

High Point Annual Meeting Minutes – January 28, 2021 -- 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. Call meeting to order & Welcome - Ken (Slide 1)

- Meeting announced in newsletter and entrance signs. Last meeting was in January of 2020. A note of clarification. Minutes from the 2020 Annual Meeting are incorrectly labeled as 2019 on our website under the Governance, Budget and Administration tab. That was a typo in the PDF document. Minutes from this meeting will be posted in a few days on our website.
- Our website address is www.hpohio.com – Includes many features, including Governance & Administration tab, clubhouse rental calendar, forms and FAQ. Great resource open 24/7/365
- This is a virtual meeting and all participants have been placed in mute, so microphones are off.
- Questions were submitted via Survey Monkey by residents in advance of the meeting and as many as possible will be answered in these presentations this evening.

2. Statement from the Association Trustees - Valerie (Slide 2)

- First and foremost the association trustees apologize for the many disruptions last year caused to social events by COVID19. These were unavoidable in an unprecedented year.
- Decisions to cancel events and keep the pool closed were done to protect residents and safeguard families, and followed CDC, State and County guidelines. Those decisions were not made lightly and we looked for ways around the situation. All of the associations in Strongsville struggled in the same way as High Point. Most associations did the same as High Point.
- We are hopeful that later this spring and certainly by summer the vaccine will make an impact and allow some or all of our normal activities to resume, although there are no guarantees.

2. Financial Report - Bob (Slide 3)

- (Slide 4) Slide of 2020 Budget vs Actual (published in January newsletter)
- Collected dues from 641 of 643 residents. Two are in foreclosure proceedings.
- We did collect dues from delinquent residents in prior years via judgement liens.
- For the most part, most categories came in under budget due to events cancelled by COVID19.
- (Slide 5) Slide of Budget Projection through 2030, based on 2021 annual raised to \$490.
- Our November newsletter devoted several pages to explanations as to why the dues were increased from \$390 to \$490. That newsletter is on our website if you did not receive it.
- We can sum it up by saying that the pool has to be replaced. This was not a surprise to the trustees, but we had hoped to borrow money from a private source to fund the project. COVID has taken away the option for private funding sources that we explored. 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. Our Covenants & Restrictions only allow two methods of funding. One is an assessment that could be levied against every resident. Two is through dues collection. We felt an assessment was not the best way and raised the dues.
- In our budget projection, we try to anticipate normal operations and special projects.
- High Point does not have a segregated reserve fund, but manages a long-range budget plan.
- This 10-year projection does recognize the pool replacement to open summer 2026. It also in agreement with 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.
- Residents have asked why we don't use a management company like many others in our city are now doing. In most cases this has been the result of residents not wanting to volunteer to do the work that it takes to run their association. We are very familiar with this option. There is an annual fee per unit and additional individual fees charged for many of the services offered. An average base cost of \$40 to \$50 per unit is charged, plus specific service fees for much of the work performed. For High Point, that cost would be an additional amount added to our annual dues. Paying for services now provided by volunteers. A good example of this is the Asset Reserve Analysis that is done by management companies. That cost ranges between \$6,000 and \$12,000 for what is done by professionals who are residents in High Point.

4. Trustee Reports (Slide 6)

Pool Operations - Ashley (Slide 7)

- Metropolitan Pools was ready to open our pool in 2020. There were no leaks as there had been in 2018 and 2019, as the pool held water. Association trustees agonized over how to open the pool, but in the end, it was decided that we could not provide a safe environment with the number of families that use our pool and safety had to be the primary concern of trustees.
- It is also important to note that the Strongsville Swim League made the decision to cancel the 2020 season in early May of last year due to the pandemic. That was certainly an indicator.
- There were three pools that opened last summer in Strongsville. Each used lane lines to form a grid where families were assigned to 5 foot squares for 30 minute periods. There was no open swimming and you could only be with immediate family members in your space.
- Additional costs to respond to CDC and Ohio Health requirements were staggering for those associations. Residents in those associations were not happy with the results and there were a few COVID cases that resulted from those pools opening.
- 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. As we go forward with vaccinations for COVID, we will find out more and our May newsletter will announce plans.
- While there were pool operation savings in 2020, Metro still had to maintain the water and pool chemicals for the summer. Those savings have been applied to the project to replace the pool.
- 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.

