

COVINGTON CLUB, INC.

July 22, 2020 – Board Meeting

FWCC Library

The meeting was called to order by President Mark Merkel. A quorum was established. Board members present were Gayle Burns, Annie McAlexander, Mark Merkel, and Gary Robinson.

The minutes from the June 9 board meeting were distributed by email to all board members. The reading of the minutes was waived. A motion was made by Annie McAlexander and seconded by Gary Robinson that the minutes be approved. Motion carried.

OPEN FORUM FOR HOMEOWNERS

No homeowners were present.

APPROVAL OF NEW BOARD MEMBERS

Thomas Kimbrough, Don Banowetz, N. Reed Silliman, Kristen Marcuccilli, and Jamie Justice would like to become members of the board. A motion was made by Gayle Burns and seconded by Annie McAlexander that the aforementioned owners be added to the board. The motion carried. All new board members will be added to the annual meeting ballot for final approval.

TREASURER'S REPORT

There are four owners in arrears with their July condo fees. Susan Zahn, CC accountant, has sent out past due reminders and added late fees.

Susan Zahn noted that even though the board elected to not turn on the sprinklers this year, CC is being charged a sprinkler fee. Mark Merkel will call the city and research and give a report at the next board meeting.

Don Banowetz noted that the Reserve portion of the condo fee is listed as income and flows through to the bottom line on the income statement. The Reserve should be taken out of the income section because it is not income, which makes the CC budget worse by around \$10,000.

Reed Silliman asked about the liability insurance allocation, saying it should be designated as dues. He suggested the board have one income line for HOA fees, not the separation we now have. Mark Merkel noted that we break out the elevator fee portion of the dues so the board can see if buildings 3 & 4 are covering the expenses charged yearly to elevator maintenance.

OLD BUSINESS

Painting: The final number on the cost of painting foyer doors, front gables, mailroom doors, and iron railings is in. Budgeted amount was \$4750. Amount actually spent was \$9440 because of the poor condition of all the aforementioned items. G. Burns also reported that all the remaining wood window trim, remaining wood shutters, all end gables on all buildings, undersides of gutters plus new upper doors above building 1 entrance need to be budgeted in for next year. The painter advised that the items listed above are about to and will rot if not addressed soon.

Update of lock/buzzer system for building 3: New system will be installed on August 6. A malfunctioning buzzer in building 1 will also be addressed. A. McAlexander will address problem with the Audio Visual tech.

Sewer line cleaning: Gene's Sewer Service will clean out sewer lines in buildings 3 & 4. M. Merkel advised that the remaining lines in building 2 need to be cleaned out, too. A discussion took place on maintenance of all sewer lines. It was suggested that the main lines be done one year, with the short lines done the following year. This project needs to be put on a regular maintenance schedule. M. Merkel is in charge.

Mailroom Project: New doors and a new window have been installed by Tom Jones. All have been painted along with most of the trim on the mailroom.

Update of Irrigation System: Mark explained that the system was not turned on because of the cost associated with City Utilities and because of the age and integrity of the old system. Several members agreed that CC needs a new irrigation system. A. McAlexander and J. Justice will secure bids from contractors. The board will look at the state of affairs of the finances in the Spring of 21' and decide how to pay for a new system.

OTHER

Pet Deposit: Is it needed? What exactly is it for? **Security Deposit:** Is it needed? What is it for? Mark explained that former owners' pets damaged common areas and left without fixing or remedying soiled areas or damages. Likewise, with former owners' extensive damage to foyer walls and carpet, lost garage door openers and lost mailbox keys when moving out. That is why the deposits are in place and are referenced in the bylaws. R. Silliman suggested the board do a walk around before owners close and require them to fix problems before they leave. Discussion was tabled. No action taken.

