

Spring Acres Hills Homeowners' Association

BOARD OF DIRECTORS MEETING July 23, 2008

CALL TO ORDER: The regular meeting of the Spring Acres Hills Homeowners Association Board of Directors was held Wednesday, July 23, 2008, at Fire Station #3, Carpentersville, Illinois. Dennis Dobson called the meeting to order at 7:07 PM upon achieving a quorum and following the Homeowners' Forum.

ROLL CALL: Dennis Dobson
Tamara Hill
Juan Juarez
Paul Lanspa
Steve Roesslein

Don Rage – Property Manager

APPROVAL OF THE MINUTES: The April 16, 2008 meeting minutes were approved upon a motion duly made by Tamara Hill, seconded by Paul Lanspa and unanimously carried. A complete set of minutes will be posted to the HOA website.

GENERAL NEIGHBORHOOD UPDATES/HOMEOWNERS' FORUM:

- **Tree replacement** – One homeowner in attendance asked for clarification on tree replacement within the subdivision as discussed in the last meeting. Paul Lanspa confirmed that there had been a prior discussion regarding a proposed parkway tree replacement program sponsored by the HOA, but no further action or discussion of the matter had taken place since that time. As far as replacing trees within the cul de sac islands, they will be replaced by Boncosky in either fall or spring, when it is more seasonable for planting.
- **Neighborhood watch**: Barb Zane gave an update on the status of the Neighborhood Watch. She noted that two speed radar patrols had been conducted in different parts of the neighborhood over the past few weeks. The speed threshold for the mailing of a warning letter by the Carpentersville Police is 10 miles per hour over the limit, which is 25 miles per hour. Several people were clocked driving over 37 miles per hour on our residential streets. Some of these offenders are known to be residents. Each offender whose license plate was recorded will be mailed a letter from the police department stating that they were observed speeding in the neighborhood and warning them to slow down in the future.

MANAGEMENT REPORT:

- Don Rage provided a manager's report. As of the date of the meeting, there are 10 lots carrying past-due balances on their HOA assessments. One of the homes is an empty lot, where the homeowners claimed they did were unaware of the existence of the HOA or any assessment fees due by them. He also noted that the Village task force visits the community at least once a week to check on

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Code violations within the neighborhood. Where a violation is observed, the Task Force first attempts to contact the resident to inform them of the deficiency and to allow them to take corrective action. Where the violation is not removed, the task force's second contact is an official letter noting the violation and warning of the potential for future fines. The task force plans to increase its visits in our community to two to three times per week.

TREASURER'S REPORT:

- Paul Lanspa provided a listing of current assets and liabilities. As of June 30, 2008, the association's assets totaled \$135,126. Receivables from delinquent assessments totaled approximately \$3,707. Paul noted that the HOA holds one Money Market account at Elgin State Bank and two CDs. He expressed concern both CDs are held by National City Bank, and he is concerned about the bank's present solvency. While National City has repeatedly stated that it is not in danger, he has confirmed National City Bank is under an FDIC Memorandum of Understanding, forcing them to raise \$7 billion in capital. This type of step by the FDIC brings into question the long term viability of National City considering their extensive exposure to sub-prime mortgages. This first CD matures at the end of July, and the second CD, matures in October. Considering the volatile state of the financial and investment communities at present, Paul recommended that we research other financial institutions to determine the best way to manage our HOA investments. His preliminary research has shown that some savings accounts may have an interest rate that matches or exceeds the interest rate on some CDs. Dennis suggested that we avoid keeping all of our investments with one institution so as to avoid the problem of bank solvency problems and FDIC insurance limits. Paul's recommendation is that we consider keeping the funds currently held in CDs in a savings account with a fair interest rate for at least a year to 18 months, depending on how long it takes for the financial community to stabilize. This would give us some protection and also greater liquidity. Due to the increase in foreclosures at present, Don suggested that the Board plan to budget a certain amount of money in 2009 to account for bad debt in terms of delinquent assessments. Paul Lanspa made a motion to explore investment opportunities for these CDs over the next 30 days. Juan Juarez seconded the motion, and it passed unanimously.

