# General Membership Meeting January 15, 2018

Meeting called to order at 7:15 PM

Resident attendance (Approx. 60)

## Officers present

President: Crista Wriser

## Director: Jon Wierema

Treasurer: Ray Eytcheson

President addressed:

Opportunities for residents to get involved with their community. Our President asked for volunteers for committee as well as those who may be interested in a seat on the board should a board member resign as the seat would be filled by a board vote and not an election community vote

5 residents gave information and were interested in Issue of on street parking and general discussion followed

Our President addressed the situation with White Oak Dvlmt. on “Common Lands” and current activity with County Inspectors.

Explained that developer’s performance bonds may be surrendered and that any funds would go to the County for upkeep of the roadways and roadside ditches. This leaves our community on their own to deal with whatever expenses, repairs and future upkeep of drainage canals and reservoirs entirely in our hands. It was noted that we had foreseen this potential situation and started funding to at least absorb some of the immediate costs.

Our County Commissioner has asked that we assemble in a special meeting with him and the County Attorney to address the situation in full and discuss options available to our community to seek satisfaction of our concerns.

WE WILL pursue the arrangement of this meeting as soon as possible for all entities.

The Park situation was addressed, reporting that we are compelled to accept 50% of the site, but NOT compelled to keep it if our residents agree by 67% vote to cede our portion of ownership to Section II HOA. A survey form was provided at the meeting for those who attended to begin the survey by voting their preference. Section II has agreed to accept full ownership if our residents vote to cede it to them.

Costs of Park upkeep, insurance, current conditions as well as long term plans for safety and security of all children, the grounds, equipment, etc. were discussed to afford our best estimates of our costs if we retain ownership as well as the costs of improvements that were considered mandatory if we were to retain ownership. Costs of all such maintenance and security would be shared 50-50 with section II and all funds must be deposited in full by the beginning of the co-ownership period.

The Board will assemble a door to door survey team to reach out to each resident FACE TO FACE, as prior survey queries by mail and by internet failed to get even a 25% vote of ALL residents.

Director Wierema (Jon)

Mrs. Mary Mims ask to speak again on the history of the private improvement project in the park area some years ago and gave detail of the school children project and donations received to restore the park after the wild fire incident.

Jon then addressed the impending costs of grounds and services maintenance for the “Common Lands” White Oak Development will be deeding to us. This is anticipated to occur quite soon, but the final disposition is in the hands of County Officials and White Oak Land Development.

Initial quotations from vendors (2016-2017) had been in the range of $30,000 to $40,000 per year for this function. Director Wierema did a thorough research and bidding process with numerous additional service

providers and found a service provider who will perform the task for $13,000 per year.

 Additionally, the option of owning and operating our own equipment as a one-time only investment (aside from ongoing maintenance) was researched. Purchase of one brand was used as an example and the costs for the equipment and suitable shelter would be an approximate $30,000.00 ONE TIME EXPENDITURE.

Jon then explained that the contracted service would be $13,000 each and every year with the potential for increases or loss of the vendor, whereas the one-time only purchase could eliminate those costs, year after year and **dues could be subsequently reduced accordingly**. Use of our own equipment would pay for itself in less than 3 years and grounds grooming costs of a minimal $13,000 per year ongoing would be eliminated yielding a savings in the range of $60.00 per year in HOA fees.

The vendor of one of the units considered has been granted the opportunity to demonstrate the equipment in the area of our choice to affirm its ability to mow large surfaces and grades satisfactorily and present more information on warranty, service support and attachments or features of the product offering. The board has chosen the most severe terrain in the retention pond situated in section IV for this demonstration January 27th AM.

 Both options and other alternatives will be fully considered before the board acts on the final decision.

The issue was discussed at some length with queries about insurance obligations, who would operate the equipment, availability of equipment servicing, etc.

Treasurer Ray had prepared and distributed a formal report of 2016-2017 revenues and expenses and also a reprint of the 2018 budget forecast that every member review and received by mail in October of 2017. The only changes to any figures were those dollars expended between October 10, 2017 when the initial report was issued and the close of the Calendar year, December 31, 2017.

The annual statement of 2016-2017 Balance Sheet showed all expenses to the HOA by category and account number as well as current balances at the close of calendar 2017. The accompanying 2018 budget has not changed, but was provided so we could all see where costs any increased over what was anticipated, costs that came in lower than anticipated, new costs associated with the “Common Grounds” and potential Park costs we now face as well as where we have funded select residual accounts to protect the community.

A few residents asked for more clarification of some expense items and Ray asked that they see him after the meeting and he could arrange to provide general journal detail of each expense to satisfy their query and perhaps find methods to annotate the reports in a better fashion.

There was a general discussion of select items and the President asked that those with questions meet with Ray after the meeting so the meeting could be adjourned. This afforded other residents time to help clean the hall and return home at a reasonable hour.

POST MEETING DISCUSSIONS: Treasurer Ray noted that the assembly after the meeting voiced concerns that our anticipated costs for Intervention on abandoned property appeared high. Ray explained where we incurred costs last year and what was anticipated in 2018, due to the number of homes we know are likely to be repossessed, abandoned or sitting idle due to death of a resident or a probate system delay as well as homes in collection which show potential for resident defaults and our potential intervention there.

Reserves for defaulted residents was questioned and Ray explained the number of residents who had not paid dues as required which could threaten the HOA from honoring its obligations on time while the awaited fees were subsequently settle by the collection process.

The **Default Reserve** assures that our community always had a sufficient number of dollars at hand to function if the residents do default. This is a one-time funding, like all other reserves and could not be assessed until at least one year’s experience had passed to formulate known amounts to be anticipated.

The most sensitive issue of our HOA and generally, all others, is the fee assessed for the organization to do the business it was charted to do. For the first year, our officers did due diligence to try to discover what costs would be encountered and attempt a comprehensive budget for an organization starting with zero resources available. The board then addressed the SIGNIFICANT costs that we would be faced with when the land developer and builder exited this area. The issue of care and upkeep of the Park and Common Lands.

Ray then explained that each of our **reserve funds** are budgeted to reach a certain dollar level and then no further funding would be needed. HOA fees would be reduced in accordance with reaching that reserve level. No further funding would be assessed for these categories unless we were called upon to spend money from one fund to protect the community as they were intended.

The **reserves** are the equivalent of insurance policies against any hazard the community may face aside from the usual and customary costs of operation. Once funded, those charges disappear from the budget entirely, but we must endure this period of establishing a solid foundation or whatever we attempt to build on it is in peril of failure.

One resident was most unhappy that the board had not followed his suggestion of free banking that he had voiced at prior meetings. Ray explained that the board had considered the option and chose to conduct our initial business with a local banking institution instead.

It was declared by one resident that the Board had intentionally inflated the budget figures.

Ray asked for examples and attempted to address each. This dialog grew tense as it continued for some time as others were waiting the chance to speak with Ray.

 It grew evident that this dialog would continue for some time and Ray then suggested that the resident prepare his own version of what the budget should look like. Then, he and the gentleman could then mutually review these items and their respective views, thoughts and concerns, item by item.

Ray also suggested that the gentleman could meet with all of our Board members and hear from each officer how their budget numbers were arrived at. It is presumed that such a meeting could satisfy the resident’s concerns and improve the mutual trust and understanding among neighbors.

Director Jon noted that after meeting discussions with him centered primarily on the mowing equipment consideration, the type and cost and maintenance of the equipment. It appears several residents are interested in watching the equipment demonstration and also talking with the vendor. This is a welcomed event, as our community members joins in on the challenges we face and perhaps will volunteer for committee work or seek and office.