

High Point Annual Meeting – January 27, 2022

(Official meeting minutes)

1. Call meeting to order & Welcome - Ashley (Slide 1)

- Meeting announced in newsletter, entrance signs and Facebook. Last meeting was virtual in January of 2021. Minutes from this meeting will be posted in a few days on our website.
- Trustee Bob Campobenedetto was unable to be here due to a scheduled family commitment.

2. Statement regarding Covid pandemic - Kevin (Slide 2)

- Our association, just like every person and organization in the country, has been impacted by the Covid virus. Many of the reports you will hear tonight are related to the pandemic in one way or another. Unfortunately, that impact is still being and will be felt for some time to come.
- Association trustees have done their best to protect the association and its homeowners during this time following CDC, State and County guidelines as best we could. Decisions were not made lightly and we worked hard to be creative and continue activities as best we could.
- All of the associations in Strongsville struggled in the same way as High Point. It has been a challenging year. We are hopeful that some day things will return to the new normal, whatever that may be. We appreciate the patience of residents as we all deal with this pandemic.

2. Financial Report - Ashley (Slide 3)

- (Slide 4) Slide of 2021 Actual to Budget (as published in January newsletter)
- Dues were collected from 641 of 643 residents. Two are in foreclosure proceedings. From what we know of other Strongsville homeowner associations, most associations are not so fortunate.
- We did collect several dues from delinquent residents in prior years via court proceedings.
- Our income was pretty much as planned. We had reduced the expected rental income, as 2020 showed we were likely to have limited rentals and less revenue in 2021. That was the case.
- Overall, our expenses were \$25,000 under budget and our income was as predicted.
- While a number of expense categories were under budget, several were over. In all cases, that was attributed to the impact of the pandemic. Those notes were all detailed in the January newsletter. We calculated pandemic and sanitizing equipment was just under \$2,300. We did have a pool management credit from 2020 that reduced our pool operations cost by \$4,177.
- Several items worth mention are that we repaired and replaced recreation area lighting that was damaged by a storm in 2018. It took three years of getting estimates, comparing apples to oranges, and waiting for equipment that was on backorder for over a year. We also need to point out that our utility cost for electricity is impacted by CEI charging a meter fee every month for each meter. We are billed as a commercial account with a fixed monthly fee of \$80 per meter in addition to the electricity we use. Even if we don't use a single kilowatt, we are still billed that monthly base fee. With 8 meters that is a steep monthly minimum. As you all know, the water and sewer costs continue to go up significantly and we use a lot of water in the pool.
- (Slide 5) We believe we are the only association using a 10-year rolling budget projection, based on our Reserve Asset Analysis. Rather than guessing, this allows for planned budgets. That can be a two-edged sword, as it shows where we are going and if there are challenges ahead. We disclosed in our 2022 projection for 10-years that we may need to increase dues in 2023. That is not a decision that we take lightly, but we have to maintain our recreational assets and the cost of that continues to go up. Not properly maintaining equipment costs more down the road. We continue to work hard to keep our expenses as low as possible.
- We can say with certainty that our pool has to be replaced. COVID has taken away the option for private funding sources that we explored. And our Bylaws do not give the trustees explicit authority to borrow money, which is necessary to get a loan. When we set out Requests For Proposals in 2019, the single bid we got back was for almost two times what was estimated for the project. We can only levy an assessment against every resident or increase dues.
- This 10-year projection accounts for the pool replacement to open summer 2026. It also follows the 2021 Asset Reserve Analysis (which is under the Governance, Budget & Administration tab

under Information). This drives our long-range spending projections for maintenance and replacement of our amenities and facilities.

- An increasing number of associations in Strongsville are using a management company because of residents not volunteering to do the work it takes to run their association. We are very familiar with this option. There is an annual per unit fee and additional individual fees charged for many of the services offered. An average base cost of \$40 to \$50 per unit is charged, which has to be passed on to homeowners. Paying for services now provided by volunteers does not seem to be a prudent option. A good example of this is the Asset Reserve Analysis that is done by management companies. That cost ranges between \$8,000 and \$15,000 for what is done pro-bono by professionals who are residents in High Point.
(Two questions were asked at this point and will be reported in Questions/Comments later.)

