

GEIST HARBOURS PROPERTY OWNERS ASSOCIATION, INC.
BOARD MEETING
November 17, 2008

At Fishers Fire Station – 116th & Brook School Road

In Attendance:

Directors:

Jonathan West, Admirals Sound (Board President)
Terry Fulk, Feather Cove II (Board Vice President)
Russ Desserich, Masthead I (Board Secretary)
Sandy Bryant Willis, Admirals Bay
David Hennessy, Admirals Pointe
Ed Paulus, Admirals Woods
Mike Harris, Beamreach
Tom Britt, Crossing South
Jay Martin, Feather Cove I
Vickyee Thompson, Feather Cove III
Elise Montoya, Masthead II

Non-Board Members:

Ken Yale, Board Treasurer
Barry Howard, DCC Chairman
Dr. John Moore, Grounds Committee
Jim Cleek, Neighborhood Patrol
Jane Scully, Community Association Services of Indiana
Wendy Blake, Community Association Services of Indiana
Residents in support and opposed to the purchase of the clubhouse

Absent:

Vacant Position, Diamond Pointe

Call to Order

President West called the meeting to order at 7:00PM.

Security Report

Cleek of Neighborhood Patrol circulated a copy of the security report. Cleek noted that there was nothing out of the ordinary for the previous month. Cleek noted that they had extra patrol cars out on Halloween night. Cleek also noted that if owners are in need of a check on their home while they are out of town they need to know soon. Neighborhood Patrol is working with Marion County to bring more attention to the fire arms ban on the water. Hamilton County does not have this same ban.

Cleek noted that there is a Crime Watch meeting for Geist Harbours on November 19, 2008, at 7:00 PM. The meeting will be held at the Geist Clubhouse.

Geist Clubhouse

Felli of the Clubhouse Committee gave a presentation to the board on the findings of the committee. The main arguments from the committee that the clubhouse purchase is a good decision are that the loss of the clubhouse would negatively impact the property values of GHPOA Owners; the clubhouse has not been run effectively and therefore has been operating at a loss, but with better operations and marking it could be profitable; and that there are other potential uses for the clubhouse beyond what it is currently being done.

Felli presented a table that indicated the rising price of membership and declining services is what has caused the decline in GHPOA memberships. Felli also presented some financial projections on two ways the clubhouse could be operated. The first option would be that all of GHPOA pays more in dues but has full membership to the facility. The second option is if each GHPOA owner pays less in dues, but must pay for membership to the facility. Both options showed the clubhouse operating at a profit. West pointed out that the projections did not include current delinquency of 10%, the purchase price or deferred maintenance needs. Felli factored in 10% delinquency which resulted in the projection table producing a loss for the first 3 years. Felli then present the committee's petition results by neighborhood. Some directors were concerned about the validity of the message that was given to obtain signatures on the petition. West commented that the operating expense examples assumed no debt on the property.

Lastly, Felli presented the recommendation of the committee. The committee recommends the GHPOA Board of Directors 1. Immediately begin good faith negotiations for the purchase of the clubhouse with the consent of the membership, determined by a special meeting. 2. Work with the committee to prepare an information sheet to be mailed to all owners. 3. Send out proxies for the special meeting referred to in recommendation #1.

Hennessy asked the committee if it was their opinion that they could force the Board to purchase the clubhouse. The committee was not able to answer at the meeting but would get back to Hennessy. West noted that the Board would need to consult with the association's outside attorney to determine if a vote of the majority of Owners should cause the Board to vote by that majority, and if a special meeting would be binding on the Board's decision.

Tuthill of Feather Cove I requested to present points of consideration to the Board. Tuthill noted that he had consulted with real estate professionals who have no vested interest in the clubhouse with regards to the impact on property values. The response was that owning the clubhouse wouldn't hurt property values, but not owning the clubhouse would not negatively impact all GHPOA equally. The further away from the clubhouse a property is the less impact the clubhouse has. Tuthill pointed out 4.5% of GHPOA Owners who are members of the clubhouse, and that 8 out of every 10 are owners in the Admirals sections.

Swedeen of Feather Cove I requested the Board consider the validity of the approach and message presented by the advocates of the clubhouse. He also noted that those who surround the facility have the NIMBY (not in my back yard) phenomenon.

