

Eagles' Reserve Homeowner's Association, Inc.
Board of Trustees Monthly Meeting
Topic: Special meeting of the board

Time: Jul 7, 2020 07:00 PM

Zoom Meeting

Minutes

1. Call to Order and Certify Quorum - The meeting was called to order at 7:07 pm by President Len Demchak. Present were Scott Leonard, Pat Ehrman, Doris Leonardo, Darcy Morgan, Lisa Schmid, Hank Riner. Rena Khawan and Liz Sirna joined the meeting in progress. David Fedash represented Ameritech. Owners participating included John Inglis and David Williams.

Business:

1. **Review and discuss Maintenance Responsibilities of the HOA** – The purpose of the meeting was to discuss clarification of the ambiguities regarding the duties and responsibilities of the HOA under Section 8 – Maintenance in our ER Declaration of Covenants. The wording is loosely written and open to interpretation. The Maintenance Committee, previously established by the board, has consulted with our attorney, James Furia, P.A. in an attempt to clarify and set a policy for maintenance recommendations under Section 8 – Maintenance, and specifically Section 8.2. The Committee presented their initial recommendations and the board was asked to comment and offer their opinions on these recommendations. The following items were discussed. No final decisions were recommended. All items will be discussed again at a future meeting.

8.2.a Driveways: Maintenance of a driveway – Discussions included annual cleaning of all driveways, extent and parameters of damage constituting need for repair, repair responsibilities including owner monetary contribution for replacement, and that water intrusion leaking from driveway cracks was not the obligation of the HOA nor cause for repair. No conclusions were drawn from the discussions. It was decided that Demchak and the Maintenance Committee would walk the neighborhood to inspect each concrete driveway and determine the extent and size of cracks before a policy outlining factors that constitute the need for repair/replacement of a driveway or part of driveway are decided. Discussions did not include the paver driveways on Lago Vista. Their findings will be discussed at a future meeting.

8.2.b Roofs. Roof Maintenance – There was discussion as to what components are considered as part of a “roof.” It was generally agreed that anything under the plywood of the roof was not part of the roof, nor was any structural component such as the chimney, skylight or soffit. Recommendations will be made defining exactly what components are considered under the HOA’s obligation to repair and maintain.

8.2.c Outside structures. This includes items such as light posts and separating walls. It was generally agreed that the association has no responsibility to repair or maintain structures outside the walls of the home, including structures attached to the home ie. lanais.

8.2.d Gutters and downspouts. The association is specifically required to maintain the gutters and downspouts. The gutters or downspouts will be repaired and not replaced whenever practical. Should it be determined that a gutter cannot be repaired and must be replaced, the Association will pay for a like gutter. Should owners desire an upgrade they will be responsible for the costs of such upgrade over the replacement cost of the existing gutters.

8.2.e Paint. The association is responsible for the preparation and painting of all external painted surfaces. Not included is the cost for structural repairs of the home and any damage to the painted surface and repainting of the surface after a repair has been completed.

2. **Review and discuss option for the transfer of funds and investments of the HOA** – Over the past few years the HOA reserves have built up to approximately \$1.4 million and have been accumulating in one bank. Ameritech recommended that we diversify and invest the bulk of the reserve cash. At a previous meeting, the board agreed with Ameritech's recommendations and two firms were contacted for suggestions as to how to responsibly invest the money to earn interest. Proposals were received from J.P. Morgan and Charles Schwab. After discussions about each firm, it was suggested we invest with Schwab and a motion was made by Demchak, seconded by Khawan. All approved. Reasons for selecting Schwab included previous experience with several board members, Schwab does not charge a management fee, they are triple insured and a reputable, well known firm.

As Schwab requires investors be involved and meet with them quarterly to review their investment strategies, the board felt it would be prudent to have an Investment Committee oversee the account. Appointed to the committee were Len Demchak, Rena Khawan, and Hank Riner. It was agreed that a non-board member knowledgeable in finance would be a good addition to the committee. A motion was made by Demchak, seconded by Leonardo to transfer \$800,000 over to Schwab to open the account. All agreed. Before determining the total amount to be moved over to Schwab the board will hold budget meetings to determine our needs for 2021.

The board confirmed we will keep our operating account with our current bank.

Fedash will contact the appropriate person at Ameritech to contact Demchak to initiate the transfer.

Adjourn

The meeting was adjourned at 9:01 pm.

Respectfully submitted by Pat Ehrman