

**HARBISON COMMUNITY ASSOCIATION  
MINUTES TO THE MEETING OF THE BOARD OF DIRECTORS  
November 30, 2021**

**Note: Due to Social Distance guidelines resulting from the COVID-19 Virus, this Regular Board Meeting is being held by "Zoom" – instead of an actual meeting at the Community Center.**

Board Members attending were Mr. Hank West (President), Mrs. June Cannon (Vice President / Secretary), Mr. Ozzie Nagler, Mr. Terry Helsley, Ms. Crystal Bowen, Mr. Stan Seabrook, Ms. Julie Lucas. Association Staff Members attending were Mr. Dave Grove, Mr. Kaden Watson, Ms. Betty Brooks, Mrs. Danell Gunter, Mr. Ray Cloutier, Ms. Yolanda Vinson. Residents participating by "Zoom" – Mr. Ike McCravy, Ms. Carolyn Turner, Ms. Joette Scarborough, Ms. Ruby Hall, Ms. Diane Perdue-Shupe, Ms. Rhittie Gettone.

A Quorum being present for the Meeting, Mr. West called the Meeting to Order at 6.07pm.

**Member Input :**

1. Joette Scarborough – have no comments – just observing.
2. Carolyn Turner – wanted to thank the maintenance employees for keeping the trails clean – very pleased with how things are going in the Center.
3. Rhittie Gettone – Everyone (HCA Board and Employees) doing a good job
4. Ruby Hall – asked if anyone was aware of the selling price of the proposed homes (pending full approval from the City) to be built in the wooded tract near the Community Center – Ray Cloutier stated that the Developer had indicated the 75 homes would be priced in the \$175,000-\$ 225,000 Price Range – but to our (HCA's) knowledge, the developer had not received full approval to start (the property had to be re-zoned, and Traffic Studies performed).
5. Diane Perdue –Shupe - asked about the status of a Sexually Oriented Business that had wanted to locate near the Harbison (HCA's) territory. Ms. Betty ("Cookie") Brooks responded by stating that we (HCA) understood there would be a hearing soon on the applicant's request for a liquor license. Ms. Perdue asked that we place info on the HCA web site as more information is obtained. Ms. Perdue also thanked Kaden Watson and the Maintenance guys for responding quickly to an issue with the Pickleball Fence – she and the other players had observed one area where a ball could slip through the fence.
6. Ike McCravy – remarked that he could remember (many years ago) when the Association placed Luminaries around Woodcross Lake. However, his specific concern is that many Homeowners at this time of the year place their tree leaves in the street gutters and then wind blows them away before the trash collectors get to them. That comment led into a short discussion among Board Members and other attendees – as to the proper agency who is responsible for "picking-up" leaves that are not bagged. Mr. McCravy further commented that he hoped the former Adlerian Child Care Center Building would be renovated soon, and HCA could at least gain some income from the use of the building.

**New Business:**

Executive Director Dave Grove presented the "Proposed" 2022 Budget (attached) and noted that Staff recommended that the current variables used by HCA in establishing the assessments remain the same for 2022. In fact, this will be the fourth (4<sup>th</sup>.) consecutive year in which HCA's variables will remain unchanged (2019, 2020, 2021 and now 2022). He noted that the only changes in the Budget submitted today – from the Proposed Budget submitted in October -were as follows:

- a. Late Charge on paying assessments reduced from 12% to 10%
- b. Administrative Charge increased from \$48.00 to \$ 50.00 (imposed on Real Estate Transfers, Lien and Judgment filings primarily)

After Discussion, Mr. West called for a Vote to approve the 2022 Budget as submitted. Mr. Helsley made a Motion to approve the 2022 Budget. Mrs. Cannon Seconded and the Motion was approved with a vote of 6 For, 1 Against (Mr. Seabrook)

Mr. Grove discussed the status of the former Adlerian Child Care Center – which became vacant when the tenant decided to not re-new their Lease. The Board had already decided that it was in the best interests of the Association to not re-lease the building as a tenant would likely want a 5-10 year lease. It was best to keep the building for the Association's use. After a lengthy discussion of possible uses, the Board decided that the soiled carpet should be removed this year and in January – all Board Members would be encouraged to tour the building and more discussions would be held early next year on the renovations that need to be made.

