



Hermitage Hills Home Owner's Association

Fall 2013 Resident Meeting

**Please be courteous to others and
mute all cell phone ringers.**

Agenda

- Welcome and Introduction
- State of the subdivision
- Financial reports
- Ballot Items
- Remarks by trustee candidates
- Questions and Answers
- Conclusion
- Collection of Ballots

State of the Subdivision

Lake and Common Grounds:

- Mowing was expanded to include the area below the dam after required improvements to the terrain were made.
- Minimal lake chemicals are being applied by a volunteer. The chemicals required are paid for from HOA funds.
- Lake and Common Ground Rules were posted last fall as part of the 'Street Sign Project' These signs are required for the subdivision's liability insurance.

State of the Subdivision (Cont)

Snow plowing: Snow plowing is a 2 tier plan

- Tier 1 = For light snow falls, only steep hills and entrances will be salted and plowed.
- Tier 2 = For heavy snow falls, most paved roads will be plowed
- Some roads cannot be plowed because either the hills are too steep, or the condition of the road is too bad for the plowing equipment to operate.

State of the Subdivision (Cont)

- Street sign project: Last fall we purchased and installed new street and stop signs in most of the subdivision.
- The new indentures passed at last years meeting were filed with the Jefferson County Recorder of Deeds Office on November 15th, 2012.
- 2 new trustees were appointed, Linda Petersen in December and Joshua Hunt in July.
- Road Repairs were completed earlier this month, cost was \$23,000.00

State of the Subdivision (Cont)

Trustees received Preliminary Engineering Report (PER) on the road conditions in August.

- PER estimated road repair costs at \$2,000,000.00
- Trustees are researching different funding sources, including the Neighborhood Improvement District (NID)
- More details will be released they become available.

State of the Subdivision Continued

Assessments:

- 2012 Assessment billing was mailed out on November 1, 2012.
- 2013 Assessments were mailed out on May 1st, 2013. A 2nd bill was mailed out July 1st to any unpaid account that included the overdue penalties. The 2nd collection period expired on August 31st.
- The Assessment billing cycle was moved to avoid both the tax season and the holiday season/Personal Property taxing period

State of the Subdivision Continued

- The HOA has contracted Consumer Collection Management, Inc. for the collection of unpaid assessments.
- 66 unpaid accounts for the years 2004-2011 totaling over \$23,000.00 were turned over to them in March.
- To date CCM has collected over \$6000.00 in unpaid assessments of which 2/3 (over \$4000.00) has been paid to the HOA.

State of the Subdivision Continued

- The HOA will continue to work with any owner who contacts us to make payment arrangements.
- Unpaid overdue assessments for 2012 and 2013 will be turned over to CCM by the end of September (Approximately 70 accounts worth over \$36,000.00).

State of the Subdivision Continued

NB West Lawsuit:

- A Paving company, hired by HH, purchased material from NB West
- NB West filed suit against paving company and HH, when paving company declared bankruptcy after HH had paid for service.
- Judge ruled in 2002 that HH had to pay NB West \$17K+ (plus 9%/yr) for the materials.
- Total due as of 2010 was \$24K+.

State of the Subdivision Continued

NB West Lawsuit (cont):

- NB West attempted to garnish the HH HOA checking account in Jan '11 and they were able to collect \$307.82 from the HOA account.
- We have reached an agreement to pay off the balance over 4 years (at 9% interest). The 1st payment of \$6800 in March 2012. The 2nd payment of 6350 was paid in March '13.
- If the final two payment are on time, interest drops to 6% on those two payments. (\$5600 in 2014 and \$5300 in 2015)
- The Board considers this a high obligation to pay off on-time, so the subdivision can move forward.

State of the Subdivision Continued

2 Volunteers Needed for Ballot Count:

- We will schedule a date to do the official ballot count and validation. This usually takes an average of 90 minutes.
- Please notify one of the Board members if you are able to help out.

Assessment Revenues

•	Beginning Bank Balance from 2012	\$17,223.46
•	<u>Income</u>	
•	Deposits January	\$3,390.09
•	Deposits February	\$1,340.52
•	Deposits March	\$2,175.42
•	Deposits April	\$1,383.12
•	Deposits May	\$15,450.07
•	Deposits June	\$8,807.44
•	Deposits July	\$9,107.94
•	Deposits August	\$4354.03
•	Deposits September*	\$982.75
•	Deposits October**	\$
•	Deposits November**	\$
•	Deposits December**	\$
•		
•	*September - Funds showing were collected by September 13, 2013.	
•	**October, November and December – No funds have yet been received.	
•		
•	Total Income	\$46,991.38
•		