4. Trustee Reports (Slide 6)

Pool Operations - Joe (Slide 7)

- Last summer the good news was that our pool had no leaks and was ready to open, but as we know, the pandemic labor shortage really hurt lifeguard availability and our pool, as well as most in Strongsville, opened after a delay to find, hire and train lifeguards. We do apologize for the delay in opening. While it was beyond our control and affected every pool in Strongsville, we believe Metro is on the case to prevent the same situation this year. We have no idea how the pandemic will affect pools this summer, but we will do our best to be prepared.
- Questions have been asked why we use Metropolitan Pools for our lifeguards and pool service needs. It is a simple answer. There are only three choices in Cleveland. A company called Hastings Waterworks, doing it all ourselves, or Metro Pools. Hastings has been around for a number of years and they usually have clients for one year, which is not a good track record. Doing it ourselves is just plain not an option. Unless someone wants to work full-time for free and manage our pool and the lifeguards, none of the trustees are so inclined.
- We are waiting for a bid from Metro for this season. A schedule for lifeguard hours was approved by the trustees for this summer, based on the 2021 schedule with modifications.
- Our pool will again open on Saturday and Sunday at 11 am. Swim team will be practicing in the pool during the first half of the summer from 8 am to 11 am on weekdays with toddler time from 11 am to noon. Closing time will remain the same as last year. Closing Sunday, Monday, Tuesday, Wednesday and Thursday at 8 pm, and on Friday and Saturday at 9 pm.
- Based on lifeguard hourly pay in 2021, we anticipate our pool management costs will go up 15% or more for this summer. Several pools in Strongsville already know their fees have gone up 30%, but we are a long-time client and we reduced our lifeguard hours by 10% from 2021.
- Our swim team was able to have a modified season as part of the Strongsville Swim League. On Memorial Day weekend, the swim team will be selling food at the clubhouse as a fundraiser for the team. Watch for more information in the May newsletter.
- Our 2022 budget does have \$16,000 allocated for repairs as a precaution. There were no leaks in 2021 and we hope our luck holds out this summer. But we are prepared just in case.
- It would be remiss if we did not point out the several pool near-disasters were averted by the trustees last summer. Everyone was aware that we had a sewer backup problem that caused us to bring in porta-potties. It was determined that a member of the landscape team ran a mower over a sewer cap and a piece went into the sewer blocking it. Swift action by the trustees kept the pool open and our landscaper paid all of the related bills. We did not have to close. There was also an electrical failure of our three-phase converter that stopped our pumps from working the weekend before July 4. That could have been another catastrophe if we had to close for days while repairs were done. Again, quick action by the trustees over a weekend found a master electrician that was able to do the electrical work and loaned us a converter, while a new unit was ordered.
- We should note too that a year ago High Point hosted a meeting of Strongsville associations as we all scrambled to figure out how to deal with the pandemic and what to do to protect families.
- We are working on the premise that the pool will open this summer for normal operations,

following whatever guidelines may be in place by health officials.

- We understand not all residents may use the pool, but every resident benefits from the value that amenities add to homes in the development. Real estate sales for High Point have been moving quickly with homes selling for \$5 to \$30,000 over asking prices due to our facilities. Maintaining the pool as a recreational facility is a responsibility of the trustees. Homeowners moved into High Point with a pool as an important asset and that needs to be preserved.

Social - Ashley (Slide 8)

- Despite Covid, High Point was able to have the annual Easter Egg Scramble, with hundreds of youngsters participating on a chilly, wet day. Right at 2 pm, the sun peaked out for a short time, as if it had been planned that way. We appreciate the people who gathered for a stuffing party that loaded candy in the thousands of bright plastic eggs.
- Our Strongsville Police officers escorted the July Fourth Parade through the development and ice cream treats were distributed at the end of the parade. A large group of kids, parents and pets enjoyed a beautiful day with decorated bikes, scooters, wagon, and electric cars.
- Two Outdoor Family Movie Nights were done at the pool with good crowds.
- Magician Rick Smith Jr headlined our Kid's Christmas Party and wowed the audience with his tricks. Two balloon clowns crafted creations for kids and family photos were provided to all that attended. Due to Covid, we did not have our usual holiday food spread, but we did send each child home with a goody bag of treats. We are actively looking at our options for this year.
- Last year we experimented with several food trucks and we are working to expand that this coming summer. Residents embraced the idea and the vendors were very successful. There are some hurdles to get additional food trucks, but we are working through the challenges.
- Association trustees are working on plans for social activities for this year and are always interested in ideas for events that residents may propose, so long as there is a coordinating committee willing to take the lead with the activity.
- Clubhouse rentals returned to normal after Labor Day weekend last fall, from the one per weekend that was restricted earlier in the year. Rentals are booking for this coming summer.

