

Pembroke Home Owners Association  
Annual Board Meeting Minutes  
October 27, 2018 | Lexington Park Library

1. **CALL TO ORDER**

The meeting was called to order by President, Rich Zellner at 10:04 am. A quorum of directors was established. A motion was made by Nicole Smith to approve the 2018 Annual Meeting Agenda. The motion was seconded by James Shattles. The motion carried. The HOA Board is recording the meeting today in order to capture accurate meeting minutes.

Directors present:

Rich Zellner	President
Nicole Eskridge Smith	Vice President
Liz Kessel	Secretary
Chris Steingrube	Treasurer
James Shattles	ARC Chairman
Jesika Zellner	Member at Large

2. **PROOF OF MEETING**

Meeting notice was mailed out via USPS September 15, 2018, posted to the Pembroke Information Kiosk and placed on the Pembroke Homeowners' Association Web Site [www.pembrokehoa.org](http://www.pembrokehoa.org) September 20, 2018.

3. **INTRODUCTION OF BOARD MEMBERS**

Rich Zellner introduced the members of the board.

4. **BOARD REPORTS**

President's report:

Developer still owns the property at the front of the development and still posts signs. No news on a new builder.

Pembroke pond failures- Rich Zellner outlined the pond failures. We are required to take care of these ponds or be subject to [fines of](#) up to \$10k a day from the [County/State](#). Pictures were shown of the pond on Pembroke, which is by a creek and is where we had a blowout and water is flowing down to the creek that is right next to the pond. This pond has a large sinkhole. This occurred 3-4 months ago.

Rich Z. showed the Middlegate pond pictures. This is our largest pond in the neighborhood with the most recent failure [occurring during Tropical Storm Michael](#). In the picture of the Middlegate pond the fence around the pond is next to the failure. There is a manhole/water sewer pipe that was leaning forward. [Metcom determined that immediate repair was necessary](#) and they secured it. This is a cost to ~~us~~ the HOA because ~~it~~ the pond is Pembroke HOA property with a Metcom easement and we [have are required](#) to maintain it. Insurance does not cover the damage, as the HOA board has already investigated this. Insurance does not cover acts of God, [earth movement, sinkholes, flooding, etc.](#) The builder/developer is no longer involved with the ponds ~~and they which~~ have been turned over to us [by the county](#). Since Metcom has stabilized the area, now the HOA needs to complete the work to completely remediate the damage. This involves getting engineers, soil conservationists, Geotech [specialists](#), etc. to make recommendations ~~and in order to~~ correctly [repair](#) the slope.

The [recent notice regarding](#) special assessments ~~are outside of~~ [did not include](#) the Middlegate pond repair. Nicole Smith clarified the special assessment. It includes 1 catastrophic pond failure and repairs to 2 other ponds. It does not include this catastrophic failure that we recently experienced (Middlegate).

We have the contract with the lawn maintenance to go in and cut the growth that needs to get cut. This involves cutting trees, planting grass, removing weed growth off the fences, etc. They have started this late in the year but it has been to our advantage considering all that has happened with the ponds.

There are two other ponds that need to be corrected. Sediment, grass clippings need to be cleaned out of 1 of the ponds. The other pond has erosion issues. We reached out the developer, state inspectors and 6 contract companies to obtain bids. [As of the annual meeting date, w](#)~~We~~ received [only](#) 2 quotes, ~~back to this date and~~ ~~w~~~~We~~ accepted the lowest cost, technically acceptable bid. If we do not ~~fix~~ [correct](#) these [pond](#) issues, we could be subject up to \$10k a day fine.

Why is pond maintenance so expensive? Any work we contract out to be done, the contractors have to be licensed, bonded and insured.

Maintenance- We have a contract for snow removal for all around the mailboxes. We added in areas around the [common area](#) sidewalks.

Pond maintenance – state requires that we mow twice a year. We contracted out for 4 times a year. With all the pond issues we have had this year it has been a challenge.

The tot lot. We plan to get the mulch and weeds spring 2019. We have to focus on the ponds since they are more of an emergent issue.

