

HARBOR HOMEOWNERS ASSOCIATION

2016 ANNUAL MEETING MINUTES

June 30, 2016

LOCATION:

500 Lake Marina Drive – Harborview Lobby

ATTENDEES:

Board of Directors: Michael George, Peter Ingrassia & Lisa Schuler. Property Manager: Bonnie Loftis/ Fontaine Management, Caleb Didriksen/ Didriksen Law Firm, Pete Charbonnet/ Dixie Wall Systems.

ROLL CALL:

A quorum (59.2%) was confirmed present, and meeting was called to order.

PROOF OF NOTICE:

Proof of Notice of Meeting was posted and presented.

READING OF MINUTES:

A motion to waive reading the minutes was made by Michael George and seconded.

LITIGATION REPORT:

Given by Caleb Didriksen. Update on Favalora litigation. The HOA has been successful in settling the case against Favalora Constructors, and the HOA portion of the settlement was \$259,117.48. After paying all experts & expenses involved in the case, in addition to all unpaid legal fees thru 6/29/2016, including Joyce Phillips, Sandra Saaks, Alice Atkinson (old & new case), David Wells, and Andy Oates, HOA's net proceeds check totaled \$182,665.55.

The GAF roof litigation is still pending, along with the Andy Oates suit and the Alice Atkinson appeal. The HOA won the original Atkinson litigation, an appeal was filed this past week.

FINANCIAL REPORT:

Operating Account: \$8,833.51

Construction Account: \$3,414.18

Reserve Account: \$206,999.91

Old Regions Account: \$9,702.35

PETE INGRASSIA UPDATE ON AREA ISSUES:

Attended a recent meeting at Levee Board, regarding PCCP erecting a 115" antenna on south side of new pumping station, which would be in front of Harborview on the west side of our building. It appears the project will continue. A suggestion to camouflage the antenna was made by Pete, with no conclusion reached. Homeowner, Ron Mobley, asked about the status of the unfinished boathouse across the street from Harborview. Pete said he had only heard that the project was on hold until further notice. Pete also addressed the flooding in our front parking area. He has spoken and keeping an ongoing dialogue with Orleans Levee Board and Sewerage & Water Board on this issue, and feels they have collectively been cooperative in keeping the problem to a minimum.

INSURANCE REPORT:

Our insurance policy has been renewed for \$12 million in coverage, with a \$5,000 deductible, with exception of hurricane which is (2%) \$240,000.

BUILDING MAINTENANCE:

Michael George gave an update on the waterproofing work being performed. The building architect, Charles Silbernagel, inspected and gave a report to the board. The deck system is in serious need of waterproofing to avoid further compromising the structural integrity of the steel beams, supporting pilings, and the pool. The entire building, walkways, courtyards, and pool decking will be covered and waterproofed, with the Hydro-Stop waterproofing system. This system has a 5-year warranty, and extended if recoated, and should alleviate the water issues that we have been experiencing. It was further recommended we explore improving our drainage system in the pool and courtyard areas.

We are currently undergoing termite damage repair on the north face of the units facing the pool courtyard. These repairs should be completed in the next three weeks.

BUDGET & LEGAL EXPENSES:

Peter Ingrassia explained that in the last HOA meeting in 2015, due to a shortage, the budget was not asked to be passed, with hopes that the board and management can make some adjustments to present a balanced budget. Our legal fees were expected to be brought up to date and paid in full. Pete reported that since the last settlement, our legal fees are current up thru today.

To present a balanced budget, we have eliminated the legal fees from our budget. Since our Bylaw revisions have passed, it prohibits a homeowner from filing a law suit against the HOA, without first being submitted to binding Arbitration. This should minimize the financial burden these law suits have placed on the HOA. As a Board with a property manager, we can forecast our normal operating expenses from year to year; but unable to predict homeowners wanting to sue themselves. We will next work on instituting the reserves back into the budget. Moving forward, to maintain zero (0) legal expenses in our annual operating budget, any annual legal expenses following this meeting, will be assessed as a special assessment to the HOA, at the next annual meeting/budget review, and every subsequent meeting/budget review.

The HOA operating account is now able to float a \$20,000 - \$30,000 monthly balance, which comfortably carries approximately 1 month of operating expenses. A motion to approve the operating budget was made by Tessa Steinkamp, and seconded by Edgar Staehle.

ELECTION OF ONE BOARD MEMBER:

The position currently held by Peter Ingrassia is up for re-election. Michael George called for nominations from the floor. No nominations made. Peter agreed to stay on for another term.

Michael George spoke about Unit #427. This unit is now owned by HOA. A special meeting will need to be held to decide on whether we should keep it, sell it, or renovate it and lease it. If no special meeting is called, it will be discussed again at next annual HOA meeting.

Michael spoke about QuickBooks being reconciled monthly by our CPA firm.

He said he would speak to the CPA firm about running reports, such as the General Ledger, on a quarterly basis for Homeowners to review.

Andy Oates interrupted Michael to discuss his lawsuit against the HOA. Michael said it was ridiculous that the HOA had to spend money to defend frivolous lawsuits. Michael offered to resign from the HOA board if Andy would drop his lawsuit against the HOA. Mr. Oates said he would accept Michael's resignation from the Board, but he refused to drop his lawsuit. Michael offered three more times and Mr. Oates continued to refuse.

A motion to adjourn the meeting was made, and seconded.

MEETING ADJOURNED AT 9:55 PM.