

STEEPLECHASE

2019 OCTOBER BOARD MEETING

DATE: 10/9/2019

TIME: 6:00 PM

LOCATION: Clubhouse

- I. CALL TO ORDER: The meeting was called to order at 6:00 pm
- II. ATTENDANCE: Steven Phelps, David Shibilis, Jason Noble, Neil Lageman, and Chris Groh. Not Present: Kevin Smith and Jay Shelton. Representing Stonegate Property Management, Kevin Malburg. Two residents within Steeplechase, Lee Rickey and representing Lee Rickey, Lori Fields.
- III. OWNER OPEN FORUM:
 - a. Lee Potter started off the open forum. He brought up concerns that it was taking much too long for approval of things when it came to the homeowner's builder plans. They were submitted to the board months ago and only received notice of something regarding them in the last day. He had also not received any notice for meetings, the annual meeting, or anything, but he has been getting bills for the properties that he owns and has been paying those HOA fees. It was also a concern that with the capital contribution listed in the new documents. The \$3,000 listed seemed excessive and that based on their experience 2 months of assessments were what is being used for capital contributions. It really seemed like the board was trying to use the capital contribution to make up for past issues with the reserve not being funded. With a proposed increase to the HOA fees, why not pass that on to everyone in the community. To the developer it seemed like he was coming in and now the declaration is getting changed and he is being stripped of a lot of his rights with a new declaration going through.

The board was confused about why the concern regarding the capital contribution was being brought up now when Lee has had access to the contribution proposed for a few months now. They had met with the developer prior to this and nothing was mentioned then. Kevin commented as far as he knew notices should be going out. The board had chosen a \$3,000 capital infusion per lot based on a prior experience where MI Homes wanted to enter an already established community and the fees that had been proposed had been around that amount. In the end it didn't occur, but they were looking about 30 – 40 homes going into the community, but it did create a president for what was proposed. The board proposed a contribution because with more people in the community there are more capital assets that will depreciate quicker now from use. That money will assist in maintaining the assets with the added use. Based on new builds and capital contributions, at least with MI Homes, and maybe it's different in Kentucky, but the rates were around \$750 - \$850. The number for only two months of assessments being the capital contribution didn't seem accurate based on what Kevin knew.

The board talked about the developer talked about the preapproved home builder plans. The developer pointed out that he had submitted them and according to the current declaration he didn't receive notice, so he doesn't have to wait for the board. Herb noted that would have been a mistake if that happened but is something that is accurate according to the declaration.

Kevin summed up the conversation from the developer as wanting a change that was closer to what the developer proposed. Kevin mentioned that he wanted voting rights and the developer said he didn't really care about those, because if they can't come to terms on the capital contribution, he's not sure if he'll go through with incorporating everything into Steeplechase HOA. The board stated that they wanted to work with him and the developer said he understands where everyone is coming from, but he's running out of time.

- b. The board asked Herb Kindel if he would sit on the board for the easement group. Herb agreed to do so and asked that Kevin send the contact information for Jim Bornhorst to him. Kevin said he would get that over to him.

IV. APPROVAL OF THE PREVIOUS BOARD MEETING MINUTES: Chris motioned to approve the minutes. Steven seconded the motion and they were approved unanimously.

V. MANAGEMENT REPORT

- a. Last Month's Financials will be e-mailed to the board by Sept 10, 2019

- i. ii. Current Account Balances

- 1. Operating Account - \$10,533.72
 - a. Prepaid – \$1,701.25
 - 2. Reserve Account-\$32,727.96
 - 3. 4 CDs at Victory Bank
 - a. Victory 6 Month \$12,535.44 - 8/27/2020
 - b. Victory 9 Month \$25,410.53 – 5/27/2020
 - c. Victory 8 Month \$25,204.28 – 2/27/2020
 - d. Victory 12 Month \$25,473.61 - 8/27/2020

- ii. Review of Delinquent Accounts –

- 1. Total Outstanding: \$10,696.00

- b. Management Tour

- i. Executive Session/E-mail

- 1. Seating – Kevin had brought up the concern that with the current budget amounts that there would be more that would have to come out of the reserve if the board went through with the seating installation this year and recommended holding off until 2020. The board had agreed at that time it would be okay to do so.
 - 2. Non-Resident Clubhouse Rentals – After the annual meeting, the board discussed the topic that was brought up regarding non-residents renting the clubhouse. A person had mentioned that the rate around the area is \$300 for a rental, but is only \$100 from Steeplechase, so more people are renting the clubhouse from outside of the community. The board discussed it and didn't want to change the policy, but if they were under market by that much, it would be better to at least raise it some. The board elected that starting January 1, 2020 the rate for non-residents would be \$125 for the rental. HOA residents would still be \$60.
 - 3. Christmas Lights at Entrance – The board considered lighting at the entrance as it seemed to be one of the biggest topics of debate last year. The board elected to have A&A put up some additional lighting on the monument walls. They had also asked about getting the island completed. They asked Kevin to see if that would be something Charlie Brown would be willing to do. He said that he would be willing to put

up the lights but had a few questions. Those will be brought up during new business.

