



Hermitage Hills Home Owner's Association

Fall 2012 Resident Meeting

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

Agenda

- Welcome and Introduction – John Linsenbardt
- State of the subdivision – John Linsenbardt
- Financial reports – Holly Tichy
- Ballot Items – Tim Davis
- Questions and Answers
- Conclusion
- Collection of Ballots

State of the Subdivision

Lake and Common Grounds:

- Mowing was done this year, but not below the dam. It is the intention of the board to mow this area after required repairs to the terrain are made.
- Minimal lake chemicals are being applied by a volunteer. The chemicals required are paid for from HOA funds.
- Lake and Common Ground Rules will be posted as part of the 'Street Sign Project' slated for November 3rd. These signs are required for the subdivision's liability insurance.

State of the Subdivision Continued

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 Continued

Assessments:

- '04-'06 billing went out in May
- 2012 Assessment billing will go out as soon as it is ready (Nov 1st). They will be billed at the current rate of \$0.65/front linear foot.
- 2013 Assessment billing will be moved to early summer 2013 (May/June). The board realizes the current billing period (at the end of the year) will run in to Christmas budgets and Personal Property taxing period.

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) and made the 1st payment of \$6800 in March 2012. Next payment of \$6350 due 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

Trustee needed:

- The board is currently in need of 1 trustee.
- If you are interested in serving on the board, please contact us.

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.

2012 HOA Projects

- New Indentures – Completed and up for vote on 2012 Ballot
- Close down section of Summerland Rd. – Completed 10/18/12
- Road Repair – Completed 10/15/12
- Street Sign Project – Install date of 11/3/12.
 - Street Name Signs
 - Lake Rule Signs
 - Stop Signs



The Street Name signs are required by Jefferson County as part of the 911 Emergency Services system.

Street Sign Project



Assessment Revenues

	<u>2011</u>	<u>2012 (YTD)</u>
January	\$ 411.78	\$ 3,082.88
February	\$ 2,412.20	\$ 1,061.75
March*	\$ 17,035.23	\$ 2,691.50
April	\$ 8,320.80	\$ 871.80
May	\$ 5,965.37	\$ 4,736.03
June**	\$ 2,661.25	\$ 5,580.80
July	\$ 1,023.10	\$ 5,022.60
August	\$ 1,499.61	\$ 1,074.00
September***	\$ 784.75	\$ 2,031.26
October	\$ 977.25	\$ 2,055.33
November	\$ 5,067.83	
December	\$ 4,796.26	
Total	\$ 50,955.43	\$ 28,207.95

*March 2012 - included \$195.00 deposit from a closing that needed to be refunded to previous homeowner.

**June 2012 - Includes \$1000 Construction Bond for 18 Waybridge Court. This will be refunded after construction is complete.

***September 2012 - Includes \$1000 Construction Bond for 14 Waybridge Court. This will be refunded after construction is complete.