**Approval of Minutes:**

After discussion, Mr. West asked for a Motion to approve the following Minutes:  
 October 26, 2021, Motion to approve – Mr. Nagler, Seconded by Ms. Bowen  
 Motion Approved 7 For, 0 Against

**DDRC:** Mr. Nagler presented the DDRC report.

- \* Uberrito Fresh Mex, signage approved – formerly Salsarita's, 275 Park Terrace Dr. (Academy Sports, et. Al), 10-28-21
- \* Star Nails, signage approved – 240 D Harbison Blvd., Harbison Court (Nordstrom Rack, et al), 11-02-21
- \* DAB City Tobacco & Vape, signage approved – 280 M Harbison Blvd., Harbison Court (Nordstrom Rack, et al), 11-02-21
- \* European Wax Center, signage approved – 280 P Harbison Blvd., Harbison Court (Nordstrom Rack, et al), 11-02 21
- \* Stay Apt Suites, signage approved – 851 Columbiana Ext. (originally submitted as "Affordable Suites" hotel), 10-04-21

**RDRRC:** Mr. Cloutier presented the RDRRC report.

- \* 12' x 15' Pergola approved, Timberhill Court – "Archers Courts" (area off Archers Lane), 10-27-21
- \* 10' x 12' Pergola approved, Whitwood Circle – earlier section of Harbison (off Tawny Branch Road), 10-28-21
- \* 6' Wood Privacy Fence approved, Timberpoint Court – "Archers Courts" (area off Archers Lane) 11-24-21

**Staff Reports:**

Danell Gunter - updated the Board on several Programs: Swim Team, Pickleball, recoating of the Gym floor, painting of interior walls in the Pool, youth programs in evenings.  
 Kaden Watson- mentioned that routine maintenance projects were continuing  
 Betty ("Cookie") Brooks – mentioned that HCA had very recently been informed that an Administrative Law Judge had scheduled a Hearing from an applicant seeking a liquor License in a facility to-be-built near the HCA boundary. The initial establishment – proposed for this location – was a Sexually Oriented Business. HCA plans to speak in opposition of the License – assuming the business is a SOB.

**Executive Session:**

Ms. Lucas Motioned that the Board move into Executive Session to discuss some legal issues, Ms. Bowen Seconded and the Motion was approved 7 for, 0 against. 7:35pm

Mrs. Cannon Motioned for the Board to come out of Executive Session, Mr. Seabrook Seconded and the Motion passed with a vote of 7 for, 0 against. 8:20pm

**Adjournment:**

Hearing no additional business, Ms. Bowen Motioned that the Meeting be adjourned, Mrs. Cannon Seconded, and the Motion passed with a vote of 7 for, 0 against. 8:22pm

June Cannon, Vice President / Secretary

**HARBISON COMMUNITY ASSOCIATION**  
Assessment Calculation for Next Fiscal Year (Jan - Dec)

**BASIS OF 2022 CALCULATIONS**

The 2022 budget calculations are based upon the following information.

\$258,139,796	Value of 1997 single family residences
169,914,915	Value of apartment complexes, quadrplexes and assisted living facilities
282,506,782	Value of retail/commercial (One-Half of actual value used to calculate proportion of HCA assessment)
<u>\$710,561,493</u>	Total value of Harbison property as used for the HOA assessment calculations.

**2022 PROJECTED EXPENSE AND ASSESSMENT CALCULATIONS**

\$ 2,797,042	Expenses as requested for the budget
\$ -	Less Projected Revenue from Adlerian lease & utilities
\$ (144,110)	Less Projected Revenue from operation of the Recreation Center
\$ (100,000)	Less Projected Other Revenue (fees & misc)
<u>\$ 2,552,932</u>	Amount needed from assessments to meet projected expenses for 2022
\$ 927,454	Amount to be assessed to single family residences.
\$ 610,477	Amount to be assessed to apartment complexes
\$ 1,015,001	Amount to be assessed to retail/commercial
<u>\$ 2,552,932</u>	Matches amount needed as shown above

**2022 PROPOSED ASSESSMENT RATES**

0.0019	Proposed decimal assessment rate per dollar of assessed value of residential
\$175	Proposed proportionate fee for single family residences

2022 assessment formula for single family residences is as follows:  
0.0019 X appraised value + \$175 proportionate fee

0.0038	Proposed decimal assessment rate per dollar of assessed value of apartments
0.0019	Proposed decimal assessment rate per dollar of assessed value of commercial

The calculations below show about what the actual billing calculations will produce in revenue if all units pay. The results are hypothetical only, but use the source numbers to determine revenue from each category.

