

LHC 2020-2021 HOA BOARD EXECUTIVE SESSION MEETING MINUTES FOR 11/19/2020

Call to Order: Meeting called to order by President Lee Himmel at 9 am; Location: Home of President Lee Himmel

Attendees: Lee Himmel, President; Frank Ford, Vice President; Phil Mustico, Treasurer; Nina Paterno, Secretary; Jonathan Poole, Seascope Community Manager.

Topic: Finalization of 2021 HOA Service Contracts; Agenda for January, 2021 HOA Board Meeting Open Session.

I) OLD BUSINESS:

A) 2021 Budget for Contracts: Phil and Lee will be updating and finalizing the 2021 budget.

- 1) HOA dues spreadsheet presented by Lee and discussed. Hypothesis: Income (annual dues & reserve deposits) have maximized due to the total number of homeowners reaching 128 in 2020; bank account has been bank decreasing steadily over time; reserves at deposit of \$10,000/year; expenses have been increasing (approximately \$98,000 this year alone) which equals a shortfall by 2023. An increase in dues of approximately \$11/month in 2023 and annually thereafter will be needed to cover required annual operating costs. Note that the Reserve Report had one estimate for reserve account deposit at \$14,000/year. Lee will be preparing information on proposed HOA dues increases to present to homeowners at the next open session Board meeting.
- 2) Jonathan will add a budget category "Pool-Other" with \$1 for budget for a place to include any unexpected expenses for transparency in our financial reporting.
- 3) Jonathan will check on where past pool pump expenses were listed as there is a discrepancy in annual contract costs that may represent the cost of pumps that should go under pool maintenance.
- 4) Survey Buddy costs \$19/survey which Phil will record under committee costs.
- 5) 2020 Budget has +/- \$12,000 cost over runs for non-pool related repairs and maintenance, including front entrance light replacement and landscaping.
- 6) Utility costs should be estimated based on history of costs over the last three years.
- 7) The Board questioned whether an audit was done in the past, as a cost was recorded for that in a prior year's financial statement. Jonathan stated that he was not aware of a past audit and stated that there could have been a financial review which only entails checking invoices paid to determine that they are typical costs for an HOA.
- 8) Jonathan confirmed that the insurance liability coverage does cover the HOA Board members.
- 9) Jonathan stated that he has contacted the HOA attorney but did not have any information yet regarding attorney fees that will be required for certain of our HOA project work such as the Bylaws Review Committee, changes to the ARC approval document, etc.
- 10) Photocopying receipt submitted and approved to reimburse Dawn Piacine. Nina will forward approved receipt to Jonathan for payment.

B) Seascope Community Management Contract:

- 1) Performance, services, and cost of contract were discussed, along with the \$860 annual fee for the Quick Books license which is required for the HOA to own the financial spreadsheets and is paid by all Seascope communities.
- 2) The total number of homes has been reached and the cost of the contract is based on the number of homes.
- 3) The cost of the contract increases by 1.5% every other year, and is not scheduled to increase in 2021. The budgeted cost of the contract for 2021 should be \$ 17,157.12.

4) Lee will contact Chris at Seascope and will review all contract services and request a new contract.

C) Landscape Mowing and Irrigation Contracts:

1) Nina met with Sposato representative, Brandon Parker, on 11/6 and with Sullivan Landscaping representative, Julie, on 11/12. She will be meeting with Ruppert Landscaping representative, Patty, immediately following this meeting.

2) It is Nina's opinion, based on her interviews, observations and each company's knowledge of landscaping when she met with each of the suppliers, that the Sullivan Landscape company is the best company to pursue a contract with for 2021. Primarily due to the depth and breadth as well as the quality and cost of the Sullivan proposal, the other Board members agreed. While she has not met with Ruppert yet, it is a very large regional company that would do an excellent job, but likely for a much higher fee than Sullivan's. The Sullivan landscape crews will be well supervised and the stated contract services are appropriate, but some additional clauses will need to be added, such as clarification of the gas surcharge, and pruning of 21 crape myrtles at ponds 1 and 2, for an additional cost of \$202. The cost of spraying the storage lot for weeds four times a year is included in the contract. The irrigation services may need to be removed from the contract if Sposato won't release the HOA from the long-term irrigation contract. An additional plus in going with Sullivan's is that design services for the front entrance beds are included in their contract at no additional cost.