Mailboxes – In the past they were being used to post things and it was damaging them. The Information Kiosks were placed at each mailbox location for this reason. Please do not put anything on the mailboxes as you can be subject to fines.

We are all volunteers on the board. We spend a lot of time working on issues and we are homeowners too. We are always looking for volunteers to help out. There is an open invite to our board meetings and you can come and find out what we are doing.

Board accomplishments-

- Tot lot maintenance- fence repairs, tree/shrub cutting, weed and feed the front entrance (board did not hire this out)
- Halloween food trucks is something we are trying out this year to help add to the reserve fund. The reserve fund is there for tot lot repairs, pond repairs, etc.
- Police presence on Halloween (there are a large amount of kids that come through)
- Fire truck Santa comes through
- Easter Egg hunt (Jesika Zellner was the Easter Egg bunny)
- Sprinkler maintenance (winterization, repairs, etc)
- Answer homeowner questions

Social media- Facebook is not an association page, and not an official communication for the HOA board. The page was started in 2011 by Liz Kessel. It seems that often the communication on the page turns into an “us” against “them” situation and it’s not. Please send questions via email to the board. We have a website [www.pembrokehoa.org](http://www.pembrokehoa.org) and there are documents of meeting minutes, upcoming meetings, the CC&Rs (Covenants There are items we do not post to our website, such as the budget. There have been instances where people were soliciting information via email to the Treasurer the HOA board to send them money due to posting the financials on the web.

Treasurer’s Report

Chris introduced himself to the homeowners. Explained that we have 310 properties and no new home additions to the neighborhood. There are resale certificates to complete for refinance, homeowners moving. We have about \$13k in overdue homeowner payments.

**Commented [A1]:** I think we discussed this during the slide review before the meeting and the number is actually 309, correct? I know the slides said 310, but we completed the special assessment based on 309.

**Commented [A2R1]:** I need Chris to provide another list and what about foreclosures? Are we going after the bank for the special assessment?

Chris will cash out the CD to use for pond maintenance in November. Everything that is in the CD and the reserve fund will be depleted to pay for the pond repairs. There are 2 properties in foreclosures, it was larger in the past. Chris reviewed the Profit and Loss statement for this past year was reviewed. Chris reviewed the Profit and Loss comparing this year and last year. Outlined the expenses of the Association (Landscaping, Utilities (street lights and water for the front), Computer expenses (website hosting fees) etc).

Monthly Treasurer report- Period ending 30 Sept 2018. Assessments, property change fee, fines and late fees, ARC violations, 2017 and prior funds, collection income and postage recoup. Misc. uncategorized income was some fees the bank was erroneously charging us that was recouped. Reserve/capital improvement funds- that was money that was taken in from last year but we had to use some to make repairs. Expenses are social events (Easter eggs), Halloween decorating contests, Christmas decorating (we haven't spent any money to date on these). Admin costs- merchant services, Quick books, bank fees, postage, paper and envelopes. Credit card payments are given 3% cost added to it because that amount is passed on to us from the merchant bank. Unfortunately we have to pass that onto you as homeowners that pay via credit card so we can collect the full amount. [This is required by State law.](#)

Reserve study fee – mandated by the state that we completed this study in order to know how much we should have in our reserve to pay for unforeseen repairs.

Landscaping – snow removal (there is nothing in the budget for this year). In the past the Board has shoveled out the areas around the mailboxes.

Weed and Feed – your board voluntarily went out and did that because it would have cost \$1200 if we hired a professional. The board is covered by insurance. Grass cutting on common areas, grass cutting on ponds.

Unspent money goes into next year's budget. Any specific questions on the budget can be reviewed with the board, as we do not post exact budget dollars on the website.

Comparison of other communities HOA fees. Our fees are relatively low in comparison with the same amenities and home size. Hiring of a management company would be an a-la-carte situation and would be \$600 [additional per homeowner each](#) year to do what we do and it was explored several years ago.