OLD BUSINESS:

- **Update on Ponds Maintenance/Status** – Steve Roesslein stated that, since the April 2008 BOD meeting, the new aerator has been installed at the Pine Woods pond. Improvement in water quality has been substantial. Since that time, Steve has also handled the first chemical treatment of the Sleepy Hollow pond. He has some chemicals remaining and plans to do a second treatment in coming weeks. He confirmed that he did not have to expend any of the money budgeted for application of the chemicals as he was able to get a boat to use for no charge. He has also done some preliminary research on a decorative fountain with a light kit, similar to those in use at Willoughby Farms and Newport Cove, to be installed

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at the Sleepy Hollow pond in the future. Light kits run at least \$800, which we don't have budgeted for this year. He also noted that we will need to purchase a new cord with a larger capacity to handle the increased electrical requirements for the lights and a larger fountain. The current aerator runs off his electricity, but a new system will require greater amps and a larger electrical line than he can currently provide. Steve will work to have such a line installed at his home, though he will wait until fall or spring to do it so as not to damage his lawn in the heat of the summer. Steve also noted that he had already secured a controlled burn permit for all of the ponds for the 2009 growing season. He plans to conduct a controlled burn at the Oak Knoll Rd./Oak Knoll Lane pond this fall. The Pine Woods pond is, for the most part, in good condition. However, there is one area near the westernmost edge of the pond where there is visible algae growth. This area is where the cattails have been mowed down. These cattails are required by the ACE as a way to help aerate that pond. Their removal is most likely the reason for the algae growth in that area. Steve asked the BOD for approval for him to research chemical treatments to remove the cattails that are growing in the Sleepy Hollow pond up to 25 feet off the shore. He stated that cattails are really only intended to grow up to 10 feet offshore. Steve also requested that the HOA place a story in the next newsletter recommending that our homeowners, at least those living near the ponds, use fertilizers with a "0" in the middle of the fertilizer name; e.g. 5/0/10. Don stated that our contact at the ACE has previously expressed concern that the cattails have been mowed down on the Pine Woods pond in violation of the ACE's requirements. As of his last contact with the ACE, their representative stated that she would begin fining those in violation of the cattail requirement if it continued. Steve and Paul noted that there is a difference in the treatment of and requirements for the Sleepy Hollow pond versus the other two ponds due to the fact that the Sleepy Hollow pond is not subject to ACE control. Dennis proposed that Don send a letter to all pond-bordering homeowners stating the ACE requirements for the ponds, explaining the benefits presented by cattails, recommending fertilizers for proper pond water maintenance, and explaining that the HOA has an obligation to inform the ACE of future violations. Steve agreed that he would write a first draft of the letter, but stated that he would prefer to keep it informative in nature. Steve Roesslein made a motion to apply the money that remains in the budget for the application of the Sleepy Hollow pond chemicals to the chemical treatment of the cattails. Juan Juarez seconded the motion, which passed unanimously.

- **Update/Discussion – Neighborhood Watch** – Dennis stated that he would like to include a regular segment in the BOD meeting for updates on the NW. One homeowner suggested that the block captains inform their contacts that the CPD will provide vacation watch services, including regular drive-bys and/or a full property watch for any resident who notifies the department that they will be out of town. Paul Lanspa noted at least one person has been observed in the neighborhood attempting to hack into residents' unsecured wireless routers. While the police were not called, the resident who observed this was confident in knowing what the perpetrator was attempting to do. Dennis Dobson, who works

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in the Information Technology field, agreed to write a short notice explaining how to avoid being hacked, with this communication to be disseminated to all residents via newsletter.