3) Nina will report back on the meeting with Ruppert and will draft a final list of additional clauses for the Sullivan Landscape contract.

4) There are several other landscape maintenance items that fall outside of the landscape contract such as pruning of larger trees by a tree service company such as Al's Trees, aeration and over-seeding of bare lawn/total weed areas at the ponds, and the cost of plant material for the front entrance beds, if installed by volunteers. Nina will draft a list of those items with cost estimates.

D) Pool Maintenance and Janitorial Services Contracts:

1) The Poolside contract runs from May through September, and, typically, Jonathan does not receive a proposal until February.

2) Estimate that the cost for 2021 Poolside contract should be budgeted at \$3,737, and that the janitorial services by Darryl should be budgeted at \$2,727.

3) Jonathan indicated that in the past he did bid out the pool contract and other service providers were \$5,000/year more than the current contract. He also bid out the janitorial services contract and the current provider has the best price.

4) Jonathan will get needed repairs at the pool contracted and completed.

E) Envirotech Storm Water Management (SWM) Ponds, Chemicals and Fountain Maintenance Contracts:

1) Nina will be meeting with David Huntzberry to review the services provided and report back. She will ask David if a list had been developed for ponds 3 and 4 by Envirotech regarding their recommendations for the ponds that were completed by the developer already.

2) The pond 3 bench has been relocated and pavers installed for that bench and for the bench that will be purchased for pond 4.

3) The bridge has been completed at the pond access area between lots 105 and 128.

4) Community Fountain Aerator Survey:

a) Jonathan will send a reminder to homeowners who have not yet voted.

b) A total of 61 votes have already been received and the vote is very close for the three options. 66 votes represents 51% of 128 households.

c) There has been no community feedback to date regarding the use of the Election Buddy program for

routine community voting.

d) It should be noted that no one individual, including Board members, will have knowledge of any single homeowner's choice on these ballots. This information is kept private by the company paid to conduct the balloting - Election Buddy.

F) Dry Storage Lot Update:

- 1) Lot is full; new homeowner brought to Board's attention that HOA web page needs to be updated.
- 2) Phil has started a waiting list.
- 3) Nina will send updated storage lot information to the webmaster to post.

G) U.S. Flag at front entrance:

- 1) The new flag has been installed.

II) Confidential Homeowner Inquiries:

A) Confidential Discussion re Homeowner Landscaping Inquiry:

1) Homeowner emailed interest in landscaping pond open space and buffer zone behind his home and this was discussed. Ponds not yet inspected; new proposed landscape contractor has better turf weed control program; Envirotech working to control invasives with long-term goal to plant natives; HOA responsible for open space; herbicide and fertilizer restrictions near buffer zones to be included in contracts.

a) Nina will draft a response to homeowner expressing Board's concern and request that the homeowner not landscape in open space or buffer zones. Board will review email prior to sending.

B) Confidential Discussion re Homeowner Signs Inquiry:

1) Homeowner emailed concern about political signs still posted after election, and more than one flag on flag poles and this was discussed. Board will defer any potential enforcement that might be necessary until after inauguration day as election still a sensitive issue and is being debated.

b) Nina will draft a response to the homeowner for the Board to review prior to sending.

III) Proposed Meeting Schedule:

A) Open Board Meeting for January 21, 2021:

1) The allowed number of attendees at indoor meetings has been decreased by the State of Delaware from 60% to 30%. Jonathan will check with the VFD on how many attendees will be allowed at the VFD with the new covid-19 restrictions.

2) The Board will need to make a decision by January 8, 2021, regarding whether to hold or postpone the scheduled meeting, or change the format or venue.

B) Next Organizational Executive Meeting: Thursday, December 17, 2020, 9 to 11 am.

- 1) Nina will request webmaster post executive session meeting notice on HOA web page.

Meeting Adjournment: Meeting adjourned by President Lee Himmel at 12 noon.