



THE HARBOURS
Condominiums

The Harbours Newsletter

July 2015

July 2015

- 7/02 Full Moon
- 7/03, 4th & 5th:
Riverstage:
RiverPops featuring
the Wizard of Oz
- 7/04 Independence Day:
*Celebrating Free-
dom Parade @*
11:00 a.m.
- 7/03 & 7/04: City of Lou-
isville Celebrates on
the Waterfront with
Live Entertainment
& Fireworks both
Evenings
- 7/10 RiverStage: Unlim-
ited Show Band
- 7/11 RiverStage Cinema:
Paddington
- 7/17 RiverStage: The
NewBees
- 7/18 RiverStage Cinema:
**Planes Fire &
Rescue**
- 7/24 RiverStage: The
Monarchs
- 7/25 RiverStage Cinema:
Dolphin Tale 2
- 7/30 RiverStage: Cinema:
Hunger Games I
- 7/31 RiverStage: The
Wulfe Bros.
- 7/31 Full Moon - also
referred to as a Blue
Moon

From The President,

The Harbours Condominium Fees

One topic that I receive frequent complaints regarding is our Association Fees, so I thought I would do a little research and share my findings with everyone.

I listed my monthly Association fees (which include cable expense) since 2007. In 2007 my monthly fee was \$595.10 and in 2015 my fees are currently \$746.85. The total increase over 9 years is \$151.75 per month. The average monthly fee that I've paid over that 9 year period of time is \$669.01. The average % increase is 2.9% per year. As a bench mark, I compared that increase to my social security benefits, which have increased 2.1% per year since 2006. The Association fees for The Harbours have increased more than my social security benefits because our fees have been impacted by the requirements to fund our Capital Improvement Reserve 20-year plan for major building projects and equipment replacement.

The Association fees pay for two separate categories: the annual expense budget which is used to fund all of the building operations; and the reserve account that provides funding for major projects and capital improvements. The reserve fund is indexed for inflation and increases around 6% per year to cover future increases in repairs or improvements projected to occur over the next 20 years. The reserve plan also assumes that there will be an interest gain of 1% per year over the next 20 years.

The 6% Capital Improvement reserve increase equals about ½ of the annual 2.9% annual Association increase. This means that the expenses to run all of our operations including major items like salaries, utilities,

Insurance and repairs, as well as every nickel and dime it takes to keep the business of The Harbours running everyday, have only increased at a rate of 1.45% per year over the last 9 years. This is about 2/3's of what social security has increased over the same time period.

In addition, our cable bill has increased each year and a small portion of the annual increase should be attributed to that cost.

2014 was Daniel's first full year to manage The Harbours. Daniel has consistently controlled expenses and contracts and operating costs have only increased 0.6% per year, which means that Daniel has been running The Harbours with less money each year after you take into account the increase for Capital Reserves and cable.

Daniel has implemented major changes that have reduced costs. We've periodically written about some of those changes in past newsletters, but a quick summary would include: renegotiation of lawn service, elevator and garbage contracts; reduction in legal fees; reduction in security expenses; significant reduction of internal water related damage (water alarms and owner attention); significant improvement in utility costs through hallway temperature monitoring and installation of hundreds of LED lights; and hundreds of other things that typically go unnoticed.

No one looks forward to receiving an increase in Association fees but I hope that this data will help you put some things in perspective. In my opinion, it reflects that management continues to operate our building in an efficient manner.

Russ

When Selling Your Condo, Don't Forget the Following

If you decide to sell your condo and you list with a real estate agent/broker, please make sure that your agent understands that it is the Seller or Seller's Agent's responsibility to provide the Buyer or Buyer's Agent with a copy of the following documents:

- Declarations and By-Laws, including all Exhibits
- Community Rules
- Pet Rules
- New Owner Orientation Info
- Current HOA & cable fees for your unit.

Also inform the Buyer that they will be required to reimburse the Seller for the two-month HOA Assessment Fee at closing.

If you are selling your unit without an agent, you should provide a copy of all of these documents to a potential Buyer.

