



THE HARBOURS
Condominiums

The Harbours Newsletter

February 2014

- 2/02 Groundhog Day
- 2/05 Completion of Service
Maintenance Flooring
- 2/12 Lincoln's Birthday
- 2/14 Valentine's Day
- 2/14 Full Moon
- 2/17 President's Holiday
Washington's Birthday
- 2/17 Laundry Room Closed
this week

New Mailroom Bulletin Board

Check out the HOA Bulletin Board the next time you pick up your mail. We are trying out a new calendar page that will change each month. Events of local interest will be noted on the appropriate date.

If you know of an event that you think will be of general interest to other residents, please let Daniel know.

We would also appreciate any feedback and constructive suggestions you may have.

The Interior Design Committee

Magnets

The attached magnet has been provided for all residents and provides phone numbers for:

- The Harbours Office
- The Concierge
- Emergency

We hope you will keep it readily accessible should you need assistance.

From The President . . .

We have two town hall meetings coming up. The first will be held by Fred Strohm and will discuss insurance. Everyone is encouraged to attend this informal discussion. We want to get your questions and ideas before we enter negotiations for next year's insurance contracts. Fred will have someone there to assist with questions about owners insurance and there will be an open discussion about flood insurance. The second meeting will be held by Pete Gerstle and will cover the upcoming building refurbishment project. Pete will have experts there to answer questions and listen to your thoughts. This is the most important and expensive project we have ever tackled so we hope for very wide participation. The goal of the project is to ensure the building is waterproof, the skin is protected for at least the next ten years and the building looks as good as possible with the money we have.

We are well into the maintenance projects for the year. The projects scheduled for the 1st quarter are in the Buildings and Grounds report which is in the newsletter. Next quarter we are going to do a number of building wide inspections covering exterior doors and windows, building masonry, fire protection systems, gates, perimeter lighting, garage structure and lighting. There are funds set aside for this maintenance and the inspections will establish what needs to be done.

Sandi and I will be out of the country for a while. While I'm gone, Kathy Mathews has the reins.

Thank you, Russ

Condo Inspection Tests

The buildings and grounds committee is working on a self inspection form for all units. Owners will be asked to do the inspection checks requested and return the form to the office. If you need help on some of the items the staff stands by ready to help on written request.

The objective is for all owners to perform an annual preventative maintenance check to head off water problems before they occur and to also locate leaks so that we can reduce water consumption.

Things like the age of your hot water heater; the condition of your condensate drain line; water alarms in place (all condos will soon receive 2 loud water alarms that will be maintained by the HOA); any obvious leaks (faucets, commodes, under sinks, around commodes, hot water heaters, sinks draining properly, stainless steel lines on your washing machine, etc.). We will also ask that you check that the base of your railing posts are free of rust.

The form will be simple and we hope everyone will complete the form as soon as they receive it. After you receive the form, please call the office if you need help verifying any of the items. We do not expect everyone to know how to do all the checks, but it is important that all of the items are checked. Last year we had about 15 condensate drains overflow that caused a considerable amount of damage that the individual owners had to pay to have repaired. This is a perfect example of damage that can easily be prevented if you know what to look for. We also had old water heaters leak and cause damage and we had numerous backed up sinks that caused damage, and a couple of ice maker lines leaked. The worst damage occurs

when a resident is away and the problem goes undetected. We will do the inspection for you if you are not here, just give the office a call. We will complete the inspection, send you a copy and let you know if anything needs to be repaired.

The program to clean out the sink drains has been effective. We will do a sample check on the drain lines next fall assuming we don't start having problems before that. We have not had a kitchen sink back up since last fall when we completed the clean out program. If any sink backs up at all, please call the office. The problem will not go away by itself and maintenance is happy to clean it out before we have the emergency situation.

Town Hall Meeting on Insurance

There will be a Town Hall meeting in late February or early March that will include a discussion of Flood Insurance. Prior to January 2011 The Harbours was classified in a Special Flood Hazard Area (SFHA), which required mandatory flood insurance. In January 2011 we were reclassified to a low-to-moderate risk category where flood insurance was no longer mandatory.

