



Hermitage Hills Home Owner's Association

Fall 2016 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
- