

Pembroke Home Owners Association

Annual Board Meeting Minutes

October 15, 2022 | Virtual – Due to COVID-19

1. CALL TO ORDER

x made a motion to call the meeting to order by President, Nicole Smith at 10:xxam. A quorum of directors was established. Nicole advised that we did not have a quorum of the homeowners and therefore we will not be voting on any business. Nicole also advised that the meeting was being recorded so that all participants are aware. Lewis made a motion to approve the agenda. Nicole seconded, all in favor. Agenda is approved.

Directors present:

Nicole Smith	President
Alicia Huff	Vice President
Liz Kessel	Secretary
Lewis Collier	Treasurer
Tyler Duncan	ARC Chairman
Shonnie Davis	Member at Large
John Friscia	2 nd Member at Large

2. PROOF OF MEETING

Meeting notice was mailed out via USPS September 15, 2022.

3. INTRODUCTION OF BOARD MEMBERS

Nicole Smith introduced the members of the board.

4. BOARD REPORTS

President’s report:

- Continued working with vendors / inspectors on pond maintenance (mowing 3 times per year) and repairs.
- Resolved homeowner complaints and answered homeowner questions.
- Continued working with Bookkeeping by Blanche for Accounting transactions & printing / mailing Annual Meeting Documents.
- Enforced ARC Guidelines; delivered quarterly newsletters & maintained business records.
- Provided Contract Enhancement requests for additional pond maintenance repairs.

- Extended Contract for Lawn Maintenance, Pond Maintenance & Snow removal for an additional year. Tot Lot mulch replacement, pressure washing of Tot Lot fence and Common Area Weed Control will continue to be included in the Maintenance Contract.
- Completed Winterization of sprinklers at the front entrance, De-winterization in the Spring.
- Added Cluster mailbox to Rowan Knight. Added this location to contract for maintenance and snow removal.

Board goals for remainder 2022 and 2023:

- Continued working with vendors / inspectors on pond maintenance (mowing 3 times per year) and repairs.
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- Provided Contract Enhancement requests for additional pond maintenance repairs.
- Extended Contract for Lawn Maintenance, Pond Maintenance & Snow removal for an additional year. Tot Lot mulch replacement, pressure washing of Tot Lot fence and Common Area Weed Control will continue to be included in the Maintenance Contract.
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Treasurer's Report:

- Day-to-Day financials being handled by Bookkeeping by Blanche
 - Monthly treasurer's report provides "real-time" independent review of financials instead of once-a-year review by tax preparer.
- 22-page Treasurer's manual
 - No significant changes in past year
 - Instructions for out-sourced bookkeeping
- Reserve Fund
 - Ended 2021 with ~\$198K in reserve
 - Expect to end 2022 with ~\$208K in reserve (+\$10K)
 - \$60K minimum by MD HOA Rules & Regulations
 - \$65K per reserve study (70% of annual budget)
 - Net-net, true reserve fund is about \$100K
 - Need to keep adding to reserve fund for expected repairs (e.g., tot lot equipment, sprinklers, pond required maintenance, etc.)
 - We have unknown pond repairs looming that may need a special assessment to preserve minimum.

2021 Treasury Status (income)

- Dues collection (negative means extra money was collected) includes past-due assessments and additional houses built after budget was set based on 312 houses vs 325 now.
- Real income is 110% of budget with 2020 dues received in Dec 2019.

2021 Treasury Status (Expenses)

- Major over budget item was pond fence and vegetation removal

2021 Treasury Fiduciary Review

- Independent review of bookkeeper records is performed
- Monthly by the treasurer (Compare reconciled bank balances vs profit and loss report from QuickBooks accounting package)
- Annually by tax filings
- 2021 year-end treasurer report (prior pages)
- 2021 tax filings in agreement with treasure report balances, with small accounting modifications per GAAP (generally accepted accounting practices)

2022 Treasury Status (Income)

- Not including \$16,309.71 of 2022 dues received in Dec 2021, so total dues received in 2022 is \$97,726.92 (99%), but this includes some past year dues.
- Through July 2022 (58% of year) income is at 83% of budget
- Real income is 99% of budget with 2022 dues received in Dec 2021.
- **THANKS! To all who pay their dues as soon as invoice is received.**
- **Still have about THIRTY properties that have NOT paid their 2022 dues.**
- **Warning letters and final pre-collections notices have been sent.**
- **These properties will be (were) sent to collections (with additional penalties added) mid-September.**
- Significant percentage overage for property change fees
- Expected 5 properties to change hands, 17 so far this year
- All other budget items are tracking as expected.