4. Door Replacement/fix at clubhouse – The vendor had reached out and stated that the company that was producing the doors said they could no longer make them, so they were back to searching for additional companies that could make doors like those in the clubhouse. Kevin will keep the board updated on those updates.
 5. Declaration updates approved – All the updates for changes to the Declaration have been approved at this time (minus possible updates now from the owners open forum).
 6. Landscape specs approved – The landscaping specs for the new developments were approved.
- ii. Maintenance Sheet – Kevin reviewed the open maintenance concerns on the document, but a lot of them have been finalized for the time being. Once the budget is set the board will have a better idea of what to prioritize what work should be completed.
 - iii. Violations Sheet – There are a few violations that need to be addressed and those will be discussed during executive.

VI. OLD BUSINESS:

- a. Special Meeting – Update: Kevin noted for those in attendance that the board had been ready to have a special meeting and vote on the amendment changes to the declaration. However, when Kevin mentioned it to Jeff, the association lawyer, to see if he would be in attendance, he told the association to hold off due to concerns the developer had at that time. The board met with the developer and had new things that it needed to approve, but those changes came shortly before the annual meeting and board change. Currently, the board needs to set a date for the meeting. Hopefully, they can come to terms on the capital assessment in the new declaration before having the special meeting. Kevin went over to when Kevin Neil motioned to have the special meeting on November 13th and it was seconded by David. The decision carried unanimously.
- b. Preapproved home plans – Based on the preapproved plans that the ARB recommends, all, but plans 1 and 6 were approved by the ARB. The other two were close to the minimum amount of square footage allowed and requested that some better plans be presented to ensure the footage and also plans of the basements.
 - i. Capital Assessment – The board discussed the capital assessment. As the builder is opposed to the \$3,000 contribution amount the board discussed different options for the capital assessment. Kevin had brought up earlier that he was not aware of an association that only had a two-month capital contribution to new homes being added to it. Generally, with new builds, and most of those homes are in Ohio, they ranged in \$750 to \$850 range that he knew of. Kevin also confirmed via text from his supervisor that MI's average capital contribution is \$750 - \$1,000. The board discussed different options for how much the capital assessment should be. The main points they did want is to try and have the homes to still be incorporated into the community, but with a capital infusion for new home owners that would be using the capital items and causing depreciation to occur quicker some financial infusion to aid into aiding with the upkeep. The board debated \$1,500 and \$1,000 for the capital amount. There was also some discussion about seeing if the developer, instead of a

contribution would provide land for the association to put amenities onto. Kevin was asked his thoughts on it and he stated if you were to get land, all you would get is the land. It would have to be maintained, funds would have to be raised to put something on it, and then there would be money that would go into upkeeping it. With a fiscal amount there is a little more flexibility in what the association could do when it decides on any extra amenities. Neil motioned to propose a \$1,500 amount and if it the developer does not go for it to offer \$1,000. Chris seconded the motion and it carried unanimously.

- c. Annual Meeting – Kevin asked if there was any feedback regarding the annual meeting. It was not a typical annual meeting, but if there was anything that anyone thinks could be done next time, Kevin is open to hearing it. At that time no one had any additional information to share. Kevin said if something does come to mind later to let him know.
- d. Petition for County Funding additional entrance/exit to school – Stacy Owens agreed to assist the board with getting a petition together to request funding for an additional entrance/exit to the school that will be built.
- e. New Doors for Clubhouse – The vendor that is replacing the doors at the clubhouse ran into an issue where the company making the door came back and stated they could no longer make that door. The vendor is searching for alternative options that would still allow a door with a large window in the door.
- f. Non-working Street Signs – The total cost for getting the street signs up and running is \$218. The parts were at costs and the labor was about two hours. At the time of the meeting no one was able to verify if the street sign was working. To get all the street signs up and working the board is looking at close to 3.7k. That cost will most likely go down some as the vendor becomes accustomed to trouble shooting and making the repairs. With the budget being in it's current state Kevin asked if the board wanted all the street signs fixed now, wait until spring, do some now and some later. The board talked about at least getting some done now. The ones on the main drive of Grand National would be some that would be good to get up and running now. Kevin said he'd work with the vendor to get the lights working.
- g. Wexford and Sheffield Quotes – Kevin had asked about pricing reductions as they were approaching fall and if there might be some decrease in the costs of plants. Unfortunately, there wasn't the ability to reduce the 3 bid costs any more than what was presented. Kevin suggested that with the current budget that this be tabled until the spring. The board agreed to table until then.
- h. Erosion around upper lake – At the previous meeting there had been a bid presented regarding planting more aquatic life around the lakebed. However, the cost was very expensive and at the meeting another person had mentioned it had been tried before, but with little success. Over time the option will most likely include putting more rip-rap in at the lower parts of the lake to prevent further erosion from occurring.
- i. Other Old Business?