Landscape Contractor - Ken (Slide 9)

- Association trustees have been asked why we last bid out landscape services in 2016 and not since. We solicited bids from 13 contractors in 2016. We walked the property with 11 and only 6 offered bids. This is a large property and it requires a large firm to supply the horsepower to maintain the over 100 acres of common property. Our bid in 2016 resulted in retaining Erie Landscape and they sold the business in 2017 and we had to train a new firm. They could not perform the work and we fired them. In 2018 we went to the second lowest bid from 2016, which was Brickman and signed on with them and had to train their crews. In 2018 Brickman became Brightview and in the spring of 2019, changed their services and we had to train another new team. That lasted for a month and they were fired for terrible performance. That is where Schonhut stepped in to help High Point and they stayed with their 2016 bid price for 2019 through 2021. While the 2022-24 bid price from Schonhut increased over their 2016 bid, that number is still less than the next lowest bidder and all of the others from 2016. Based on that, the trustees determined that Schonhut would be retained for another three year term.
- We believe the services provided by Schonhut have been the best in the 33 years I have been on the High Point board and despite the labor shortages in 2021, they have worked hard to deliver quality work, based on our Landscape Requirements. Except for the labor shortage in 2021, they have done an excellent job. And they have responded to help with special needs on a timely basis. Their team has also handled our tree needs, especially emergencies. They have been very reasonable for special services, and responded quickly when we need them.
- Going out to bid takes over a hundred hours on the part of trustees. It is a very detailed process. To those that have accused us of using friends or relatives, we can say that has never and will never be the case. Everything we have done in bid processes is fully documented.
- In 2021 we again spent a great deal of money taking care of dead and damaged trees in the common area. As an older development, we can expect this to continue as we age. While the

trustees try to be proactive and regularly review the almost hundred acres of woods in the development, we appreciate residents letting us know when they see problems and concerns.

- One additional note is that High Point does not do snow removal from City streets. Our cluster groups are responsible for their own streets, which are not dedicated. We have encouraged the City to plow into and out of cul-de-sacs first, and clean end circles after all streets are done.

Replacement Pool Targeted for Summer of 2026 - Kevin (Slide 10)

- A number of homeowners have expressed their opinion that investing in a replacement pool is a waste of money. As home sales in our development have happened very quickly and mostly for significant amounts over asking prices, real estate agents have made no secret that our amenities have a lot to do with young families finding our pool and clubhouse very attractive for raising a family. When we opened our new pool in 1997, the clock was already ticking on the time that we would need to replace the pool. Here in Northeast Ohio, Mother Nature is cruel to outdoor inground pools. It is not unusual that the lifetime of an inground pool can be 20 years. Any life beyond that is a gift. While the trustees planned for that project, the estimates for costs that we relied on were lower than reality. In 2019 we went out to bid with 7 firms. Only one responded with a bid and that number was almost \$700,000. That number was significantly higher than the \$400,000 cost estimated by a pool company who did repairs on our pool.
- Our 2019 bid solicitation was for work to begin within a few months, as we were not sure if repairs could keep us going a little longer. We knew that sole bid was higher because we asked for a quick turnaround. But it told us the original costs of \$283,000 in 1997 was going to be very low. Our target cost is now \$700,000 to be more realistic with a longer bid and lead time.
- High Point cannot borrow money from a lending institution. In 2010 the Legislature in the State of Ohio changed the law requiring homeowner associations have an explicit authority to borrow money. High Point's Covenants and Restrictions do not have that spelled out. It would take a change to the By Laws to create that authority. So High Point cannot borrow money.
- Until the pool replacement, it is likely we will need to do repairs each year, through the summer of 2025. Our 10-year budget projects funds for those repairs. It is not perfect, but it will work.
- Focus groups will be held this spring to determine what residents would want in a new pool. A committee will be organized after that to help the trustees determine what should be included in a new bid solicitation request. Then the real work starts. It is a long process, which is why we have targeted the actual work for 2025-2026.
- If you are interested in being in a focus group or working on a long-term committee, please come up after the meeting and let me know.