Expenses By Category

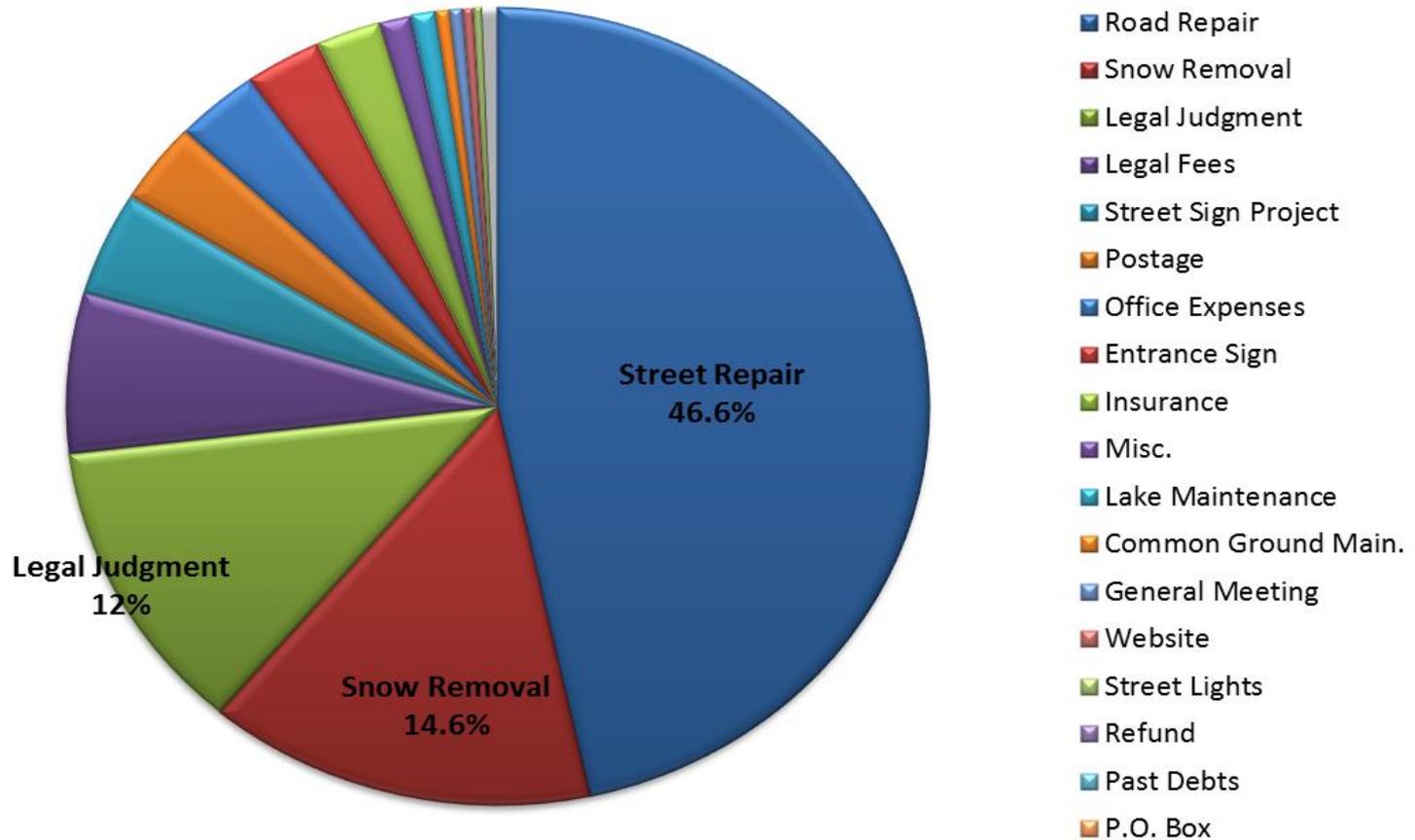
<u>Category</u>	<u>2011</u>	<u>2012 (YTD)</u>	<u>Combined</u>	<u>%</u>
Road Repair	\$24,155.00	\$15,099.66	\$39,254.66	46.6%
Snow Removal	\$10,215.00	\$2,050.00	\$12,265.00	14.6%
Legal Judgment	\$3,307.82	\$6,800.00	\$10,107.82	12.0%
Legal Fees	\$1,000.00	\$4,500.00	\$5,500.00	6.5%
Street Sign Project	\$0.00	\$3,529.34	\$3,529.34	4.2%
Postage	\$1,301.00	\$1,466.80	\$2,767.80	3.3%
Office Expenses	\$1,257.87	\$1,420.45	\$2,678.32	3.2%
Entrance Sign	\$2,425.21	\$0.00	\$2,425.21	2.9%
Insurance	\$1,030.00	\$1,018.00	\$2,048.00	2.4%
Misc.	\$241.43	\$762.49	\$1,003.92	1.2%
Lake Maintenance	\$312.26	\$473.77	\$786.03	0.9%
Common Ground Main.	\$0.00	\$450.00	\$450.00	0.5%
General Meeting	\$0.00	\$423.64	\$423.64	0.5%
Website	\$0.00	\$321.77	\$321.77	0.4%
Street Lights	\$128.76	\$131.43	\$260.19	0.3%
Refund	\$0.00	\$195.00	\$195.00	0.2%
Past Debts	\$141.99	\$0.00	\$141.99	0.2%
P.O. Box	\$60.00	\$76.00	\$136.00	0.2%

Total Expenses	\$45,576.34	\$38,718.35	\$84,294.69	100.0%
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****Note: \$2145 of the Entrance Sign work was covered by the driver's insurance company****

Expenses By Category

(2011-Oct 2012)



2013 Admin. Assessment Budget

<u>EXPENSES</u>	<u>Year-To-Date (10/17/12)</u>	<u>2013 Administrative Assessment Budget</u>
Legal Fees	\$4,500.00	\$2,000.00
Legal Judgment	\$6,800.00	\$6,350.00
Office Expenses	\$1,420.45	\$1,200.00
Website	\$321.77	\$0.00
Postage	\$1,466.80	\$1,200.00
Street Lights	\$131.43	\$150.00
P.O. Box	\$76.00	\$80.00
Miscellaneous	\$762.49	\$1,000.00
Insurance	\$1,018.00	\$1,100.00
Lake Maintenance	\$473.77	\$500.00
Common Ground Maintenance	\$450.00	\$2,000.00
General Meeting	\$423.64	\$400.00
Emergency Fund (10% of Admin. Budget)	\$0.00	\$1,598.00
Refund	\$195.00	\$0.00
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	Total \$18,039.35	\$17,578.00

If the New Indentures are passed, the board is proposing an Administrative Assessment of \$50 be applied to all lot owners in the Hermitage Hills plat. This assessment amount was included on the 2012 Ballot. At the \$50 rate, the HOA would collect \$19,450 at 100%. If the indentures are passed, but the \$50 rate isn't, the \$25 minimum would collect \$9750.