Britt asked those who opposed the purchase of the clubhouse if they were agreeable to a proxy mailer to all neighborhoods. Opponents noted it would very much depend on the content of the message. Martin noted that he had received 50 emails opposing the clubhouse; Fulk said he had received about the same number of negative emails. One owner noted that in an association they were previously members of they had the option to purchase a bond, and thus those who were interested were members and those who were not were not forced into the facility. She also noted that the bond was returned when you sold your home. Harris noted that it has been suggested those interested in the clubhouse should purchase it privately. Another owner noted that with current market conditions it was unlikely the current owners of the clubhouse could do anything in the near future. He also noted that the idea of apartments which was floated out by committee members would never pass zoning, especially if there was a mob of angry owners. Spurlock, a former GHPOA Board member, noted the Board should not “get pushed into the corner” by a very vocal minority. He also noted that if there were 2/3rds of the community in favor of the clubhouse the Board should do what the majority requested.

Later in the meeting the Board discussed the clubhouse further. Britt noted that all owners should vote, and the hard part of it will be crafting an unbiased letter to accompany the proxy. West noted that the committee’s key estimates (e.g., a one-time \$300 special assessment and a \$70 annual dues increase) may be too low given the amount of possible deferred maintenance and the delay in bringing on new revenues to support its operations, but he was impressed with the level of analysis and work the proponents have done. Fulk and Harris felt the issue should not be sent out to a vote. Other Board members noted that the issue has gone too far to not have all owners vote. Desserich noted that he does not feel it is in the association’s charter to own and operate this facility. Britt questioned if the votes of the association would be binding on the board. West and Hennessy feel that the votes would not be binding. West recommended working with the association’s outside attorney to determine what the correct procedures and responsibilities are; what the effects of a vote by all owners would be; and what the effects of a special meeting would be. West, Britt, Fulk, Bryant, and Desserich to work with outside counsel to draft vote letter. The questions of what the effect of the vote will have on a final decision will also be reviewed with counsel. West noted that any mailer will be reviewed by the Board before being sent.

Developmental Control Committee

Howard circulated the DCC log and noted that there were two different copies in the room. There was nothing out of the ordinary to report on the log. Thompson question Howard on some dock issues in Feather Cove III. Howard to work with Thompson on the issues later. West questioned the approval of “front yard sitting area” in Admirals Bay. Howard noted the committee was very specific on the used of the area, but didn’t have anything black and white to deny the request. Howard to provide a copy of the request and approval to the management company.

Covenant Violations

West noted that 5 letters were sent from the association’s attorney to the longest ongoing violations. Scully reported that 2 owners contact the management company and resolved the issue or agreed on firm dates for completion. The next option would be to have the attorney file an injunction. Fulk motion to file injunction on 2 of the remaining violations, Harris 2nd, all approved. Harris to contact the third owner personally before injunction action is taken.

Meeting Minutes

Harris motioned to approve the October 20, 2008 Board meeting minutes with a correction to a typo on page two. First paragraph of the security report now reads “Cleek noted that they had received ~~called~~ calls regarding political signs....” Desserich 2nd the motion, motion approved unanimously.

Treasurer’s Report

Yale, association Treasurer, noted that as of October 31, 2008 the association had approximately \$267,000 in the bank. Yale noted the projection for the end of the year taking into consideration of the November and December budget and the contingency fund the association would end the year at a \$0 balance. Yale also noted that there is approximately \$19,000 in uncollectible amounts to be written off. Yale also noted that he feels the association should increase the dues, perhaps by \$25, a relative a small amount each year rather than raising a large amount every few years. Scully with the management company concurred that it is easier to present to owners. Britt noted that the sign project was complete and there should be no big capital expenditures in 2009. Desserich agreed that there shouldn’t be a need for an increase with no projected capital expenditures. Britt motioned to keep the dues for 2009 at \$425 per lot, Fulk 2nd the motion, all approved.

2009 Budget

Scully presented the proposed 2009 budget. The budget recognizes the dues will be the same. The association is in the middle of contracts, and had no services to bid out. Scully adjusted the utilities to reflect inflation. Based on the budget there should be approximately \$82,000 of cash flow at the end of 2009. Fulk motioned to approve the budget as submitted, Hennessy 2nd the motion, all approved.

Remaining Agenda Items

Due to time the Grounds Committee report, director discretionary spending policy, trailer storage policy, covenant study committee report, Ginny Cain’s paving prioritizations, and annual meeting items were tabled to the December Board meeting.

Next Board Meeting

Next meeting will be December 15, 2008, Fishers Fire Station, 116th Street and Brook School Road, commences at 7:00 PM.

West adjourned meeting at 9:42 PM.