\$839,941	Computed income from single family residences
\$649,677	Computed income from apartments
<u>\$1,073,526</u>	Computed income from retail/commercial (whole value X assessment rate)
<u>\$2,559,143</u>	Projected total income if all units paid as set above

**2022 PROJECTED BUDGET SURPLUS/DEFICIT**

\$2,559,143	Yearly income for all units billed as set above
<u>\$ 2,552,932</u>	Amount needed to cover association's projected expenses
\$6,211	Excess (shortfall) caused by rounding factors

Budget Inc & Exp yr comparison YTD projections for Annual Budget

	Budget 2022	Projected 2021	Budget 2021	\$ Change Budget 2022 to Projected 2021	% Change Budget 2022 to Projected 2021
Assessment Income Total					
Owner Fee & Penalty Income Total	2,559,143	2,491,494	2,489,970	67,649	3%
NSF Income Total	40,000	47,384	26,000	(7,384)	-16%
Lease Income Total		35	200	(35)	-100%
Interest Income Total	55,000	25,369	43,500	(25,369)	-100%
Membership Income Total	34,360	69,781	59,000	(14,781)	-21%
Program Income Total	101,000	43,635	18,500	(9,275)	-21%
Facility & Equip Rental Income Total	8,500	97,994	60,950	3,006	3%
Concession & Vending Machine Total	250	623	2,000	7,878	1265%
Other Miscellaneous Income Total	5,000	265		(15)	-6%
<b>TOTAL INCOME</b>	<b>2,803,253</b>	<b>2,796,034</b>	<b>2,696,920</b>	<b>(14,454)</b>	<b>-74%</b>
				<b>7,219</b>	<b>0%</b>
Payroll - Wages & Bonuses Total	886,010	781,740	898,574	104,270	13%
Payroll Taxes - Employer Total	73,600	74,027	75,100	(427)	-1%
Employee Group Benefits Total	68,600	76,086	130,620	(7,486)	-10%
Add'l Employee Benefits Total	4,800	5,475	3,864	(675)	-12%
Payroll Processing Expense Total	4,000	3,931	4,000	69	2%
Employee Business Expenses Total	32,398	18,388	30,170	14,010	76%
Board Meeting Expenses Total	722	619	1,500	103	17%
Conventions & Travel Total	850	1,166	1,700	(316)	-27%
Other Reimbursements Total	9,725	8,834	4,850	891	10%
<b>TOTAL PERSONNEL EXPENSES</b>	<b>1,080,705</b>	<b>970,266</b>	<b>1,150,378</b>	<b>110,439</b>	<b>11%</b>
Professional Services Total	26,500	23,685	41,050	2,815	12%
Collection & Lien Expense Total	25,000	17,679	30,000	7,321	41%
Management Fees Total					0%
Employment Expenses Total	13,300	3,084	2,567	10,216	331%
Bank Charges Total	15,000	10,543	6,750	4,457	42%
Insurance Expenses Total	464,212	378,976	262,500	85,236	22%
<b>TOTAL ADMIN EXPENSES</b>	<b>544,012</b>	<b>433,967</b>	<b>342,867</b>	<b>110,045</b>	<b>25%</b>
Contract Services Total	60,700	46,182	42,660	14,518	31%
Office & Operating Supplies Total	42,700	44,425	30,500	(1,725)	-4%
Utilities Total	310,000	129,834	144,000	180,166	139%
Telephone & Internet Total	10,000	7,321	12,000	2,679	37%
Security Monitoring Service Total	6,000	4,391	4,659	1,609	37%
Postage & Printing Total	20,000	23,975	24,200	(3,975)	-17%
Dues & Subscriptions Total	700	1,632	975	(932)	-57%
Rent & Lease Expenses Total	18,000	14,314	13,728	3,686	26%
Bldg & Grounds Maintenance Total	405,850	510,091	354,400	(104,241)	-20%
Technology Maintenance Total	40,000	52,280	33,752	(12,280)	-23%
Other Operating Expenses Total	31,175	21,558	26,150	9,617	45%
Bad Debts & Write-offs Total	40,000	31,950	42,500	8,050	25%
Depreciation Expense Total	131,000	121,015	147,000	9,985	8%
Taxes & Other Fees Total	1,700	1,497	1,800	203	14%
Miscellaneous Expenses Total	4,500	1,864	12,000	2,636	141%
Reserve Contributions Total	50,000	31,078	33,000	18,922	61%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,172,325</b>	<b>1,043,409</b>	<b>923,324</b>	<b>128,916</b>	<b>12%</b>
<b>TOTAL EXPENSES</b>	<b>2,797,042</b>	<b>2,447,642</b>	<b>2,416,569</b>	<b>349,400</b>	<b>14%</b>
<b>NET INCOME</b>	<b>6,211</b>	<b>348,392</b>	<b>280,351</b>	<b>(342,181)</b>	<b>-98%</b>