Since then we have continued to obtain flood insurance for The Harbours. With flood insurance rates increasing significantly, the question has been raised whether we should continue to obtain flood insurance. This question was heavily discussed last year. The Town Hall meeting will allow further discussion and debate from owners on this issue.

At this same meeting, individual owner insurance requirements and recommendations will also be discussed.

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Laundry Room Renovations

The Laundry Room will be closed for renovations during the week of February 17th. The Laundry Room will have new equipment installed and also be repainted and the floors will be refinished. The washer and dryer will be larger capacity units and will accommodate most comforters, quilts, etc.

Thanks for Being A Great Neighbor!

Thanks to the owners who chipped in to help other homeowners this past month. There were several owners who rushed to help other homeowners when they had a pipe burst or water unexpectedly backed up in their sink (Russ Johnson, Fred Strohm, Bob Ferguson, Kim Davis, Kevin Zipperle). Their assistance along with our maintenance personnel kept the water from damaging other units and also helped the owners get back to normal more quickly.

Our staff was also great to come back to the building on short notice and work until the water was contained.

Last week we had a snowfall Friday night and Russ Johnson and our staff pitched in to clear our sidewalks and driveways early Saturday morning. These men attacked the project immediately instead of waiting potentially hours for a contractor to show up. This saved the HOA the expense of hiring an outside contractor to clear the snow. The project took them about 2 hours and everyone benefited from cleared driveways and walkways. Thanks also to Marty Haley for taking time to clear the parking places next to our building on Market Street that same day. This area includes handicap parking and residents who park there were pleased to discover that the area was cleared.

Pet Committee

We are pleased to announce that the Harbours now has a Pet Committee. If you have an interest in getting on this Committee, please email me at

debbiezp@icloud.com

This would be a great committee for those with pets, however having a pet is NOT a pre-requisite. All animal lovers, with and without

welcome to participate.



Time Warner Cable

Time Warner has assigned Justin Lewallen as The Harbours designated representative. Justin will assist our residents with new service setup but not technical service. Technical assistance calls should be directed to Time Warner's main number: 502-337-4400. Justin's direct line is 502-963-7519.

We are in the process of developing written guidelines for owners and renters that will hopefully clarify the services provided and any additional costs.

All residents are entitled to receive basic cable, HBO and internet service. The cost for these services are paid by an owner with their monthly HOA fees.

If a condo is owner occupied, service should be in the owner's name. If a unit is tenant occupied, service should be in the tenant's name.

A major change is that cable boxes will now be assigned by serial number to the person on the account. When a resident cancels their service the account holder will be required to return the cable box to Time Warner. TW will no longer allow the cable box to be 'transferred' to a new account holder. New service will require that the account holder pick up a new unit. Account holders will be held financially responsible for returning the cable box when they close their account.

Capital Improvement Projects

Capital Improvement Projects are based on guidelines provided in the 2013 Reserve Study. These projects are initially reviewed and selected by committees (Building & Grounds, Interior Design, Exterior Design, etc.) then presented and reviewed by the Board of Directors. Projects that have been selected for completion in the 1st Quarter of 2014 include:

- ◆ Freight Elevator Awning replacement
- ◆ Tile Elevator Landings for 3rd, 4th, 5th, and 6th floors. Carpet the 7th floor landing. The carpet used for the 7th floor project was already in our inventory and the contractor installed the carpet at no cost.
- ◆ Exterior patio and pool furniture
- ◆ Hallway painting other than the walls
- ◆ Water alarms for all condo units

We will keep you posted as each project is scheduled to begin. Daniel is typically responsible for obtaining bids and approval for each project. We appreciate his experience and that he has been able to provide excellent pricing for the projects that have been selected. In some instances, the pricing he negotiated is significantly less than the amount budgeted.

2014 Officers of the Board of Directors

During the January 9th meeting of the Board the following officers were elected to serve as officers of the Board of Directors for 2014:

Russ Johnson, President
Kathy Mathews, Vice President
Chuck Fugate, Treasurer
Kim Davis, Secretary



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Parking Spaces

Please make sure you park in your own parking space. If you have a renter or guest, let them know that parking places are individually owned.

