

# High Point Annual Meeting – January 30, 2019 -- 8:00 p.m.

(Official minutes for the record)

Welcome to High Point preceded the Annual Meeting at 7:15 pm for new residents

## 1. Welcome – Ken (Allen, Campobenedetto, Voorhies, Bakata, Evans present)

- Move to resume 2019 Annual Meeting suspended to allow voting for proposed Vision 2020 and concurrently have 2020 meeting – record verbal objections by trustees
- Meeting announced in newsletter and entrance signs. Last meeting was in January of 2019.
- Our website address is [www.hpohio.com](http://www.hpohio.com) – Includes many features, including Governance & Administration tab, clubhouse rental calendar, forms and FAQ. Resource available 24/7/365

## 2. 2017 Financial Report – Bob (Slide 5 and move to spreadsheets)

(Slide) Slide of 2019 Budget vs Actual (as published in our January newsletter)

- Collected 2019 dues from all but 1 of 643 residents. Excellent compared to other associations.
- We collected in 2019 one delinquent dues from 2018.
- We went over budget in a few categories. Also had a few under our projections. We continue to monitor each and every expense. Bob discussed several individual expense categories.
- Association did not carry out any major projects. *Talk about 10-year projection later in meeting*

## 4. Trustee Reports (Slide)

- Before Trustee reports, Council-at-large Jim Carbone was present and addressed the group on behalf of himself and Matt Schonhut, also CAL. Jim spoke about many City initiatives that will protect our community in years to come including the Howe/Shurmer proposed traffic solution, work to keep the mall viable and an asset to our community, and the traffic study for a limited exit ramp for I-71 at Boston Road. He responded to a number of questions from the audience.

## Vision 2020 – David (Slide)

- Three modifications were *proposed* by the trustees in 2017 to the Association By-Laws
- A majority of residents would need to approve By-Law changes. Trustees have all but given up.
- While overwhelming support in favor, less than 200 have voted. Need 320 to approve.
- Vision 2020 proposed three changes to the By Laws, which is different from C&R. Changes:
  - Change trustee spending authority from \$3,000 per project to \$20,000
  - Change from an annual audit to a Financial Review
  - Change to a majority vote for trustee elections from a quorum
- There is information on our website about these changes which the trustees RECOMMEND.

## Social – Valerie (Slide)

- **Kid's Holiday party** in December with a huge crowd – Magic show, balloon creations, and Santa photos. This year we provided families with 3 copies of Santa photo
- **July 4<sup>th</sup> Parade** was enjoyed by a large group and we had hotdogs at the clubhouse
- **Four Family Movie Nights** were done on the pool with great crowds. More coming in 2020. Also had a winter family movie night and will again on Friday, February 21 at 7:30 pm
- **Easter Egg Scramble** – Our **33rd Annual** Scramble will be Palm Sunday, April 5 at 2 pm
  - 3,800 eggs will be ready for the crowd of kids – over in the blink of an eye
  - In case of **bad** weather, the Scramble is held the Saturday of Easter weekend
  - Volunteers needed to stuff eggs and put them out – come up after meeting to me
- We had our usual 100+ rentals of the clubhouse. We manage the wear & tear with good maintenance and cleaning. We are now bringing in a cleaning company once a month for a deep clean in the non-pool season and twice a month in the summer months. Our rental fees pay for that and carpet cleaning 3 times a year and replacement of equipment.
- **Always open to new party ideas – trustees will support – looking for volunteers**

## Landscape Contractor – David (Slide)

- What a difference a year makes. Schonhut Landscape has been great. Kudos to Matt.
- We had no performance issues, and our association has never looked better

- They have impressed us with their attention to detail and we look forward to his crew working on our property again this summer. This is year 2 of a 3 year contract.
- Please remember to be patient if we have another wet spring like last year that slowed cutting.
- And we still have cut down a significant number of trees throughout the year, as our wooded common areas continue to age. Large, old trees are expensive to cut down and remove.
- Hopefully our residents have been as pleased as the trustees with our landscaper's work.

#### **Association Improvements in 2019 – Valerie** (Slide)

- This past summer we added two picnic tables with umbrellas to the playground area.
- We changed the holiday lighting on our entrance signs and will keep working on that this year.
- We added a private facility sign at our entrance because lifeguards last summer had to deal with non-residents who said this was a city pool and argued they should be allowed to swim.
- We reported vandalism to our playground equipment and have to wait until the weather is better to determine what can be done to remove or cover up the carvings in the slides.