Social - Valerie (Slide 8)

- High Point was forced to cancel the Easter Egg Scramble, the July Fourth Parade, Outdoor Movie Nights and the Kid's Christmas Party due to concerns related to the pandemic. We hope they will all return in 2021, probably with modifications necessary to meet health requirements.
- We were pleased we had a Santa Greet and Drive-Through was done thanks to imagination and some work to allow youngsters to visit Santa in the clubhouse parking lot.
- We should also note that because the Association could not meet the CDC and Ohio Health cleaning requirements, the playground area was and remains closed. Cleaning the playground equipment hourly is not something the association could perform. We did have caution tape in place a number of times, but it was vandalized immediately. While the tennis courts were always exempt from the Health order, the basketball court also technically remains closed.
- Clubhouse rentals are continuing, but with only one rental per weekend. This meets Health requirements by having the facility sit for a week between uses, rather than sanitizing and cleaning which would cost \$380 each time.

Landscape Contractor - Bob (Slide 9)

- We are very pleased with the landscape services being provided by Schonhut Landscape. This is the third year in their three-year contract. Not only do we not have to hold their hand, as we have with some in the past, they are very responsive to special projects that we have brought to them. If things continue in 2021 as these past two years, we will likely not go out to bid for the next three years, but work with Schonhut to renew our contract.
- Going out to bid takes hundreds of hours on the part of trustees and we did that last in 2016 and it was followed by three years of issues with landscapers that were selected. Having a landscaper we can trust is very important to our residents.
- In 2020 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.

New Pool Targeted for Summer of 2026 - Ken (Slide 10)

- As Bob reported earlier, the November newsletter devoted a number of pages to answers to common questions about why the pool needs to be replaced and the necessity of increasing annual dues to fund that replacement. If you did not see it or don't remember it, you can find

that newsletter on our website under the Newsletter tab. November 2020. Our “new” pool was built in 1997. When it was constructed, we were told we should get 20-25 years before it would need to be replaced. That is because Mother Nature in Northeast Ohio is not kind to pools that are used only 3 months per year. Freeze-thaw takes a toll on the pool basin and plumbing under the basin. It is just a fact of life. If you get more time, that is a bonus.

- In 2016 we had work done to the pool and the two contractors that bid on the work both said our pool was in great shape for being almost 20 years old. And they estimated it would cost \$400,000 to replace the pool. We have used that number as a target for replacement cost.
- In the recession of 2008, a number of commercial pool builders went out of business. Our size dictates that only a commercial firm – not a residential pool contractor – build our pool due to the many State requirements for commercial pools. When we went out to bid in 2019 just to test the water, we submitted requests for bids to 7 firms. Only one responded and that number was almost \$700,000. That number was significantly higher than we anticipated.
- 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. We tried for 4 years to make four changes to the By Laws, which requires a 50% approval and got less than 35% to even vote. So that change would be out of the question. So High Point cannot borrow money from a bank.
- Association trustees were told there were venture capitalists and private lenders that make these kinds of loans, but the recession caused by the pandemic ended those sources. We worked chasing leads for two years and have given up. That leaves only two options to fund the pool replacement. One is an assessment. Association trustees have that authority. We could determine the necessary amount and assess each homeowner \$500 or \$700 or whatever it takes. A second option is to increase dues to afford this. High Point trustees worked for over a year to determine the best solution and that was raising the dues from \$390 to \$490 per year. That will provide the funds to have a new pool open for the summer of 2026.
- Until that time, it is likely that 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.
- Building or replacing a commercial pool takes 18 to 24 months from start to finish. A committee will be formed this summer to look at what we have now and determine what is necessary for a replacement. There may be improvements or changes that need to be considered.
- After that committee has determined their suggestions, the trustees will begin to prepare a second request for proposal from pool construction companies. Because there are so few of these firms doing work in Ohio, they are booked several years out.
- In the meantime, we expect to continue to use our pool and have allocated budget dollars each year for repairs to keep the pool in service. That is why we operate with a 10-year projection.
- A question was asked why cluster residents have to pay for a pool when they do not use it. Our Covenants and Restrictions do not allow a tiered annual dues or membership and it would take a 90% vote to change that. Residents who do not use the amenities still benefit from the shorter time listing a property for sale as well as getting higher prices because of the facilities.

Audience Questions – Ashley & Ken

- A number of questions were asked by audience attendees. Responses were provided.

Trustee Election Results - Bob (Slide 11)

- Our January newsletter announced five candidates for three trustee positions and indicated that ballots had to be mailed to our post office box by January 27. Due to ongoing issues with the USPS delivery times, the PO Box was checked on January 28 and those ballots were counted. We thank each of the five candidates for stepping forward to volunteer to serve our residents. We have recorded the ballots received and verified resident credentials on the ballots.
- These three individuals were elected for a two-year term beginning now through 2023. Joe Wantz, Ashley Voorhies, and Patrick Meade Congratulations to these individuals.