- **Update on Unit 6 – punch list items** – The Village has agreed to allow the surety company, which is holding the bond paid by Neumann to the Village, to use their own contractors to complete the punch list items on their own timeline. The Village did not give Paul a specific deadline date for completion of all open items, but stated that it would be done by year end. If the list is not complete at that time, the Village will reassess the situation and determine a plan of action and deadline for final completion. As of mid-April, the Village had a list of open landscaping items, including at least 36 trees that need to be replaced, from the Unit 6 punch list. Paul has asked the Village not to prune the trees in an effort to cut corners and has requested that they instead ensure replacement. Paul will contact the Village to determine when Neumann's bonds expire. ** Follow-up note: Per e-mail sent by Scott Marquardt from the Village to Paul Lanspa on 7/25/08, the bonds are open-ended with no specific expiration date and will remain open until the work is completed.
- **Maintenance of cul-de-sacs** – There is at least one dead cul de sac tree in need of replacement. It will be replaced either this fall or spring when the weather is more conducive to planting. Some of the cul de sacs are also overgrown with weeds. Our contract with Bonkoski calls for weeding twice per year. Don will contact Bonkoski to ensure that this has been done in accordance with the contract and to ask that they refrain from blowing mown lawn into the mulch, which can increase the spread of weeds.

NEW BUSINESS:

- **Discussion – Management and care of drainage easements** – A homeowner has inquired about the HOA's responsibilities with respect to managing and caring for all drainage ways in the subdivision. Paul has sifted through all of the covenants and HOA documentation that touches upon this subject. He found one declaration that grants the HOA an easement for ingress and egress onto any individual homeowners' lot for the purpose of maintaining drainage retention and detention areas. He also found, in the Fourth Addition and Amendment to the Covenants, that the HOA "shall maintain all drainage and detention areas to the extent and in the manner as any other Common area." A later amendment, in effect, removes that responsibility from the HOA by stating that the homeowner shall "mow and maintain such areas regularly" and granting the HOA "the right to enter upon any Lot to correct or eliminate nuisances or violations of any or all of the foregoing." As far as mowing and regular maintenance, Paul expressed his opinion that, from his review of the documentation, the HOA is not responsible for regular lawn care of any drainage easement located on private property, though we are clearly responsible for such activities on Common areas. One homeowner inquired if and/or how amendments that were made to the covenants after the date a lot was purchased can be applied to that piece of property.

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Dennis stated that this is a legal question that the BOD can not answer, though we can elect to take the question as an action item to the HOA's attorneys for consultation. Paul stated that this issue had been brought to the attorneys previously and that they generated a letter of explanation stating that amended declarations are indeed applicable to a lot where the amendment was made after the lot had been purchased. The homeowner asked that the BOD determine their legal responsibility/liability should a homeowners' property be flooded by an obstruction placed or permitted in a drainage easement by a neighboring homeowner. Dennis stated that the BOD must determine the appropriate use of HOA funds when it comes to looking into the HOA's liability with respect to a homeowners' violation of the drainage easement rules. Don stated that any homeowner who feels that the HOA or another homeowner has violated the terms of the covenants or declarations in any manner and on any subject is free to seek redress in the court system. Paul stated that the Village Engineer has come out to inspect the drainage easement the property in question and confirmed that there is no obstruction to drainage. As the Village and its engineers are in a superior position to address drain design and possible obstructions, the Board agreed unanimously that we do not wish to begin taking responsibility for determining what constitutes an obstruction to drainage and what does not. With that said, Steve expressed concern that the HOA would be exposed to an onslaught of feuds between neighbors if the HOA takes issue with one homeowner's decision to plant a tree or bush in a drainage easement located between two property lines. There will be no change to the covenants or HOA's responsibilities as a result of this discussion.

ADJOURNMENT:

Upon a motion duly made by Paul Lanspa, seconded by Juan Juarez, and unanimously carried, the meeting adjourned at 9:02 P.M.

Respectfully Submitted

Tamara Hill - Secretary