounds Labor (Acct. #8141): \$549.00 YTD or 1.2% of Budget. Pressley Property Management invoices the Association for hourly labor costs for maintenance work on a monthly basis instead of weekly. Therefore, the YTD amount reflects the costs for January only.

Snow Removal (Acct. #81427): \$2,907.84 over budget YTD.

Subcontractor – Other (Acct. #8142): \$4,885 YTD is for LOMA application work completed by HARMS, Inc.

Legal & Accounting (Acct. #826): -\$1,606.62 YTD reflects legal costs that have been re-billed to owners.

- Open Invoices (Accounts Receivable) Report (As of February 26, 2010):

As of February 26, 2010, there are seventeen (16) units that are one or more quarters in arrears on their assessments. They breakout as follows:

1. 1-Quarter: 10 Units
2. 2-Quarters: 3 Units (1 unit is on a payment plan with a lien; 1 unit has a lien; status of lien on the third unit?) Need to remove 1/29/2010 \$50 late fee invoice for unit #\_\_\_\_\_.
3. 3-Quarters: 1 Unit (Leases are being terminated)
4. 5-Quarters: 1 Unit (Leases on garage & boat slip terminated)
5. 6-Quarters: 1 Unit (Unit is in foreclosure)

- 2010 Budget Amendment Recommendations:
  1. Equipment Usage (Acct. #8144): We budgeted \$2,000.00 to this account for 2010. Pressley's hourly labor rates for maintenance include equipment usage. Therefore, this line-item is no longer necessary. Need to reallocate these funds.
  2. Sewer Fees (Acct. #6130) and Sewer (Acct. #8273): We budgeted \$33,234.00 to each of these income and expense line-items for 2010. The city council recently voted to make several changes to the sewer rates and how they're calculated. A final ordinance approving the increases and establishing an implementation date has not been passed. Based on the proposed rate structure, here's an estimate of what our annual sewer bill will likely be, based on 2009 water usage:

Base rate - \$15 per unit per month	\$34,380.00
Flow - \$3.31 per 1,000 gallons of usage (used 4,395,000 gallons of water in 2009)	<u>\$14,547.45</u>
Subtotal	\$48,927.45
Deduct water usage at pools & lawn irrigation (based on 350,000 gallons usage)	<u>(\$ 1,158.50)</u>
Total	\$47,768.95
Less 2010 Budget figure	<u>(\$33,234.00)</u>
Potential 2010 shortfall for sewer fees	\$14,534.95

The shortfall amount likely will be less than what's estimated since the new rates won't be implemented until sometime in April or May.

Board needs to discuss how we want to address the increase in sewer rates.

- 2009 Audit Report
 

On February 10<sup>th</sup> & 11<sup>th</sup>, Evers & Co. staff conducted an audit on the association's records for 2009. A copy of their audit report is being provided to each Board member. The audit for 2009 is considered a "clean" audit. However, there was a discrepancy in the breakwater accounting of approximately \$1,400.00. They could not get their numbers to reconcile with the figures in the spreadsheet supplied by Nichols Management. Evers & Co. has prepared a spreadsheet regarding this discrepancy that they've been trying to e-mail to us, but they've had technical issues with their e-mail server all week. Pressley Property Management staff has reviewed the accounts of the owners that are still making quarterly installment payments for the breakwater and located a few minor errors, but nothing that adds up to \$1,400.00.

#### Committee Reports:

- Landscape: The initial meeting in 2010 of the Landscape Committee is scheduled for Saturday March 20, 2010 at 2:00 p.m. The installation of crown vetch as a ground cover on the upper and lower level hillsides was discussed and agreed to by the Executive Board.
- Dock: No report

- Long Range Planning: The initial meeting in 2010 of the Long Range Planning meeting is scheduled for Saturday April 10, 2010 at 2:00 p.m.

#### **Old Business:**

- Stair Towers: Pressley Property Management sees this as a 2 phase project: elimination of the rust/repainting and selection/installation of an alternative decking system. To eliminate the rust it is recommended that the stair towers be sand blasted to yield a surface suitable for painting and to expose any metal which has deteriorated to the extent it requires replacement followed by painting with a rust fixative primer followed by a rust resistant color coat. Depending upon the decking system selected mounting flanges to support the decking system may have to be welded onto the landings to support the decking system. This would naturally be done prior to application of the primer and color coat. The decking systems which Pressley Property Management would recommend would be a either a reinforced concrete panel system comparable to that installed on W100 or a composite wood system. Atlas Docks has experience building stair towers and has the capability to sand blast, paint, install the flashing as necessary and install either decking system. Pressley Property Management will proceed with securing quotes from Atlas.
- Flood Plain: The LOMA applications for the buildings and clubhouse were completed and mailed to FEMA on February 17, 2010. The Elevation certificates which accompanied the LOMA applications reflect that all building and clubhouse are above the Base Flood Elevation therefore approval of the applications is expected. FEMA has acknowledged receipt of these applications after which it typically takes FEMA 60-90 days to review and rule on LOMA applications
- Water Meter Change/Lake Ozark: The City of Lake Ozark replaced one of the two water meters which supply water to the complex on Tuesday March 2, 2010. This replacement necessitated that the water to the East buildings be interrupted for a short time on the morning of March 2<sup>nd</sup> and was necessary as the existing meter had failed. Unknown to Pressley Property Management until after the fact, but the City of Lake Ozark also interrupted the water the morning of Wednesday March 3<sup>rd</sup> to complete the replacement. Nathan Boggs of the City of Lake Ozarks is not ware of any plans to replace the second meter at this time.

#### **New Business:**

- Owners Roster: The existing owners' roster is over 1 year old and considered by the Executive Board to be out of date. Owner information questionnaires will be forwarded to all owners with the 2<sup>nd</sup> quarter 2010 assessments for completion and return to Pressley Property Management. With these updated Owner information questionnaires, Pressley Property Management will prepare a current owners roster. Pressley Property Management will work with Mike LeGay to post this roster, which will be password protected, on the website.
- Siding Bid: Steve Bradbury made a motion that the Association accept the A & E Construction bid for the re-siding of the Clubhouse, E100, and W100 provided that the Mastic "Triple 3" white Carved Wood 44 siding specified for the project has a UV and hail warranty and is expected to be available for the foreseeable future. Diane Roush seconded the motion which subsequently passed with a unanimous yeh/na vote. This siding will be scheduled to commence as soon as the material can be secured for completion prior to the Memorial Day holiday.

- Chipley Bids: Jimmie Chipley had previously provided bids for the installation 1) installation of asphalt where the parking lot was excavated for installation of the back flow valves and 2) installation of water meters for the pools and irrigation system. Pressley Property management to follow through with Chipley to have the asphalt replaced as soon as the weather and asphalt availability allow and schedule the installation of the meters.
- Abandoned PWC: There is what appears to be an abandoned PWC sitting on tires in the long term trailer storage lot. Pressley Property Management will trace the owner of this PWC and request it be re-located
- 2010 Census Forms: Pressley Property Management was authorized to remove and dispose of the census information which has been left on the doors of the units. This will be done concurrent with the monthly heat and water checks
- Association Website Sponsors: The Executive Board has elected to allow sponsors i.e. contractors, realtors etc. to advertise on the Associations website for a nominal yearly fee. This will be coordinated through Mike LeGay

**Adjournment:**

With no further business to discuss, Steve Bradbury made a motion that the regular session of the Executive Board meeting be adjourned. Diane Roush seconded the motion which subsequently passed with a unanimous yeh/na vote. The meeting adjourned at 11:00 a.m.