

Pembroke Home Owners Association

Annual Board Meeting Minutes

October 16, 2022 | Virtual – Due to COVID-19

**1. CALL TO ORDER**

Tyler made a motion to call the meeting to order by President, Nicole Smith at 10:05 am. 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. Tyler made a motion to approve the agenda, Tyler seconded, all in favor – Agenda approved.

Directors present:

Nicole Smith	President
Alicia Huff	Vice President
Liz Kessel (Absent)	Secretary
Lewis Collier	Treasurer
Tyler Duncan	ARC Chairman
Shonnie Davis	Member at Large
Jon Friscia	2 <sup>nd</sup> Member at Large

**2. PROOF OF MEETING**

Meeting notice was mailed out via USPS August 30, 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:

- Continue efforts on pond repair/maintenance.
- Continue efforts with Collections Agencies.
- Winterization of sprinklers at the front entrance along Colby; de-winterization in Spring.
- Review quote for repair of sprinklers at front entrance along Colby.
- Install and remove Christmas Decorations at front entrance.
- Continue to enforce ARC Guidelines.
- Continue to deliver quarterly newsletters electronically.
- Continue to respond to Homeowner questions and resolve issues.
- Continue working with Clippers for Lawn & Pond maintenance; sign 2023 contract to continue support.

**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 Review
- 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.
- Major over budget item was pond fence and vegetation removal
- Monthly by the treasurer (Compare reconciled bank balances vs profit and loss report from QuickBooks accounting package)
- Annually by tax filings
- 2021 tax filings in agreement with treasure report balances, with small accounting modifications per GAAP (generally accepted accounting practices)
- Through Sept 2022 (75% of year) income is at 85% 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 14 properties that have NOT paid their 2022 dues. These properties will be sent to collections (with additional penalties added) in late October.
- Significant percentage overage for property change fees. Expected 5 properties to change hands, we've had 20 so far this year.
- All other budget items are tracking as expected.
- Through Sept 2022 (75% of year) total expenses are at 51% of budget due to expenses planned for later in the year.
- 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).
- 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, and they include a lot of the mailing/postage expenses.
- Landscaping running a tad low (YTD) but will track as expected once fall mulch and weed/feed are recorded.

- 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 dues will be \$350.00, which is 9.7% increase over 2022 assessment, 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.
- What will I see on next year's bill? (Early December 2022)
  - \$350 annual assessment (9.7% increase from 2022)
  - Anything not paid from last year, including interests & fees
  - Any overpayments from prior years (as credit)
- Pre-payments and payment plans are acceptable
- **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**
- 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.
- Received Inspection Report from the County in late July 2022
  - Working to complete minor repairs with Clippers

- Seeking bids from other companies to complete larger repairs
- 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.
- **Homeowner Questions:**
  - Is it in the contract how low to cut the pond grass? Yes.
  - Is the budget sent to homeowners? Yes, the budget is mailed to the homeowners 30 days prior to the Annual Meeting. The budget that was mailed covers expenditures as of the end of August. The budget presented today was updated last night so it is more accurate.
  - Is there an overall cap on the dues? No, there is a year to year cap of not more than 10% increase, but there is no overarching maximum.
  - Is there a cap on the reserve fund? No, the Board does not believe there is a cap on the Reserve Fund. Approx. 60k cannot be touched so that the Board can show that the HOA is a going concern.
  - Is the dues increase automatic? No, the Board carefully reviews the budget each year to determine if a dues increase is required. This year, the cost of goods and services went up due to inflation, so therefore, a dues increase was needed.
  - When the Special Assessment for Pond repairs happened in 2018, did the Board check to see if the insurance covered the damage? Yes, that is the first thing the Board did. Sadly, the damage was not covered. The general liability insurance does not cover Hurricane damage. The Board also looked into a rider to cover Hurricane damage and that was very expensive. Homeowners are welcome to provide recommendations of insurance providers and the Board will research to determine if there is any cost savings. The current insurance covers our land, ponds and our Board Members as elected officials.
  - Can the Board provide a copy of the insurance document to homeowners? Homeowners have view rights to most documentation. An example of documents that cannot be made available is collections information. It was suggested that the Board create a redacted copy of the insurance and send to homeowners. CORRECTION: Since the Homeowners have view rights to this information, please make an appointment with a Board member and we will display the file for you.
  - Has an analysis been done to determine if the expenditures are needed, for example the frequency of the pond grass cutting? Yes, an analysis was completed to determine what frequency of pond grass cutting is best. Several years ago, we cut 2 times per year, which is all that is required per Maryland Storm water regulations. This was determined to not be enough due to the number of complaints received from homeowners about snakes, etc. 3 years ago, we cut 4 times per year and that was too much and caused erosion. For the last couple of years we

have cut 3 times per year, and this is working out well, so we are planning to continue this frequency moving forward.

- Will anything be done about the overgrown area at the entrance of the neighborhood? Probably not because the last time the Board cut the grass, a homeowner reported us to the County and a suit was filed. We are not able to mow this area and had to put up Forrest Retention signs.
- Will the Board complete another Reserve Study? In approximately 2015, a Reserve Study was done to indicate how much we need to have in reserves. Currently, we are not close to the amount that was needed in approx. 2015. We will need even more in reserves now and moving forward.
- Is there a warranty that the company that is doing the repairs provides? If the company is removing for example nettles from a pipe there is no warranty for that. Pond maintenance is only mowing and minor trash removal. Pond repairs is everything else. Tree removal is a reoccurring cost that is considered a repair also and we have at least one tree fall each year. This year we had three trees fall within the pond areas.
- What can be done about parking on the street? The Board has fined for parking violations, but many times, neighbors pay the fine and continue to park on the street. We really need neighbors to call the non-emergency line for the Police Department to report parking and driving infractions. The Police have the ability to enforce parking and moving violations.
- Mailboxes on Colby / Shelton consistently have cars parked and drivers blocking the flow of traffic. Also there is a consistent problem with street parking. Can anything be done about that? We really need homeowners to contact the non-emergency line of the Police Department when parking or moving violations are witnessed. The Police are able to better enforce this. The HOA can and has mailed letters and fines to homeowners, but often, the fines are simply paid and the violations continue. For this reason we are referring you to the non-emergency line of the Police Department.
- Boat / RV Parking for long periods of time on Shelton / Colby. Can anything be done about that? The Board reached out to the Homeowner and the issue has been resolved.
- How many homes are in arrears? There are 14 new homes plus approx. 5 homes that have long been in arrears.

## 5. **ADJOURN**

- Next board meeting will be Virtual November 19th at 10am. Please send a request to us. If you have a question, please email us.
- Meeting was adjourned at 11:19am.

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Recorded by: Jon Friscia, Member at Large, Pembroke Homeowners Association