VII. NEW BUSINESS:

- a. Landscape Proposals – Kevin presented three landscaping bids for the common areas. GroundsPro, Grounds System, and A&A were the three landscapers to return proposals. The lowest proposal was Grounds Systems. They have been servicing the community for years now and service all the other entities around Steeplechase. The next closest

bid was GroundsPro but was about 4.5k more. However, Grounds System bid is only for two years. They knew that the association was working to keep their budget low, so they came in with a lower bid, but only for two years. Neil motioned to approve Grounds System and Chris seconded the motion. The motion carried unanimously. Kevin presented three bids for the empty lots that need mowing. Out of the three bids Alpha Lawns who the community had been using came in as the lowest bid. Kevin had wanted to increase the number of cuts to 18 from the 14 to help with times where it's more rainy like this past year and the grass gets tall early, but due to the budget and the expression from homeowners not wanting to pay anymore than needed, Kevin kept the number of cuts at 14. Steve motioned to approve Alpha Lawns and Chris seconded the motion and the motion passed unanimously.

- b. Lake Proposals – Kevin presented three proposals for lake services. Jones Fish, Lake Doctors and ATAC. Each vendor was a few hundred dollars from each other, but Lake Doctors whom the association has had for many years was the lowest bid. They also came in with suggestions of what to put into the pond to assist with the overall health. Jason motioned to move forward with the Lake Doctors and Chris seconded the motion. The board approved it unanimously.
- c. Budget – Kevin presented the budget with a \$50 increase in fees for the year. Kevin reduced some increase to the landscaping budget for additional work to the empty lots and already had the lower rate for landscaping figured in. He took out the amounts for animal pests and lowered the common area maintenance. Overall, once that was all accounted for operations are now covered, but it would only increase funding to the reserve by close to 2k. Kevin presented a proposal for a \$70 increase and a \$90 increase. All the additional money would go towards the reserve. \$70 would increase the reserve by an additional 6k to 24k and a \$90 increase would take the reserve to a little over 30k.

Kevin also included a break down of the reserve spending moving forward at \$50 increase and a \$90 increase. At \$50 increase the reserve, if capital projects were done, would spread the reserve fund into the negatives, so projects like the walkway would have to be spread out over 6+ years and the reserve would be low. With a \$90 increase it would allow the reserve to maintain around \$100k balance. It would mean spreading out the walkway project to 4 years. Kevin still has some concern about the sediment removal and how much that would cost overall as there seems to be a largish area that might need some of the sediment removed from it near the largest bridge.

The last document included a break down of what was budgeted for the reserve, how much went into the reserve, and then how much over or under the board was with the budget. Starting in 2009 there has been a loss each year. It looked like they fully funded the reserve, but when there wasn't enough money, they had to cover costs by going back and pulling it out of the reserve. Kevin could see how it might have looked confusing to past boards. However, based on the funding issues an increase should have occurred in 2010 or 2011 at the latest.

The board discussed all of this information. Based on the information provided from a 2005 reserve study of an increase based on inflation rates should have been around \$630 at this time based on what Neil compiled. The board talked about keeping a rate that was reasonable, allowed for things to get accomplished, but also didn't mean they had to come back to the community again and say they had to increase fees again. The board talked about doing an even number of \$100 for the increase and they also discussed

doing a round number of \$600, or an increase of \$120, for the association. The board agreed to do an increase of up to \$600. Kevin said he would update the budget so they could vote. Steve commented that he would like to do the vote at the next meeting so people could be present there since the previous discussion talked about having the special meeting to change the declaration.