Expenses

<u>Expenses</u>	<u>Spent</u>	<u>2013 Budget</u>	Under/ Over budget
• Legal Fees	\$0.00	\$2,000.00	\$2,000.00
• Legal Judgment	\$6,350.00	\$6,350.00	\$0.00
• Office Expenses	\$744.92	\$1,200.00	\$445.08
• Website	\$0.00	\$0.00	\$0.00
• Postage	\$446.20	\$1,200.00	\$753.80
• Street Lights	\$133.44	\$150.00	\$16.56
• P.O. Box	\$78.00	\$80.00	\$2.00
• Misc.	\$19.10	\$1,000.00	\$980.90
• Insurance	\$1,064.00	\$1,100.00	\$36.00
• Lake/CG Maintenance	\$1841.83	\$2500.00	\$878.17
• General Meeting	\$120.00	\$400.00	\$280.00
• Emergency Fund	<u>\$0.00</u>	<u>\$1,598.00</u>	<u>\$1,598.00</u>
• Admin Totals	\$10,797.49	\$17,578.00	\$6990.51
• Road Repair	\$23,574.03	\$17,600.00	-\$5,974.03*
• Snow Removal	\$5,580.00	\$10,000.00	\$4,420.00
• NID study	<u>\$5,000.00</u>	<u>\$5,000.00</u>	<u>\$0.00</u>
• Street Totals	\$34,154.03	\$32,600.00	-\$1554.03

Income and Expense Summary

Total Income	\$46,991.38
Total Expenses	\$44,951.52
Sept 15, 2013 Bank Balance	\$19,263.32*
*\$10,000 reserved for snow removal	
*\$5600 reserved for NB West payment	
*\$2000 held as construction bonds for Habitat for Humanity	

2014 Admin. Assessment Budget

2014 Administrative Assessment Budget

The Board of Trustees has put together a proposed budget for 2014. The 2014 Administrative Assessment will remain at \$50.00 per lot and therefore will not require a vote. The HOA would collect \$20,150 (403 lots x \$50) at 100% collection rate. Any funds remaining from 2014 will be carried over to 2015 and would be in consideration for 2015's budget.

<u>EXPENSES</u>	<u>Expenses: Year-To-Date (9/15/13)</u>	<u>2013 Administrative Budget</u>	<u>2014 Administrative Assessment Budget</u>
Legal Fees	\$0.00	\$2,000.00	\$3,500.00
Legal Judgment	\$6,350.00	\$6,350.00	\$5,900.00
Office Expenses	\$744.92	\$1,200.00	\$1,500.00
Website	\$0.00	\$0.00	\$350.00
Postage	\$446.20	\$1,200.00	\$1,150.00
Street Lights	\$133.44	\$150.00	\$150.00
P.O. Box	\$78.00	\$80.00	\$80.00
Miscellaneous	\$12.10	\$1,000.00	\$1,000.00
Insurance	\$1,064.00	\$1,100.00	\$1,200.00
Common Ground/Lake Maintenance	\$1,621.83	\$2,500.00	\$2,750.00
General Meeting	\$120.00	\$400.00	\$400.00
Emergency Fund	\$0.00	\$1,598.00	\$2,170.00
Total	\$10,797.49	\$17,578.00	\$20,150.00

2014 Street Assessment Budget

2014 Street Assessment Budget

The Board of Trustees has put together a proposed budget for 2014. The 2014 Street Assessment will remain at \$100.00 per lot and therefore will not require a vote. This Assessment would only be applied to the lots within the subdivision that receive the benefits of the street repair, maintenance, and snow removal. The HOA would collect \$34,100 (341 lots x \$100) at 100% collection rate. Any funds remaining from 2014 will be carried over to 2015 and would be in consideration for 2015's budget.

<u>EXPENSES</u>	<u>Expenses: Year-To-Date (8/20/13)</u>	<u>2013 Street Assessment Budget</u>	<u>2014 Street Assessment Budget</u>
Road Repair	\$23,574.03	\$17,600 (Estimated)	\$22,000.00 (est.)
Snow Removal	\$5,580.00	\$10,000.00	\$10,000.00
Neighborhood Improvement District (NID)	\$5,000.00	\$5,000.00	\$0.00
Total	<u>\$34,154.03</u>	<u>\$32,600.00</u>	<u>\$32,000.00</u>

Ballot Items

Item #1: Election of 2 trustees:

- These elections are required as result of 2 trustees resigning in the last year.
- The current indentures only allow a person replacing a resigned trustee to serve until the next election

Ballot Items (cont)

Item # 2: Change to Indenture Section 3.2:

Currently reads: “the position shall be vacant and the remaining Trustees shall appoint a person to serve until the next election”

Proposed change: “the position shall be vacant and the remaining Trustees shall appoint a person to serve the remaining term of the vacated seat.”

Will allow for continuity of experience trustees by maintaining a staggered election cycle of 2 , 2, or 1 trustee(s) being voted on each year.

Ballot Items (cont):

Item # 3: Pre-approval to allow the 10
Chancellor Farms properties to join the
subdivision as full members.

This is not a formal joining at this time. Its just pre-approval for when they do request to join.

Ballot Items (cont):

Items 4 & 5: Administrative and Road Maintenance budgets:

Rates to stay then same for 2014, \$50 for administrative, \$100 for road maintenance.

Remarks by Trustee Candidates:

Questions and Answers

- Please be respectful of others point of view
- We have a limited amount of time remaining, if we don't get to your question, leave it with us and we will answer it
- A copy of all questions and answers will be provided to all lot owners along with the election results via the website and the next newsletter.