Audience Questions – Joe & all (Slide 11)

- There was a single question/comment submitted in advance of the meeting. It was submitted by a trustee from the Cambridge Oval cluster association and appears below.

Dear Trustees,

I am a Trustee for the Cambridge Colony Homeowners Association, one of the many sub-associations within High Point. We just had our Annual Meeting and I am sharing grave concern many of our homeowners have with the decision made by the High Point Trustees

1. Almost all of our homeowners are sr. citizens. Yes, they moved into their homes knowing they were part of the High Point Homeowners Association. But they had no intention that annual dues would be going up \$30 every three years. The reason for this is the inability to do what it required and that is - change the language in the By Laws. Yes I know an effort was made, but the process used to get ballots returned was flawed. Why didn't the High Point Trustees reach out to each Association within High Point and ask for support from their trustees to secure ballots for their respective homeowners? I would have been pleased to gather the ballots for the 18 units within our Association. Instead, not one Trustee from High Point called me or any homeowners in our development. The Trustees were so proud to proclaim 5 years ago about how the annual dues had been kept in check with "great" financial management. But now raising the Annual dues \$30 every third year is not sound financial mgmt. Not in these times with sr citizen homeowners. I make a motion to ask that the trustees come together and launch a new initiative to get ballots to each

homeowner in High Point and do what is needed - change the By Laws so you can get a bank loan and stop the dramatic rise in Annual dues.

2. An alternative option - I would make a motion to vote on eliminating a pool! The pool has become nothing more than a money pit! Every year requiring significant expense to operate, and this is not going to change for the better at any time. NO - home values are not impacted whether there is a pool in High Point or not. Some buyers may not want to live here if there is no pool, but Deerfield Woods doesn't have a pool and their development condition and home values are doing just fine! The developments across Drake Rd from High Point don't have a pool and they are just fine. The trustees have to respect the financial position of ALL homeowners and stop thinking that you can just raise dues and somehow homeowners will pay more and more. They won't and can't. At what point is the operation of the pool at a breaking point? I think that is now, before we spend \$700,000 building a new one that will encounter the same \$\$ to maintain over 15 years. The pool is not benefiting the majority of homeowners within High Point - so let's take a vote and get the response of everyone, not just have the 5 trustees think they know what's best.

Trustee - Cambridge Colony Homeowners Association (name not printed)

Our response from High Point trustees is that people moved into High Point knowing that the community had recreational facilities, including a pool, and the trustees do not believe the majority of families in High Point would want to eliminate the pool. Realtors tell us our facilities are not only the reason people move to High Point, but the most important driver of bidding wars for homes for sale in our development. Our answer to the second point is that the trustees spent four years trying to make three changes to the Bylaws and were only able in those four years of efforts to get 245 of the 323 ballots necessary. Of those ballots received, 99% supported the three changes. AND 5 of the 18 Cambridge Oval residents voted and all favored the changes proposed. There are 161 of the 643 homes in High Point that are clusters, which is 25%. Clusters to pay separate dues for maintenance, but that is how it was set up. People in our association were not interested and did not want to understand the proposed changes. Borrowing authority was not one of the proposed changes and we believe would be very difficult to sell to residents.

- **Additional comments and questions were presented by persons in the audience. These are being prepared and will be added separately within a few days. Please check back.**

Trustee Election Results - Ashley (Slide 12)

- Our January newsletter announced two candidates for two trustee positions and indicated that ballots had to be mailed to our post office box by January 26. Only two individuals stepped up to volunteer for those positions. That term runs for two years.
- We should note that Bob Campobenedetto agreed to run again as a trustee, but he is actively looking for a home on the East side. When, or if, he and his wife are successful in finding a home, he would be resigning from the board and a replacement will need to be found. In particular, we are looking for a new person that would bring financial knowledge, as Bob is a CPA and has been the treasurer for over 30 years he has been on the board.

5. Thank the audience for attending & Adjournment- Ashley (Slide 13)