

# Village Farms Homeowners Association Board Meeting – February 19<sup>th</sup> 2019

**Call to order:** 7:01 pm

**Adjourned:** 8:40 pm

**Roll Call:**

Maggie Browning	David Gill	Dan Traub
Steve Castle	Larry Hutson	Jen Trenner
Jen Cecil	Allie Petty-Stone	

**Absent:**

Jeff Boller	Kirk Farley	Doug Holtz
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**Property Manager:** Maureen Schriener – Present

**Guest Business:**

Meridian Investment Advisors – Mike Burley

Pursuant to the Board’s request at the previous board meeting (Jan 2019) that an investment up-date be provided by Meridian Investment Advisors, Inc., Mr. Mike Burley presented an account review as of 2/19/2019. Mr. Burley has been the Association’s account manager since March 2018, when the Board decided to change its investment approach in order to better meet our future Reserve Fund needs. Part of that approach was to gain greater investment returns through investments in equities and bonds, as well as money market instruments. The total amount invested was \$400,000.

Mr. Burley first expressed his surprise at learning that current Indiana statutes precluded HOAs from pursuing equity/bond fund investment vehicles, as did the Board when it was informed of this in November 2018. He assured the Board that he was unaware of this restriction. He then went on to note that during the last quarter of the 2018 calendar year, the equity markets experienced an unexpected downturn that resulted in the loss of an aggregate of approximately \$18,000 (4-1/2%) over the four equity funds then being managed for the Association. He also confirmed that all equity investment vehicles had been terminated by mid-January 2019 with the proceeds being immediately re-invested in four Certificates of Deposit. The cost basis for each CD was \$95,000 (\$380,000 total) and another \$2039 was placed in a Money Market fund, bringing the total invested to \$382,039. These four CDs had maturity dates that ranged from 9 to 18 months and their interest rates ranged from 2.45-2.55%. Each CD was fully insured, thereby posing no risk to the Association and, if kept to maturity, would garner its face amount plus accrued interest. As these CDs reached maturity, Mr. Burley would then work with the Finance Committee to purchase replacement CDs, maintaining the laddered approach of varying, relatively short-term maturity dates for each. He also noted that the cost of managing these CDs would now be a fixed fee of 1/10% of the total amount invested per annum. The account value as of 2/19/2019 was \$380,536.81 in four CDs and \$2,039.00 in a Money Market fund, bringing the total to \$382,575.81.

Thomas (Chris) Meredith – Just wanted to listen in on the meeting

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**Property Manager: Maureen**  
**Complaints/Comments/Concern**

- 1Trash bin – Tanner is working on a form letter 1-29
- 14933 Admiral Way N. Dr. – Drainage Easement 2-10
- 14628 Adios Pass – Patio/pavilion 2-10
- 14746 Raymond Ln. – Shed 2-10

### **Clubhouse/Apartment/Maintenance**

#### **Rental Report – emailed to BOD**

- Working on getting outdoor light replaced under warranty 1-2
- Scat Pest Control 2-10

#### **Common Ground**

- Brightview will remain our landscape provider 2019-2021 (Larry please sign)

#### **Lakes & Dam**

- Lights at lake (Greyhound Pass). The city approved light but can take them down at any time. The city will repair/replace all broken reflectors. 2-15
- IN Dept. of Natural Resources – Permit mailed 11-12, additional information sent on 11-19. 1-2 & 1-29 called IN Dept. of Natural Resources (working on permit)

#### **Snack Shack – Closed**

#### **Pool – Closed**

#### **Newsletter**

- UPS Store – I think we should mail out a newsletter for this spring. Please send me any information that you would like to see in the next newsletter. No design fee if we allow UPS store to advertise.
- Content for first quarter newsletter: November, January and February minutes, Swim team sign up, voting information (proxy), dues, pool, covenant change, etc.

#### **Office Information – Welcome Packets**

- 1 packet delivered 2/15

#### **Transfer Letters/Closing Letters – emailed to the BOD**

#### **Other**

- Cindy Cherf – Will sponsor a Village Farms shred day on 4-20th 10am-12pm
- Village Farms dues statement, pool card, proxy, president letter and statements will be mailed out in March 2019. Reminder please pay your dues by May 1, 2019
- Book keeper – Christine Jones 317-506-3944
- City did approve Village Farms putting lights on the guard rails round the lake on Greyhound Pass but could remove them at any time. Motion to purchase lights ( 4 in favor and 3 opposed)

**Recreation: David** – Nothing to report

**Communications:** – Nothing to report

#### **Treasurer: Allie**

- Sent out financials for January
- Filed 1099 and 1096 report
- Need final budgets back for publishing
- Sent out RFP to the board

- Outside firm to review the books every month and report back to the finance committee. Would have a CPA on the board to be the liaison.
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### **Vice President: Larry**

- Getting verbiage for the convent change to put in the newsletter and informing the neighborhood
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### **Social Events: Jen**

- Easter egg hunt in April
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**Maggie:** – Nothing to report

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**Steve:** – Nothing to report

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**Secretary: Jen** – Nothing to report

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### **Planning & Development: Doug**

#### **Investment Committee Update**

The board - requested updated homeowner's association reserve study was released in early 2018. The study revealed the financial reserve needs over the next 30 years required the board adopt an investment strategy which to this point had been non-existent. The investment strategy was needed to meet the future financial needs identified in the study. The board agreed upon a two-step investment approach. First, \$200,000 would be invested in eight certificates of deposit with using a ladder approach allowing greater funds access and to take advantage of possible future higher interest rates. Second, the remaining \$400,000 would be invested in conservative mutual funds to allow for longer term growth over the next 20 to 25 years.

After all investments had been made, the board learned the investment of homeowner's association assets in mutual funds was in violation of Indiana statutes. To follow the state statute, the board agreed to divest itself of the mutual funds and reinvest in legally protected, ladder FDIC insured certificates of deposit. Unfortunately, this divestiture decision coincided with a drastic market downturn in late 2018. Rather than risk further market slippage and to stay within the intent of the law, the board proceeded with their decision resulting in a loss of approximately 5% or \$20,000. This loss is expected to be erased within 18-24 months from the returns generated by the certificates of deposit.

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### **Common Property:**

- Have had to plow once and will probably need to do again the weekend of the 18<sup>th</sup>
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**Lakes & Dams: Jeff** – Nothing to report

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### **Technology: Dan**

- Social dates for 2019 are on the calendar
  - Website: snow plow damage, asking for emails and request for board members
  - Resident portal will be WordPress and in the process of configuring. Registration process will be required and approval will be sent to Maureen.
  - Will be a link on the current external website to the residence portal
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**President: Kirk** – Nothing to report

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