2013 Street Assessment Budget

<u>EXPENSES</u>	<u>Year-To-Date (10/17/12)</u>	<u>2013 Street Assessment Budget</u>
Road Repair	\$15,099.66	\$17,600 (Estimated)
Snow Removal	\$2,050.00	\$10,000.00
Neighborhood Improvement District (NID)	\$0.00	\$5,000.00
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	Total \$17,149.66	\$32,600.00

If the new indentures are passed, the Board is proposing the 2013 Street Assessment be \$100 per lot. The Street Assessment would only be applied to the lots within the subdivision that receive the benefits of road repair, maintenance, and snow removal. This would not be applied to the lots on Lazy Oak, Timber Ridge and Saline that do not have a driveway or parking area that access the main part of the subdivision. This assessment amount was included on the 2012 Ballot. At the \$100/lot rate, the HOA would collect an estimated \$32,600. If the indentures are approved, but the \$100/lot item isn't, the rate would be set at the minimum of \$50/lot which would collect an estimated amount of \$16,300.

Uncollected Assessments & Road Agreements

Uncollected Assessments

Billing Period	# of Lots Uncollected	Total Lots Billed	% of Collection	% of Past Due	Est. \$\$\$ Past Due
2004-2006 Back Billing	75	205	63.4%	36.6%	\$ 14,938.41
2011 Assessment	71	284	75.0%	25.0%	\$ 5,192.56
2007-2009 Back Billing	54	242	74.0%	22.3%	\$ 11,214.74
2010 Assessment	33	269	87.7%	12.3%	\$ 2,582.45

Total Past Due \$ 33,928.16

*****The Board has elected to use a collection agency to collect on past due accounts.***

Balance On Road Agreements

- 51 Accounts with Road Agreements (52 Lots)
- Total in Road Agreements = \$46,342.25
- Amount Applied towards Road Agreements: -\$ 19,399.90
- **Balance Remaining on Road Agreements: \$26,942.35 (58.1%)**

*****At the proposed \$150 combined assessment rate, the HOA would not begin to receive revenue from these accounts for approx. 4 years on average.***

Consumer Collection Management, Inc.

- The Board has contracted with Consumer Collection Management, Inc. to provide collection services for delinquent accounts.
- The Board does not want to turn over the accounts to the collection agency, but it has the duty to collect unpaid balances. If you are not paying because of a hardship or some other reason, please get in contact with the Board and set up a payment plan before being sent to collections.
- Assessment Billing & Collection Procedure will be as follows:
 - All lot owners will receive an invoice for the current year's assessment. Payment will be due in 60 days from the invoice date.
 - All lot owners with a balance on their account will receive a past due statement with a final due date. If the Board has not been contacted by the lot owner to set up a payment plan, and are currently on making their payments, that delinquent account will be turned over to CCM. At that point, all payment arrangements are to go through CCM for the past due balance and the Board can no longer work with the homeowner to set up a payment plan.
 - Once the account is sent over to CCM, the homeowner will have a certain amount of days to make payment before the delinquency is reported to the Credit Bureaus.

Ballot Items

Item #1 Approval of New Indentures:

- Input from lot owners was solicited in April 2012.
- This is the final version, but it is easier to amend than the old ones.
- Unique two tier approach to assessments; administrative and street assessments
- Checks and balances included are elections of trustees, recall of trustees, petitions of amendment by owners.

Ballot Items (cont)

Item # 2: Administrative budget and assessment:

- \$50 per lot for 2013
- Most expensive item on budget is NB West payment

Item # 3: Street repair budget and assessment:

- \$100 for 2013
- Only charged to lots that use HH roads to access their property.

Ballot Items (cont):

Item # 4: NID Engineering study to obtain road repair costs estimate

- This is not to form a NID, only a preliminary step in the NID process.
- Cost is estimated at \$5000 which would come out of the 2013 Street Assessment.
- Even if a NID is never formed, we still need a formal engineering study to form a long range road repair and maintenance plan.

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.