

# Spirngmill Lakes at Tamarack Co-Owners Association

Annual Meeting

Tuesday October 24, 2023, 7pm

Drury Hotel, 96<sup>th</sup> St. and Meridian, Indianapolis, IN

p1-5a

## **Call to Order:**

Seventy-eight co-owners attended the meeting—43 in person and 35 by proxy. A quorum was established.

President Courtenay Weldon called the meeting to order at 7:12 pm. He introduced other board members attending: Barb Banner, Architectural Control, Katie Betley, Steve Cracraft, legal, Jim Funk, insurance, Max Oldham, Treasurer, Berne Pierce, Secretary, co-chair building and grounds, Crime Watch coordinator, Nature Preserve representative, Jeanette Shallop, Vice President and hospitality, Ron Watson, co-chair building and grounds.

Four candidates are running for three open positions on the board for the 2024-2026 term. Barb Banner and Jeanette Shallop are running for a second and final three-year term. Jeff Brown and Erik Risman are running for their first three-year term. The election will be held later in the meeting.

Courtenay introduced and welcomed new co-owners.

Donna Bonifield, 9540 Cedar Springs Dr.

Erik and Benji Risman, 9514 Cedar Springs Dr.

Kim and Jane Essenburg, 9476 Tamarack Dr.

Alvin and JaDora Moore, 9467 Spring Forest Dr.

Susan Moore, 9287 Spring Forest Dr.

Bill and Nicolle Scott, 9521 Tamarack Dr.

Courtenay cited volunteer efforts by: Barb Banner and Nance Snively who inspected common area trees for trimming and/or removal, Jeanette Shallop for organizing the annual picnic and welcoming newcomers along with Judy Libby, Grace Worely providing investment advice for our street replacement funds, Mr. Lightbulb, Gene Eddy and his assistant Mark Kaiser. Carolyn Magnes, newsletter editor and providing support for neighborhood projects, Max Oldham for his attention to detail and skillfully navigating through unexpected financial challenges. Nature Preserve leadership, President Greg Harker, Treasurer Nancy Snively, Betty Yan, Dave Wenzel, Tam 17 and Bernie Pierce, Secretary, and special shout out for Pilar Morera, nature preserve photographer.

We have completed our agreement with TMK Development adjacent to our community and have received \$50,000 for easements provided for water and sewer. Developer Tom Kretz continues to be a good neighbor working with the nature preserve in combating invasive species and mowing the new butterfly habitat.

2023 has been a year of accomplishments. We repaved all streets, replaced many broken curbs, rebuilt seven storm sewers and eliminated standing water in several areas. This along with co-owners renewing older landscaping and refurbishing fences—thank you!

This is our first year with Kirkpatrick Management and Dan Courtney our property manager. We commend Dan's fast start in learning our community.

**Approval of the 2022 annual meeting minutes:**

The minutes were presented from the December 10, 2022, annual meeting. No corrections or additions were offered. Motion for approval: Skip Kappes, Erik Risman 2<sup>nd</sup>. Motion approved by unanimous voice vote.

**Treasurer's Report:****Audit Report for 2022:**

- No exceptions noted for Qualitative Aspects of Accounting
- The \$300,000 loan and the \$106,000 special assessment made this year's audit more complicated.
- Fund Balance – generally referred to as “Reserve Balance.”
- Fund Balance 12/31/2021 -- \$444,520
- Fund Balance 12/31/2022 -- \$611,882
- “Adjusted Fund Balance” – not including the loan, the special assessment, or payments made in 2022 for street repaving project.
- \$598,907 (increase of \$154,387 in Fund Balance)
- (Predicted Fund Balance in Reserve Study plan -- \$518,948)

Motion for approval Jeff Brown, Erik Risman 2<sup>nd</sup> Passed 78-0

**Street Repaving Project:**

- Funds Available:

• Loan	\$300,000.00
• Interest Accrued	\$ 9,471.13 (end of September)
• Special Assessment	\$106,000.00
• Payment from Tamarack 17	<u>\$ 39,312.42</u>
TOTAL	\$454,783.55
- Cost of Project:

○ ACE	\$413,118.01
○ Tim Morris Engineering	\$ 40,579.50
○ Repair to Irrigation/Turf	\$ 12,266.24
○ Repair to “Loop” (at gate)	<u>\$ 5,158.50</u>
○ TOTAL Cost	<b><u>\$471,122.25</u></b>
○ Amount Over Budget	\$ 16,338.70

**Review of 2023 Budgets:**

- Operating Accounts (line items) overspent.
  - Gutter Cleaning (#5935) – overspent by \$1,145.
  - Security Gate (#5855) – overspent by \$8,890 (new gate motors)
  - Insurance (#6105) – overspent \$2,807.
- At this point in the year, we are ok in Bldg. Maint., Drainage, Interior Repairs, Painting, Roof Maint., Wildlife Control, Tree Removal.
- Snow Removal is currently at \$7,434 out of \$15,800.

**Reserve Accounts Overspent in 2023:**

- Street Repaving Project – overspent by \$12,338.70 (for 2023)
- Irrigation Repairs – overspent by \$16,272.
- We must cover these overspends within the total Reserve budget of \$132,241 approved at the 2022 Annual Meeting. Fortunately, we have some underspent accounts also:
  - Asphalt – did not have to seal coat all driveways.
  - Chimney Repair & Drainage – overflow for Operating accounts
  - Walkways

A question was asked about why driveways were not seal coated. Response: Three bids for seal coating the driveways were obtained. All three contractors recommended not to sealcoat for another two or more years and recommended SPLAT fill cracks to extend driveway life. Driveway crack filling was completed per the contractor’s recommendation and resulted in substantial cost avoidance.