**2022 Assessment Variables; Assessment Due Date, Delinquency Rules, Payment Plans**

1. The annual assessment formulas for the year 2022 for properties located within Harbison Community Association, per dollar of assessable property, are as follows:
    - a. Single family residential: (Property value x .0019) + flat rate of \$175
    - b. Apartments/Multiple family residential: Property value x .0038
    - c. Commercial: Property value x .0019
- NOTE:** The Association requests data downloads from the local counties to update current owners 1 or 2 times per year. However, it is each owner's responsibility to inform the Association of a change of ownership or mailing address in a timely manner. If an owner does not properly include the assessment/fee balance in the closing settlement, then the Association will calculate a prorated amount for the buyer and seller based on the sale date per the county. If the closing occurred after the due date, any delinquent fees will be assigned to the seller.
2. Statements for annual assessments are mailed or emailed in the first week of January. **Payment in full is due each year by June 30.** Approximately 30 days prior to the due date, a payment reminder will be sent to all owners with a balance due.
  3. Payments must be received at the community center by close of business on the due date. They may also be submitted on the online owner portal prior to midnight on the due date if the owner already has received online access. Owners can request online access by phone or email to the Finance office during regular business hours.
  4. Any balance not paid by June 30 will become delinquent. (Covenant violation fees may also be included in the delinquent balance.)
  5. Delinquent balances are subject to a **10% annual interest charge** as of close of business on the due date.
  6. On the 1<sup>st</sup> business day following the due date, delinquent statements will be generated and sent to owners by regular mail or email.
  7. In the month following the due date (after the grace period approved by the Executive Director), **certified letters** will be sent to notify delinquent owners of intent to file a lien with the county and/or complaint with the local magistrate court. An **administrative charge of \$50** will be added at that time to any delinquent owner account with a balance over \$100.
  8. As of the printing of this document, additional fees for filing documents with the county and local magistrate courts are:
    - a. \$25 per Lien - filed on property of owners with delinquent balance over \$100
    - b. \$80 per Complaint - filed against owner with delinquent balance over \$100
  9. If an owner with a delinquent balance over \$100 signs a payment plan with a **minimum monthly payment of \$100**, then the Association will not proceed with the collection actions mentioned in #8 (a & b).
    - a. If a monthly payment is not received by the 15<sup>th</sup> of the month, the Association will cancel the payment plan and proceed with the collection actions mention in #8 (a & b).
  10. A payment plan with a **monthly payment under \$100** must be approved by the Executive Director. A lien will still be filed (#8a), but the Association will not proceed with a complaint at the local magistrate court (#8b) while the payment plan is in good standing.
  11. Any delinquency case may be turned over to attorneys at the discretion of the Association's Executive Director. Based on legal advice, an analysis of the property, and considering known circumstances regarding the delinquency, the Executive Director will make the final decision on whether to initiate a **foreclosure** proceeding on any property. The owner could be held liable for any resulting legal fees.