We recognize that parking on the upper deck when we have snow and ice is certainly not pleasant. If you have a parking space that is currently not being used and you are willing to share that space with a resident who parks on the upper deck, please give Daniel a call. If you are a resident who parks on the upper deck and you would like to have access to a parking place on a lower floor, give Daniel a call. We will offer any available parking places on a lower floor on a first-come, first-serve basis.

Renters & Pets

As a reminder, renters who did not have their pet registered on or before December 31, 2013 are no longer allowed to have a pet.

Concierge

If you have a guest coming, take a minute and contact the concierge to let him know who you are expecting and that he/she should be allowed entry and access to the elevator. Whenever possible, your guest(s) will be allowed entry without having to stand in the foyer and dial your number to gain entry. This is a great way to have your guest(s) greeted and it will also prevent them from having to remain in the foyer when it's so cold.

Blue Paper Indicates . . .

We recognize that we often distribute several flyers and documents to you throughout the month. Going forward we will use blue paper to indicate that the topic requires close attention.

Items that may be noted on blue paper include: Scheduled Fire Department or in-house inspections; safety issues; projects that may reduce access to certain areas; etc.

Requirements for New Owners, Renters & Long-term Guests

As of December 1, 2013 all new residents (owners, renters and long-term guests who stay in a unit not occupied by an owner) are required to meet with our Property Manager and complete an orientation. If you have recently moved to the building but you have not completed your orientation, please contact Daniel to schedule time to meet with him. It is important that everyone is familiar with our Community Rules, 'how we do business', and policies.

This month we will be conducting an in-house audit on rental and pet registration files. Please be sure your records are complete and up-to-date. We will contact owners in the near future to request any missing documents.

Storage Units for Renters

We are implementing a new policy for Renters who rent storage units. Going forward, Renters will be required to pay via ACH or pre-pay for a calendar year whenever they rent a storage unit.

Unfortunately we have had several instances in which an owner was not aware that their tenant was renting a storage unit and the tenant accumulated a large balance. We also do not always know when a Renter terminates their lease and therefore we are unaware that a storage unit is available to be re-rented.

Owners who rent their condo and current Renters will be sent a copy of the policy.

New Buggies

We have new buggies! The older buggies have been relocated to the 2nd floor landing. If you have a contractor coming scheduled to do work for you, please make sure they only use the older wire buggies. The new buggies are for use by residents only.

A Very Special Occasion

A special restaurant for that special occasion is nearby in New Albany. And, of course, a very special occasion is heading our way very soon. Reservations are going quickly for a fixed price Valentine's meal.

The name is Louis Le Francais (Louis the Frenchman) and the atmosphere is inviting, warm and fun. Louis is a French chef from Miradoux, France who landed in New Albany and paired up with Betty, a French teacher from northwest Indiana. Betty warmly and wittily welcomed us to Louis Le Francais and ushered us to a table in the brightly painted dining room with scenic French photos on the walls. She then changed hats and took our drink orders as she also has the role of bartender. A very French waitress took our food order while we sipped our cocktails. There are 4 special house drinks and we tried two of them, both were fantastic!! Meanwhile a talented guitarist, Lonnie Bryant, played some wonderful popular melodies softly in the background. Betty changed hats once again and joined Lonnie, giving a very credible rendition of Blue Bayou and other songs.

Our entrées were wonderful. I enjoyed the Chef's Chicken (*Poulet du Chef*), a large breast & a thigh covered in a delicious sauce served with tiny potatoes. My friend practically licked the plate of her *Cassoulet* and her date thoroughly enjoyed the *Filet Mignon De Porc-Dijonnaise*. My date loved the rich wine sauce of the *Boeuf Bourguignon*. Each couple shared a dessert (chocolate mousse & creme brulee). The atmosphere was relaxed and entertaining and we ended with another round of drinks so we could keep listening to the guitar music.

Entrees range in price (\$17 to \$42) and appetizers are \$4 to \$12. The French Onion Soup (*Soupe a l'Oignon Gratinee*) is wonderful. We will definitely return.

Louis plans to add more lunch-type entrées that will provide lower priced items. A new menu will come out this week. I can highly recommend this restaurant but if you want to celebrate Valentine's day there you'd better call soon!!!

Louis Le Francais

133 E. Market St., New Albany IN 47150
812-944-1222

Financial Update

The complete January thru December 2013 Budget Comparison and Balance Sheet are available on The Harbours website.