- We expect to end the year with a positive balance in both the Operating and Reserve budgets.
- At the 2022 Annual Meeting, co-owners approved a \$537 total monthly fee for 2023, with an Operating budget of \$511,344 and a Reserve budget of \$132,241.
- We have a balanced budget policy, meaning both the Operating budget and the Reserve budget are limited to spending what was approved by co-owners at the Annual Meeting.

**Motion for approval of the 2023 Treasurer’s report:**

Motion: Erik Risman, 2<sup>nd</sup> Jeff Brown Approved 78-0

**Our Commitment to You:**

- At the 2021 Annual Meeting, co-owners received a 10-year projected monthly fee. That projection assumed a 4% increase in the Operating portion of the budget, and a 5% increase in the Reserve portion of the monthly fee.
  - 2022 -- \$516
  - 2023 -- \$537
  - 2024 -- \$560
- We are honoring what you were told two years ago.

**However---**

- We are announcing now that the monthly fee for 2025 **WILL NOT BE** what was communicated to you in 2021.
- There are two reasons:
  - The Reserve Study assumed 3% inflation for Reserve expenditures and 4% inflation growth for the Operating budget. We can all feel what inflation has been in reality.
  - We projected to start the re-roofing project in 2029, and our Reserve balance was based on having enough money to start that project in 2029. In the past year, we have learned that some of our roofs need to be replaced much sooner than 2029, potentially as early as 2024 or 2025.

### Developing a Plan for Re-Roofing

- We have already started an evaluation of the roofs on all 38 buildings.
- So far, one roofing contractor has evaluated 14 buildings.
- That roofing contractor will evaluate the other 24 buildings.
- Then an engineer will review the roofing contractor's evaluation, to either affirm or correct its validity.
- Then the board will develop a plan (with options) for re-roofing.
- The board will present that plan (with options) to all co-owners and gather feedback prior to the 2024 Annual Meeting.
- The 2025 monthly fee will reflect that plan.

### 2024 Budget Preparation

- G/T Lawncare Contract – went from \$106,364 in 2023 to \$119,335 in 2024.
- Insurance – project 12.74% increase (Hope that's enough!)
- Irrigation Repairs – went from \$4,244 in 2023 to \$20,000 in 2024.
- Gutter Cleaning – a cleaning now costs \$5,600.
- Common Area Trees – 3-year plan (2023, 2024, 2025)
- Management Fee – 3-year agreement with Kirkpatrick
- ADT Contract – contract in place through 08/10/2026

### 2024 Operating Budget

The below table shows the dramatic increases we have experienced in 2023 and 2024. These increases are the primary reasons for the necessity to increase the 2024 monthly fee.

	2024	<u>Percentage</u>	<u>2023</u>	<u>Percentage</u>
• Lawn Care/Grounds	\$189,362	33.45%	\$149,864	29.31%
• Building Maint.	\$179,923	31.79%	\$172,210	33.08%
• Adm/Prof Fees	\$ 79,655	14.07%	\$78,432	15.34%
• Insurance	\$ 77,044	13.61%	\$68,900	13.47%
• Utilities	\$ 31,000	5.48%	\$31,500	6.16%
• Rec/Lake Maint.	\$ 9,056	1.60%	\$10,438	2.04%

### 2024 Reserve Budget

- Chimney Repair (allowance) -- \$20,000
- Drainage (allowance) -- \$21,855
- Irrigation Equipment (new controllers) -- \$15,000
- Garage Aprons (allowance) -- \$4,500
- Foundation/Structural -- \$15,464
- Gutter Guards -- \$4,000
- Landscape Upgrades (re-seeding, utility boxes) -- \$10,500
- Walkway Replacement -- \$7,000
- Contingency -- \$2,000
- Loan Repayment -- \$36,768

**“Stop-Gap Budget”**

- The 2024 budget (Operating & Reserve) is a “stop-gap” budget.
- It honors the \$560 monthly fee communicated to you.
- To honor that \$560 monthly fee, more money had to be put into the Operating side of the budget, and correspondingly less money into the Reserve side.
  - \*Because of the G/T lawn care contract.
  - \*Because of unknowns on insurance (fingers crossed!).
- We were able to take this approach only because the 2025 budget and monthly fee will address inflation and the re-roofing project.

**Motion for approval of the 2024 Budget and \$560 Monthly Fee:**

Motion: Skip Kapper, 2<sup>nd</sup> Jeff Brown Approved 78-0

**Proposed Change to Section 6.09 of the By-Laws**

- It is proposed to raise the sale fee for condos from 1/3% of the sale price to 0.6% of the sale price.
- Discussion- on average, the Association is paying about \$4,000 for repairs necessary to complete the sale. The 1/3% is not providing sufficient funds to cover these unexpected costs. Condo sale prices are rising and the 0.6% will provide increased funds for repairs to ensure the deal goes through.
- A secret ballot was conducted.
- The vote was in favor of raising the sale fee to 0.6% effective immediately.

**Board election for the 2024-2025-2026 term**

- Candidates for three openings are: Barb Banner, Jeff Brown, Erik Risman and Jeanette Shallop
- A secret ballot was conducted.
- Candidates elected are Barb Banner, Jeff Brown, and Jeanette Shallop.

There being no further business to come before the meeting a motion for adjournment was made by Skip Kappes, 2<sup>nd</sup> Ron Watson Motion approved 78-0

Meeting adjourned at 8:47 pm

Respectfully submitted,  
Bernie Pierce  
Secretary  
October 24, 2023