2022 Treasury Status (Expenses)

- Through July 2022 (58% of year) expenses are at 44% of budget
- Admin costs are running high due to increases from compute/IT vendors: GoDaddy (web server), Microsoft (email) and QuickBooks (accounting).
- Professional fees are running lower than expected ☺
- Landscaping running a tad low (YTD) but will track as expected once fall mulch and weed/feed are recorded.
- Pond expenses are running low (YTD) but will track as expected once next pond maintenance is recorded.
- We have multiple pond repairs to be made this year as well (more later).
- Utilities are running high due to water leak at front entrance.
- We're working with METCOM to try to get a refund.
- All other budget items are tracking as expected.
- Expect to increase reserve fund by \$10K (vs \$10K budget) but this is dependent upon final pond repair costs.

- Working to do repairs with existing funds to NOT have to do a special assessment due to catastrophic pond issues.

2023 Budgeted Income

- 2023 dues will be \$350.00, which is 9.7% increase over 2022 assessment,
- is capped by CCR at 10%.
- Annual assessments cover ALL planned expenses and reserve funding.
- INVOICES will be distributed early December 2022.
- “Unexpected Income” covers unexpected expenses or goes into reserve fund.
- Zero Sum Income should have no effect on finances since these are billed to account and received from account so they should cancel.
- No special assessments are PLANNED but could be assessed if needed.

2023 Budgeted Expenses

What will I see on next year’s bill? (Early December 2021)

- \$319 (10% increase from 2021)
- Anything not paid from last year
- Pre-payments and payment plans are acceptable
- Invoicing starts in late November/early December, with mailing completed mid December
- Payments should be sent to Book Keeping by Blanche with checks or PayPal transactions made payable to Pembroke HOA
- NOTES: PayPal and Credit Cards are not affiliated with Pembroke HOA. These companies charge ~3% per transaction. Therefore, the owner must ensure that the total amount charged includes those fees so that the HOA receives the full amount due. If not, you will have an unpaid balance that could result in late fees and interest being accrued!

ARC Chair’s Report:

- Common Issues
 - Trailers, boats, and recreational vehicles are not permitted to be parked in driveways or on streets
 - Please **do not** dump anything in the drains as these empty directly into the ponds and cause erosion and increased maintenance / repair costs.

- As noted in the ARC guidelines, homes should be free from mildew, etc. There are many homes, decks, and fences that need to be pressure-washed
- The ARC has 30 days to respond to requests – please submit any requests with that in mind.
- Enforcement of Rules
 - We **DO NOT** report violations being cited to the community as a whole
 - **We are consistent on the way we handle different violations** (includes if you are always good about something and get caught one time).
 - We have the ability to fine and are following the procedure by the CC&R's, bylaws and ARC Rules.
 - We drive through the neighborhood for periodic inspections. We also review your complaints. However, please remember, we are all neighbors. Sometimes, the best solution is to discuss any potential issues with each other first.

Pond update (Sarah Peddicord)

- Pond Maintenance contract awarded to Clippers for three times per year cutting and minor trash removal.
- Notice of additional repairs before they become expensive to fix
- All other activities are considered Pond Repairs.
 - Seeking bids for other pond repairs
 - Restoration of sparse vegetation
 - Erosion repairs on multiple ponds
 - Tree removal
- Pond Hygiene
 - No dumping in/around ponds
 - Grass clippings – we pay to remove
 - Landscaping rocks/dirt – we pay to remove & repair damage from the altered water flow
 - Pet and other waste
 - Chemicals down drains
 - Grass clippings left in streets wash down drains into ponds – we pay to remove and remove clogs.

Board Actions- We still do not have a quorum to be able to approve the minutes or elect the board. Nicole explained that we can appoint

Questions-

Homeowner- Lee and Edna Sias asked about the sidewalks needing repair. Nicole advised that the county is responsible for repairing that.

Homeowner- Stephen Day asked if we could elaborate on the pond repair on Middlegate. Nicole advised that the area on Middlegate that does not have any vegetation growing

causing erosion problems. There needs to be an engineer come and tell us what needs to be repaired. Stephen also asked about the weed control in the common areas. Is there any potential to do pre-emergent and lay down grass. We are renegotiating the contract this fall and will ask about a quote for overseeding.

Homeowner – Donald Mewhort asked about the fence around Jillian Grace. Nicole said that this project is on hold right now. There is a boundary issue now and we are working this out with the lawyers.

Next board meeting will be Virtual November 20th at 10am. Please send a request to us. If you have a question please email us.

5. ADJOURN

A motion was made by Tyler to conclude the meeting, Lewis seconded. Motion carried and the meeting ended at 10:42am.

Recorded by: Liz Kessel, Secretary
Pembroke Homeowners Association