The Seller is responsible for turning in ALL of their FOBs to the office when their unit sells. The Buyer is required to purchase new FOBs. Any FOB not turned in by the Seller will be disconnected on the day of closing. Please do not "give" FOBs to your Buyer.

If applicable, the Seller should provide written notice to the office that their ACH transactions should stop as of a specific date, or notify their bank if their HOA fee is automatically processed.

Insurance Recap

Insurance for the HOA renews annually on June 20th with the exception of our flood insurance policy, that renews each July.

Based on recommendation from the Insurance Committee, the Board of Directors recently approved the following insurance for the period beginning June 20, 2015 through June 20, 2016:

Provided by Travelers Insurance:

- Commercial Property Insurance
- Earthquake Insurance
- Commercial General Liability
- Commercial Auto Insurance
- EBL Insurance
- Crime

Provided by Markel Insurance:

- Directors & Officers Liability Insurance
- Employment Practices Liability Ins.

Provided by Great American Insurance:

- Umbrella Liability Insurance

The total insurance premiums for this year decreased \$17,121 from our prior year premiums, or approximately 20%.

The most significant decrease was for our Commercial General Liability policy, which decreased \$6,857 or 56% from last year.

Notes from the P.M.

Lending Library

The business center now has a bookshelf. The books that were in the fitness center were placed on the new bookshelf that's located in the 2nd floor lobby area. Feel free to borrow or donate a book, game, or puzzle.

Pet Owners

There have been recent reports of pet waste in the hallways and in common areas. Please be considerate and pick up after your pet.

Garage Cleanliness

Please do not store items in the parking garage. This is in violation of the community rules. Fines of up to \$25.00 will now be charged to those who do not follow this policy.

Newsletter Changes

The newsletter is published on the Harbours website on the day that it is distributed to our owners (typically the 1st—5th of the month). If you prefer to read the newsletter online and no longer want to receive the newsletter by delivery or mail, please forward a request in writing to the office that you do not want to continue receiving the newsletter via delivery or postal service.

Financial Update

The financials through June 2015 reflect that our overall expenses remain in budget.

Medley's Total Home Improvements

(502) 593-8015

Rmedley22@aol.com

Specializing in Tile & Stone Work

Check out our work at YP.COM

Medley Home Improvements

Paid Advertisement

Water Incidents

During the month of June we had significant rainfall but very few water incidents. Following is a recap of incidents:

- Minimal leak on 11th floor by passenger elevator from the roof. Repaired in-house.
- Minor leak in ceiling from balcony above. Owner responsible.
- Leak in bathroom ceiling from upstairs tub faucet. Owner responsible.

CUSTOM WINDOW BLINDS!

**Prestige 2" wood slats- oak colored
Fit west windows 60" x 57" each x 2**

Come See! Unit#906

Debbie (317)413-8576 OR

dk Tanner@me.com

Paid Advertisement



RENTAL RESTRICTIONS

Last month I asked owners to speak up if they are in favor of a 1 year minimum lease term and if they want the board to pursue this objective. I received 25 letters asking the board to implement a one-year minimum restriction and many owners also asking for consideration of a long term plan to reduce the number of rentals to something close to 10% of all units. As a result of the response I received, I did a couple things:

1. Asked the 25 people who responded to talk to their neighbors and see how many other owners feel the same way.
2. Contacted a lawyer and found that the right way to proceed is through an amendment. An amendment, if passed, would be permanent and not subject to legal actions whereas a rule could be challenged in court and might be a problem worse than the high percentage of rental units.
3. Contacted another Condo in Indianapolis that is similar to ours: a 9 floor upscale condo with 61 units. Their by-laws restrict renting to 10% of their total units and restrict renting to a 6 month minimum. I already had the information from the Glenview in Louisville. About 5 years ago Glenview passed an amendment that eliminated all renting except for a couple units which were grandfathered in.

What to do going forward:

1. Get more owners involved. I hope to hear from more owners who are willing to work with the board to pass an amendment.
2. Contact insurance companies and banks to find out what data they have that causes them to require or recommend that condominiums have less than 30% rentals or face increased costs.
3. Have one or two amendments drafted by a law firm for the board to review.
4. Explore options with a law firm for the proper methods to get enough votes to pass the amendments..