NEW BUSINESS

Most everyone agrees that **CC property** looks bad. It was suggested that the board get feedback from owners as to what they think needs to be done. A discussion took place about the present contractor, what services are performed, and how much money he charges. J. Justice volunteered to get bids from at least 3 contractors to perform landscaping maintenance. If CC board and owners give specifics on what is wanted, she can go from there. She suggested we ask for an all-in price not to exceed a certain amount yet to be determined.

Landscaping proposal, Rozelle: \$4400 to place more stone in areas at front entrance and beside the west building 1 driveways, as well as in front of building 2. Also included was filling and reseeding lawn in front of buildings 3 and 4. D. Banowetz suggested not seeding 3 and 4 because of lack of irrigation. Proposal tabled to next meeting.

Roof Proposal for Building 3: A discussion took place as to whether to replace half or all of the roof on building 3. It was decided to replace the whole roof. Maumee Roofing (Sam Swartz) came in at \$43,000 and change for a new roof. Mark noted that it will drain the reserve account to \$0. A motion was made by D. Banowetz and seconded by T. Kimbrough that Maumee be awarded the bid. Motion passed. The roof will be replaced sometime in October.

Appointment of a budget committee: Don Banowetz and Annie Mc Alexander volunteered for this committee.

Other: Tom Kimbrough suggested an assessment would help alleviate some of the cash crunch.

D. Banowetz authored a CC projected cash flow for 2021 and a current P & L for 2020. Those projections show an approximate \$53,000 in funds needed to meet expenses, money that the HOA does not have. Don suggested an assessment of \$1500 per owner. This discussion was tabled until the next meeting. Mark Merkel thanked Don for his work in preparing these reports.

Jamie Justice volunteered to get some ballpark figures on hiring a management company.

Gayle Burns presented a proposal by Brooks Construction to repair all potholes on the property. The bid is a time and material contract not to exceed \$3000. T. Kimbrough made a motion to accept the bid and D. Banowetz seconded. Motion carried.

The next board meeting will be held at Fort Wayne Country Club on Tuesday, August 11, 2020 at 6 pm.

Respectfully submitted,

Gayle Burns, Secretary
Covington Club, Inc.