#### **Pool Operations – Ashley** (Slides)

- All of the trustees are aware we opened late two summers in a row and we apologize for the delays. We know families depend on the pool to open Memorial Day weekend.
- As of today, the pool is holding water. That is a good sign, but could change at any time.
- We will be working with Metro Pools as soon as possible to repair any leaks we might have.
- Metropolitan Pools provided lifeguard services. Many positive comments from residents.
- Our dumping buckets water feature was back last summer with the Nerdy Bird for kids.
- We changed pool hours in 2019, opening on Saturday and Sunday an hour earlier at 11:00 am and closing on Monday, Tuesday, Wednesday and Thursday at 9:00 pm instead of 10:00 pm. We had a lot of positive feedback and will do that again this summer.
- Our lifeguard cost will go up this year significantly as minimum wages are not only going up, but full employment means Metro has to pay competitive wages just to get lifeguards.
- So let's talk about what happened to the "new pool" or "replacement pool" we talked about last year. We did go out to bid last summer to replace the pool. Eight companies received a request for proposal (show slide). Only three companies showed any interest and only ONE builder submitted a proposal. It was for \$660,000 when we estimated between \$300 and \$400,000.
- Our "new" pool was built in 1997 at a cost of \$238,000. In discussions with the one bidder, we found that the biggest part of the project was demolition of the old pool. We did not move forward, as it would be foolish to sign a contract with only one bid. We know other pool builders said they are booked 2-3 years out, since there are so few pool contractors left in Cleveland.
- We know we have had leaks in 2018 and 2019, with a lot more last summer. We did get them repaired and opened late. Since the pool a year ago had lost all water, we are in better shape as we sit here tonight, but we are watching and holding our breath and hoping no leaks
- Make no mistake that doing repairs for several more years is risky and expensive, but we have no other option. We have adjusted our thinking and rearranged our long-range projection to replace the pool after the 2022 season. It is a very expensive proposition. We would do the concrete shell and underground plumbing in the fall of 2022 and then in the spring do the interior surface and pool deck. Ready for 2023 season with a new pool.

#### **Long Range Budget – Bob** (Slides)

- In the newsletter you may have noticed projected increases in dues over the next few years.
- That same spreadsheet is on the back of your agenda. Our association does a long-range Reserve Analysis which is on screen now. We updated this in January of 2019, before we knew what was ahead with the pool. As we have risk management professionals on the board, we are satisfied that we produce this in-house, instead of paying \$5-10,000 for an outside firm.
- This analysis drives our long-range budget. It will be updated again in the coming months.
- Central in this is the cost of a replacement pool. We can debate whether a pool is worth the cost to maintain and operate, but it was here when everyone in this room moved in and it is an important reason why people buy homes in High Point. If you have any question about that, we asked Ann Paydock, an agent with Howard Hanna, if she wanted to attend our meeting. She has listed and sold many homes in our development and just sold one in less than a week over

asking price. She can tell you amenities drive sales and support values. As a former resident in our development and former neighbor of mine, she knows High Point and how we stack up.

- Ann Paydock did address the group and described the value of amenities like our clubhouse, pool, playground and tennis courts. She related how these are important in presenting a home for sale to prospective buyers as well as closing deals.
- We project a \$30 bump in dues every two years. Without it, we will struggle and our association will suffer. High Point was started in 1976 and at over 40 years old we have a lot of work to do to maintain our amenities. Just like every resident knows the cost to maintain their own home.
- This includes a \$400,000 loan for the replacement pool. High Point cannot borrow money from a bank or credit union, as we would have to have express borrowing authority added to our Covenants & Restrictions. That is because the law changed in 1988. We could not change because it requires 90% approve of our membership to change the Covenants & Restrictions. We cannot get a measly 50% to approve simple, common-sense By-Law changes.
- We could only borrow from a private lender, equity firm or venture capital entity. If anyone has connections to a source like that, the trustees would be very interested in that information. One option is to use a consortium of residents to put together an official loan pool to lend the money.
- If we are to move forward with a 2022-2023 plan to replace the pool, the request for proposals starts in 2020 and we have to identify a funding source early in that process.
- Lastly, let me talk about options in terms of changing our dues assessment. Our long-range budget projection is a spreadsheet that we can manipulate to show the impact of revenue and expenses. It is pretty sophisticated. Lets show you what would happen if we kept dues at \$390 going forward. Note the bottom line numbers.
- Next lets look at what is on the back of your agenda, that was in the January newsletter. You can see we published a projection of increasing \$30 every two years. Changing every year is a pain for a number of reasons, but incremental increases are not as hard to manage.
- Your trustees monitor the annual dues for other Strongsville developments and we know we are one of the lowest, despite having the most amenities and assets. Were we to bite the bullet and advance the dues to \$510 per year today for the future, it would certainly favor High Point at the expense of our residents. But even at that number, we would not be the highest in the city. Whether we hold to increases every two years or have to step up the planned increases will depend on what has to be done to keep our pool open and what the final project cost will be to replace the pool.
- Our intent is to bid the pool replacement early so we can involve more than one contractor, and make the bids competitive.
- What this board does to manage our revenue and expenses to drive a 10-year projection is a lot of work. We are just a homeowner association, but our modeling is more sophisticated than the City of Strongsville or the Strongsville City Schools.
- Questions from the audience were answered throughout the evening about multiple topics.

**5. Audience comments or general questions – Ken (Slide)**

**6. Elections – Ken (Slide)** Two for 2-year term – Bob Campobenedetto and Ken Evans

**7. Adjournment**