Dues – Chris spends 40 hours a week extra during this time of the year preparing invoices, collecting dues. In the summer, Chris spends about 15 hours a week. Chris reviewed the Annual dues and Special Assessments. Late fees will be assessed if you do not pay it off by the due dates. February 1<sup>st</sup> for the annual dues. The Special Assessments [of \\$277.27, which was stressed as subject to change.](#) will be due 30 April 2019. Chris will work with any

homeowners on payment plans but it must be paid off by the due dates or the account will go to collections. The special assessment amount will go up because it does not include the Middlegate pond failure. Chris reviewed the collections schedule. 11 May 2019 Late Fees on Special Assessment (10% of open/unpaid amount), 30 May 2019 Unpaid Special Assessments send to collections

<monthly>, Interest Fees assessed (1.5% of open/unpaid amount)

Collections

\$175	Collections Fee (to HOA)
\$250	Collections Agent 1 <sup>st</sup> Letter
\$500	Collections Agent 2 <sup>nd</sup> Letter
\$750	Collections Agent Pre Lien Notice
\$1500	Collections Agent Lien Notice

Payments can be made via credit card and Paypal. Both require additional money to cover fees charged by them. As a courtesy, Chris provides the amount on the invoices.

Why a reserve fund? Insurance covers know~~ns~~s, not unknow~~ns~~s or Acts of God. Pond repairs – if we do not ~~fix-repair~~, we can be subject ~~up~~ to ~~finer~~ fines of up to 10k ~~finer~~ per day. We need to have a special assessment if we don't have the money in the account to cover. Reserve study/fund – recommended that we need \$12k per year ~~for the starting-beginning~~ in 2019.

Operational budget- utilities, grass cutting, scheduled maintenance.

2019 budget- Talked about the \$86,675 for special assessments to cover the 3 pond failures. This does not cover the Middlegate pond failure. (For specific questions on the budget, please contact the board.)

Cam ~~Fear~~ Ferguson asked about the \$86,675 and how that number was derived from 310 home times 277.27 is \$85,953. The board advised that the \$86,675 is a typo and that we cannot “round up” the number to \$300 because for a special assessment we cannot charge homeowners more than the cost to repair the 3 ponds (not Middlegate).

Where is the due diligence?

Every year the books are audited by an independent company. They look over the receipts, cancelled checks, checking account, money market, CD, etc and ensure all monies are accounted for. Bottom line is we are doing our due diligence

How can I help?

Chris advised that if anyone has ideas, please bring them forward. Chris has ideas on how to raise money but he does not have the time. You can email the board at [bod@pembrokehoa.org](mailto:bod@pembrokehoa.org). Chris gave an open invite to anyone that wanted to attend our board meetings.

\*\*Nicole advised that Liz K. and her will take an action to explain the number that we came to for the special assessment. Keep in mind that this number will go up due to the Middlegate pond.

ARC Chair's Report:

Cutting grass- when you cut your grass, please ensure it is not on the street. When it rains it goes down the sewer it goes to a pond and breaks down and becomes sludge and blocks the ponds. In the contractor's opinion, the run off and grass got into the pipes and caused a pressure build up. Water flowed out the side. One of the ponds we were marked on a 2016 inspection but had not been addressed until this year. James met with the inspector when he was out there looking at the blowout pond Pembrooke and advised us on what we need to do to avoid a fine from the county and fix these issues on the 3 ponds. James will start assessing fines on grass cutting that isn't blow up back on your lawn.

Pressure washing- Please keep your home free of mildew. It is the homeowner's responsibility to keep your home in good condition.

ARC requests – James has been receiving complaints about not processing ARC requests in a week. We do have 30 days to process an ARC requests. Much of his time has been spent meeting with contractors on the ponds. We are always looking for volunteers for the ARC committee to review the requests. He is not the sole decision maker on the requests.

Rule enforcements - We do not report violations on the community as a whole. Everyone should be aware of the rules and covenants of the HOA. We are consistent in the way we assess fines.

Board Actions- We are putting out bids for Lawn/Pond maintenance in December 2018. We will either renew or take new bids.

Questions-

Steve Austin- I have a question on the ponds. In the beginning there were trees planted and they didn't do a very good job. Is there any recouping of that money? Another question is, the came in with the weed wacker and then they were cut down.