Covington Club Association Projected CASH FLOW 2021

	Projected Cash Flow Income and Expenses												Total 2021 Projections	2020 Budget
	January	February	March	April	May	June	July	August	September	October	November	December		
Income														
Elevator Dues	1,600	400	400	400	400	400	400	400	400	400	400	400	6,000	6,000
HOA Dues	21,840	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	114,240	110,880
Liability Insurance	3,120	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	16,320	15,840
* Reserve/Savings	3,900	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	20,400	19,600
Contra Reserve Acct	-3,900	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-20,400	-19,600
Building 1 Washer Acct													0	0
Late Fees													0	0
Tree Fund (Mulch)													0	0
Other													0	0
Total Income	26,560	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	136,560	132,720
Expenses														
- Administration														
Accounting Fees	550	550	550	550	550	550	550	550	550	550	550	550	6,600	6,600
Federal/State Tax Prep												570	570	570
Insurance Expense	5,000			5,000			5,000			5,000			20,000	18,398
Legal Fees													0	500
Office Supplies				100			100		50				250	400
Property Tax					15								15	20
Website Renewal				130									130	0
Total Administration	5,550	550	550	5,780	565	550	5,650	550	600	5,550	550	1,120	27,565	26,488
- Building Maintenance														
Carpet Cleaning				750				750					1,500	2,000
Electrical Repairs				2,000			1,500						3,500	3,500
Elevator Repairs & Maint			650		650		2,000	600			400		4,300	4,100
Elevator Phone Lines	170	170	170	170	170	170	170	170	170	170	170	170	2,040	1,900
Fire Prevention							150						150	153
Gutter Maintenance						700				700			1,400	1,700
General Bldg Maint													0	2,400
Water Irrigation						500	1,000	1,000	1,000	500	500		4,500	2,000
Janitorial Services	650	650	650	650	650	650	650	650	650	650	650	650	7,800	7,800
Lighting Fixtures													0	0
Overhead Door						250		400					650	540
Painting				8,000									8,000	4,730
Pest Control	225	225	225	225	225	225	225	225	225	225	225	225	2,700	2,700
Plumbing Exp				600						600			1,200	1,200
Window Cleaning				250							250		500	
Power Washing (four buildings)						3,800							3,800	
Tom Jones Maintenance	260	260	260	260	260	260	260	260	260	260	260	260	3,120	3,120
Total Bldg Maintenance	1,305	1,305	1,955	12,905	5,755	2,755	5,955	4,055	2,305	3,105	2,455	1,305	45,160	37,843
- Grounds														
Lawncare	1,100		1,100	7,800	2,000	2,000	2,000	3,000	7,800	3,000	2,000	3,000	34,800	30,000
Snow Removal	2,000	1,500	500									2,000	6,000	6,000
Tree Maintenance	4,000									3,500			7,500	7,500
Total Grounds	7,100	1,500	1,600	7,800	2,000	2,000	2,000	3,000	7,800	6,500	2,000	5,000	48,300	43,500
- Utilities														
Electric	900	900	850	700	600	650	700	650	650	700	800	900	9,000	9,000
Trash	370	370	370	370	370	370	370	370	370	370	370	370	4,440	4,404
Water & Sewer	600	600	600	600	600	600	600	600	600	600	600	600	7,200	12,000
Total Utilities	1,870	1,870	1,820	1,670	1,570	1,620	1,670	1,620	1,620	1,670	1,770	1,870	20,640	25,404
- Other Exp														
Expenses from Maintenance Tab - Does not include Capital			4,000	2,500	1,900	7,000							15,400	0
Total Other Expenses	0	0	4,000	2,500	1,900	7,000	0	0	0	0	0	0	15,400	0
Total Expenses	15,825	5,225	9,925	30,655	11,790	13,925	15,275	9,225	12,325	16,825	6,775	9,295	157,065	133,235
Net Income	10,735	4,775	75	-20,655	-1,790	-3,925	-5,275	775	-2,325	-6,825	3,225	705	-20,505	-515

Operating Cash Balance, Beginning	(8,437)	2,298	7,073	7,148	(13,507)	(15,297)	(19,222)	(24,497)	(23,722)	(26,047)	(32,872)	(29,647)	
Monthly Income	26,560	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	7000
Monthly Expense	15,825	5,225	9,925	30,655	11,790	13,925	15,275	9,225	12,325	16,825	6,775	9,295	33
Operating Cash Balance, Ending	2,298	7,073	7,148	(13,507)	(15,297)	(19,222)	(24,497)	(23,722)	(26,047)	(32,872)	(29,647)	(28,942)	212.121212
Reserve Balance, beginning	51,211	55,111	56,611	58,111	59,611	61,111	62,611	64,111	65,611	67,111	68,611	70,111	12
Monthly Income	3,900	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	17.676767
Monthly Expense													
Reserve Balance, Ending	55,111	56,611	58,111	59,611	61,111	62,611	64,111	65,611	67,111	68,611	70,111	71,611	
Total Cash Balance, Beginning	42,774	57,409	63,684	65,259	46,104	45,814	43,389	39,614	41,889	41,064	35,739	40,464	
Monthly Income	30,460	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	
Monthly Expense	15,825	5,225	9,925	30,655	11,790	13,925	15,275	9,225	12,325	16,825	6,775	9,295	
Total Cash Balance, Ending	57,409	63,684	65,259	46,104	45,814	43,389	39,614	41,889	41,064	35,739	40,464	42,669	

***** Assumptions:**

- No change in HOA fees
- 4 Units pay for full year in January
- Insurance goes up approx. 3%
- Kept rest of the budget close to 2020
- Included maintenance expense projections BUT did not include capital expenditures