If you support this effort I need to hear from you. and I will be asking for your help as we go forward. Twenty-five letters is an indication that the majority who said they were concerned about leases of less than one year want to get this done, but we're a long way from acquiring the 67% required to pass an amendment.

Russ

List of Vendors

We maintain a list of commonly used vendors for the convenience of our owners. The list consists of contractors and vendors that have worked for other owners in the building. The Association and its staff do not make recommendations and take no responsibility for any work performed by any contractor.

The companies listed have demonstrated that they:

1. Comply with our rules
2. Are familiar with our procedures
3. Have a record of doing work for 1 or more owners in the building

It is always an owner's responsibility to interview and check the references of any contractor. Please do not ask our staff to comment on any contractor or vendor, as it is against our employee policy for them to provide an assessment of any contractor's work. A copy of the Vendor List is available in the office.

July Quotes

This nation will remain the land of the free only so long as it is the home of the brave.

Elmer Davis

Summer is a promissory note signed in June, its long days spent and gone before you know it, and due to be repaid next January.

Hal Borland

HOA Utility Recap for June 2015

Cost per sq. ft. for June:

Electricity:	\$.0239
Water:	\$.0088
Sewer:	\$.0219

Type of Unit	SQ FT
AA	845
A	992
B	987
BB	1,974
BC	1,929
BD	1,800
C	942
CF	2,140
D	813
E	1,353
EE	1,500
F	1,198
G	1,420
T	2,469
U	1,832
V	1,358
W	3,537
X	1,988
Y	1,988
Z	1,957
TH1	1,953
TH2	1,903

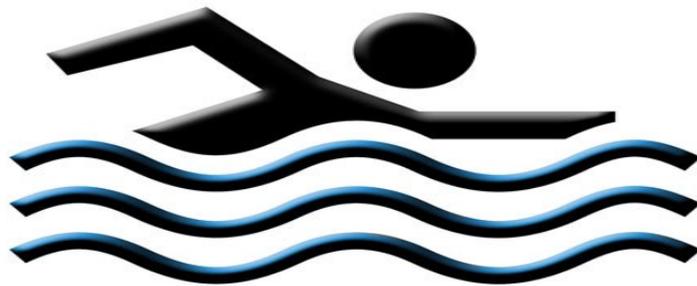
Example: TH1 Unit
 June Electricity for TH1 Units:
 1,953 sq.ft. x \$.0239 = \$ 46.67
 June Water for TH1 Units:
 1,953 sq.ft. x \$.0088 = \$ 17.19
 June Sewer for TH1 Units:
 1,953 sq.ft. x \$.0219 = \$ 42.77

Readers Rejoice!

If you have been by the business center area recently you may have noticed a new bookshelf. This is hopefully the beginning of a Harbour's Lending Library. Books are so expensive these days and once you've read one you typically don't have a need to store it in your unit.

With the new Harbour's bookshelf we can share our books. There is ample room to expand the bookshelf with more shelves if needed.

ATTENTION HOMEOWNERS!!



There have been numerous complaints about owners and tenants not complying with the pool rules and regulations.

OUR FACILITIES ARE PRIVATE.
GUEST PRIVILEGES ARE EXTENDED CONDITIONALLY!

Please be mindful that the pool rules state:

THERE IS A MAXIMUM OF TWO GUESTS PER
CONDOMINIUM PER DAY, BASED ON
HOMEOWNER ATTENDANCE.

Owners/Residents of condos are required to be on the premises while their guests are at the pool.

**GUESTS SHOULD BE ESCORTED TO THE POOL
AREA BY THE HOMEOWNER OR TENANT.**

CHILDREN MUST BE ACCOMPANIED BY AN ADULT AT ALL TIMES!

Please ensure that the use of water toys and/or floats does not interfere with another person's use of the pool area.

Any blatant/repeat violator of the rules is subject to immediate and indefinite suspension.