Rich Zellner- A previous lawn company did this and it was because the weeds were so high they couldn't tell there were trees there. We have been there with the county inspector and they have told us where we can have trees and where we cannot have trees. So some

**Commented [A3]:** Let's make sure these statements are accurate. Does the contractor believe this so that they are willing to put it in writing? If so, maybe insurance would actually cover the Pembrooke pond..... Or is it just speculation on the contractor's part that cannot be proven? Whatever the case, Steve Austin wants us to copy him on any of the reports regarding the findings of the cause (or, in the alternative, I would say we can just obtain a statement from the contractor indicating they cannot determine an exact cause aside from erosion).

**Commented [A4R3]:** This we need to get the clarification from the contractor from James.

of the pond maintenance was to remove the trees that are not supposed to be there and have them put in erosion measures. The company that erroneously cut the trees is no longer involved and the builder put those trees in. We didn't lose money on that.

Steve Austin - Do the ponds need to be cut 4 times a year? Rich agrees that 4x a year is too much. So we will work with the company that will be cutting the ponds to come up with a schedule. Nicole - Yes, we will be requesting a schedule from the company in the maintenance contract.

Derek Catt (DK)-

How many total ponds do we have in the neighborhood, and how many ponds have failed?

Rich/Nicole -9, we are responsible for 8 ponds that we are responsible for, 2 have catastrophic failure, 2 others that have erosion maintenance.

DK- With the reserve fund coming are we taking measures to ensure that the ponds that haven't failed yet are being looked at or is there anything we can do so that they don't fail in 2 years?

Rich Z. - Yes, as you saw in the beginning, I mentioned that we signed a contract with the pond maintenance company so they can go in and fix these erosion issues and repair. Cut some of the trees that are too big, are in the wrong places. Yes, we do have a pond maintenance contract and they are starting right now.

DK- So since we have this pulled up (slide) can we differentiate between pond maintenance/repair and pond upkeep?

Chris S. - Yes, so on a different slide I've got that \$86,675 covers the repairs to the ponds that have failed now and we have pond maintenance pond repair is removing the trash, cutting down the weeds, fixing fences.

DK- I know there was a log of post office issues- what is the update?

Chris answered the question - This started years ago and the secretary at the time was tracking these. It was taken to the state representative, it was taken to the post master, nothing happened.

DK -Another thing to alleviate confusion- common areas mowing- Is there a way on the HOA website to put a map of the neighborhood, and put the common areas highlighted in green. So everyone understands why the grass cutting is so much?

Rich Z- (Board will Take as action) There are a lot of common areas that people are not aware of in the neighborhood.

DK- We talked about the Tot lot maintenance- Can we set something up to where we have a way in the neighborhood to volunteer? It's kind of hard to find volunteer opportunities. Just saying hey I want to volunteer.

Chris S.- Would you like to be the Volunteer coordinator? Come see me afterwards.

DK- Sure, let me know. Derek Catt will be the volunteer coordinator.

DK - What about donations like mulch for the tot lot?

Liz K.- we can't do this because it is a special kind of mulch. Rich Z. - in order for them to put it down, they have to be licensed, bonded and insured.

DK - Do we have any estimate on how much of an increase to the special assessment?

Chris S. - I would caution anything being put out there right now until we get the final amount because it can and will change.

James S. - What I am doing right now is working with the soil conservation guys to look into grants to help us out. I am reaching out the Fish and Wildlife game and try to turn some of the ponds into duck estuaries. We are looking at ways to minimize the cost to all homeowners.

DR - We talked about Paypal fees. Is there a way when you use Paypal to pay as a gift so the fee isn't charged? This is something that people do not know who use Paypal.

Chris S.- However you want to pay is up to you, but if we do not get the full amount, you will have an open balance. You are welcome to put that information on how to pay as a gift out there but as a responsible Treasurer he cannot do that.

DR - Releasing information on the website, can we make a homeowner's only login part of the website so that this information can be obtained?

Chris S- No, we have been advised not to do that.

Rich Z - we can look into that but it may cost more money. Any information you want, you are welcome to it. You are welcome to come and look and view the documents. Some documents are controlled - i.e. contracts.

Cam F. - How many people are really interested? You see how many people come to the meetings.