- i. 5% Discount – Kevin approached the subject of the 5% discount that the association has in place. Kevin had concerns that it should not have been implemented in the first place. The declaration was specific on assessments and did not note that a discount could be provided to the members. This also might be part of the issue where at the end of the year when the association was low on funds, by getting homeowners to pay a full years assessments they were avoiding some of the cash flow issues even though they were running at a deficit at times. Looking at the budget and the trends, bad debt would most likely be around \$2300 to 2700 a year. Keeping the 5% discount in place over 10 years would come out to 23k to 27k, which is a decent sized capital improvement project. Chris motioned to eliminate the 5% discount. David seconded the motion. The vote was unanimous.
 - ii. Late Fee – Kevin also brought up that the late fee is only \$5 a quarter for missing a quarterly payment. With an increase to the assessment it might be worth looking into raising the late fee as there would be less incentive to pay on time. The board asked Kevin how much late fees the association had acquired so far. Kevin referred to the budget and noted that at the end of August there were \$820 in late fees. Then Kevin pointed at the delinquency report and that Late fees will start taking effect two days from now and currently there are 81 people on the delinquency report and based on the last three quarters will make close to another \$250 or around 50 people not paying on time. The board was surprised at how many people were not paying on time. Kevin commented that when the late fee is only \$5 there isn't much incentive to have to pay on time. The board discussed raising the late fee and talked about \$15 or \$25 as possible increases. Chris motioned to increase the late fee and Jason seconded the motion. Steve and David did not vote to approve the motion on the grounds that they wanted more time to consider the increase and the amount.
- d. Violations
- i. Trash Cans – Kevin brought up that with the last board he had approached them regarding to the number of trash cans that were visible in the community and asked if it was something that should be enforced. At that time the board had instructed management that as long as the trash cans were moved up to garages and not staying down by the street after pickup, they would be fine. Kevin asked the board if they wanted to keep enforcing the trash the same way or to start enforcing the rule as written. The board noted that people were probably starting to take advantage of the leniency and stated that it should be enforced per the rules. Kevin recommended giving the membership notice and allowing some time to find a space for the trash cans. The board agreed that it would be good to wait until January 1st to start enforcing.
 - ii. Mailboxes – Kevin also noted that one of the other issues Kevin brought up to the previous board were the condition of the mailboxes in the community. They are in various conditions throughout the community with some missing parts,

numbers, etc. Kevin recommended that to help with uniformity of the community to start enforcing the condition of them. The board agreed that some were starting to look in poor condition and there should be enforcement of the mailboxes. Similar to the trash cans it should start being enforced January 1st.

e. Clubhouse

i. Cable, Internet, Phone – The board discussed the current contract they have for the clubhouse for Cable, Internet, and Phone. The discussion started with talking about whether it was feasible to take out the cable TV from the clubhouse. At least for the clubhouse area there were rentals that used the TV specifically for events that were televised live (super bowl, holiday parades, March Madness, etc). In the gym area the board discussed that there were not many people that they see using the TV in there. Kevin asked if they did get rid of the Cable TV in there, what they would do with the TV that is installed up there? It's only about an additional \$25 for the other TV option. When talking about the internet and switching to a residential option Kevin noted it was possible but had been told in the past there had been issues with Internet now performing to the level needed with the pool in the summer and with clubhouse rentals. Business does allow better services in those areas. Kevin noted that he was able to get the price reduced recently by another \$30 per month for a year since they don't need the phone except for the summers and had been told it would be possible to put it on a seasonal status. At this time the board decided to keep the current services in place.

f. Halloween – Chris proposed getting the area east of the lower retention basin bush hogged and talk about getting the fire department to come out while they put some firewood down and allow the kids to come out and some smores or something to help celebrate Halloween. The board was for the idea but warned that it's possible the Fire department would be well booked out at this time of year.

g. Christmas Lights – Island

i. Charlie Brown is willing to put up Christmas lights for the middle island, but knowing that whatever he does there will likely be some critics, he wanted to know what size bulb would be used, how tightly to wrap the lights around the trunk, the color of the bulbs and need black extension cord and timers. The board said to go with White LED bulbs, do the wrapping tight around the trunk, do small bulbs like you find on typical Christmas trees.

h. Bathymetric Survey: Tabled till next meeting

i. .361 Acres of land from developer – The board brought up the concern of taking over the parcel of land that was not going to add much value to the association. The board decided that if the developer is not going to incorporate into the association, then there is no need to take on this parcel as there will not be much benefit in the end of taking it.

j. Group meeting requests at Clubhouse: Tabled till next week

k. Other New Business?

VIII. SCHEDULING OF NEXT BOARD MEETING: Meeting is scheduled for November 13th, 2019.

IX. ADJOURNMENT: Seeing no further discussion the meeting adjourned at 8:59 pm