Comparing our standard Income and Expenses to the amount budgeted for 2013, we were \$32,975 over budget.

The most significant overages occurred in the Insurance and Utility categories. Clarification of those items are explained below. In addition, we did not budget for a Special Election or a Reserve Study.

In the 3rd Quarter we did not renew our contract with the part-time Property Management company and hired Daniel Musinski, a full-time Property Manager.

The overage in salary expense reflects the PM's salary, applicable payroll taxes and payroll expenses for 4 months.

The Finance Committee and the Board of Directors gave consideration to all of the categories when compiling and approving the 2014 Budget.

Overall, the 2013 Budget would have been satisfactory had we not experienced a significant increase in sewerage bills and insurance costs as well as the Special Meeting, Reserve Study and duplicate Audit expenses that were not included on the 2013 Budget.

Please let me know if you have questions regarding any of the reports.

Thank you, Kathy Mathews
Chair, Finance Committee

The Harbours Condominiums - Summary of Actual vs Budget January through December 2013

	Actual	Budget	Variance
Total Revenue (Cable Not Included)	\$ 909,042.	\$ 907,919.	\$ 1,123. #1
Operating Expenses:			
Salary Expense	236,390.	212,817.	(23,573.) #2
Operational Expenses	16,871.	15,236.	(1,635.)
Promotion & Adv Expenses	7,276.	6,504.	(772.) #3
Housekeeping Expenses	11,952.	10,760.	(1,192.)
Maintenance Expenses	55,180.	50,772.	(4,408.) #4
Service Expenses	54,769.	61,363.	6,594.
Professional Expenses	29,240.	30,000.	760. #5
Utility Expenses (Includes Cable)	195,662.	173,505.	(22,157.) #6
Management Expenses	54,192.	54,380.	188. #7
Taxes & Insurance	80,443.	71,936.	(8,506.) #8
Casualty Losses	<u>(2,603.)</u>	<u>18,000.</u>	<u>20,603. #9</u>
Total Operating Expenses	<u>\$ 739,372.</u>	<u>\$ 705,273.</u>	<u>(\$ 34,098.)</u>
Net Operating Income (Loss)	\$ 169,670.	\$ 202,646.	(\$ 32,975.)
Capital Expenditures	119,181.		
Capital Res. Reimbursement	(119,181.)		
Capital Funding	200,760.	200,760.	
Net Income	<u>(\$ 31,090.)</u>	<u>(\$ 1,886.)</u>	<u>(\$ 32,975.)</u>

Expenditures over Budget :

- #1 - Cable Income: removed from Other Revenue and reported under Utility Expense as an offset to Cable Expense.
- #2 - Salary Expense is over budget because we hired a full-time Property Manager on August 26th and dismissed the Property Management company.
- #3 - Promotion & Advertising Expenses: Special Meeting Expense: (\$3,219.) Special Meeting held April 2013 was not budgeted.
- #4 - Maintenance Expenses: Gates & Maintenance expense: (\$4,333.)
- #5 - Professional Expenses: Accounting Fees: (\$4,920.) The 2011 Audit was not paid in 2012, therefore the audit expense was duplicated in 2013 when we paid for both the 2011 and 2012 Audits.
- #6 - Utility Expense Variances:
Sewer: (\$16,742.) EPA Fees assessed but not budgeted.
Cable: (\$ 4,174.) Cable deficit occurred because the taxes were not included when the annual cable expense to Owners was assessed.
- #7 - Management Expenses:
The Reserve Study (\$3,650) was not budgeted in 2013 however it is required we update this study every 3 years.
Bad Debt Expense (\$2,534) was not budgeted. A previous owner filed bankruptcy and the bankruptcy court did not uphold the HOA fees that the former owner owed The Harbours.
- #8 - Taxes & Insurance:
Insurance: (\$ 8,820.) D & O increased from \$760. to \$7,800 because of the A/G lawsuit against 3 current or former Board members. General Liability increased due to several water intrusion claims and the A/G lawsuit. Flood insurance increased approximately 25% These rates are Federally regulated. We have never had a claim for flood insurance.
- #9 Casualty Losses were under budget because we received reimbursement of a 2012 water damage claim.