John Carmonne- I want to thank you guys, you are doing a wonderful job. I definitely understand. I have no questions. Thanks for your help and hardwork.

Cam Ferguson – Why were the special assessments due at the end of April? My thought was it could be combined with the annual fee. My feeling is that a lot of people aren't going to pay and we have depleted our reserve fund.

Chris S. –This is a very sensitive subject for most people. We wanted to give people time to pay this off.

Nicole S. - We didn't want to hit people with a large amount due right after Christmas.  
Rich Z. – November 12<sup>th</sup> the contract starts on the 3 ponds (not Middlegate). We will heavy equipment in here fixing these ponds.

Jeremy Solomon – I want to add to the minutes, I want us to vote in the next coming meeting that there is no money spent, no increase of fees without – I know it says in the bylaws automatically every year 10% but I want that changed so that it cannot happen without us voting on it. I have been a homeowner for a long time and I remember when it didn't change and it's 10% every year. I get that you have bills to pay because things happen. I want it in the minutes, I want us to vote. The community might say no, but I want the vote that we don't spend any money.

Rich Z – We can take that for action. How you change that is 75% of the community (households) to show up to a meeting and vote to change it. In my opinion the dues need to go up.

Sarah Peddicord – I would just like to add onto that it maybe worthwhile to look more specifically into the bylaws because we have to have 75% of the quorum, but the quorum is higher for that kind of change.

Rich Z- We will take an action.

Steve Austin – Is there a way we can see the inspection reports on the ponds that failed? Root cause on what made the ponds failed? We can send him an email or he is willing to come over to our location to view the documents.

James S. – For the Middlegate pond, once we have the engineering reports we can show that to any homeowner. The Pembroke pond, once the contractor goes in and provides us a report he can provide this as well.

SA - Are these permanent fixes? Who is actually saying that these are permanent fixes?

James – yes this is a permanent fix. These are licensed and bonded contractors. The company does stormwater management. The one on Middlegate is why we are bringing in the Geotech engineering, soil compaction engineers.

**Commented [A5]:** Probably need to clarify here that there was further discussion that nothing can be guaranteed as a permanent fix, but that is our goal....

Action item- James S. to get a quote on examining the other ponds.

Calvin James- Are we confident that it wasn't a faulty initial install? Why aren't we pursuing?

**Commented [A6R5]:** Agreed

Rich Z. – This is why we have the engineers coming in to determine the cause. We do want to know what happened so we can take the proper course of action. We will see what we can do if we find out it was the developer's fault to go after them.

Jesika Z – Breton Bay just had a pond fail that cost them \$500,000.

CJ – If insurance didn't cover this what is covered by insurance?

Rich Z – Insurance covers personal liability, if we were to do something wrong as a board but it doesn't cover acts of God.

CJ - On the budget line item for lawn maintenance do we know what why we have a \$12k increase? \$20k was budgeted, \$32k was spent.

Chris S. – I screwed that up. The \$12k was in the wrong place.

Nicole S.- Board took an action to provide an updated slide for lawn maintenance for 2018

Liz K- If you look at the past budgets from years prior, you will see that the number for lawn maintenance has remained stable over the years, There has been no drastic increase or decrease.

Sarah P- Have we looked into long term loans?

Nicole S. – we have considered it, we are looking into all the available options. In the long run we don't want to end up paying more.

Sarah P - She attends the BOD meetings with regularly. The last few months, the last six months, even though she doesn't agree with all the decisions she feels comfortable that we are asking the right questions.

Some homeowners were not aware that they could attend a board meeting or that there was a website for Pembroke HOA.

**5. OLD BUSINESS**

None

**6. NEW BUSINESS/BOARD ACTIONS**

- New Lawn Maintenance contract
- Pond Maintenance contract
- Snow Removal Contract

**NEXT MEETING**

The next regular board meeting The Pembroke Home Owners Association will be on November 17, 2018 in the Longfellow room in the Library.

**7. ADJOURN**

A motion was made by the Nicole Smith to adjourn the meeting at 11:33 a.m. Seconded by Jesika Zellner, carried unanimously.

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Recorded by: Liz Kessel, Secretary  
Pembroke Homeowners Association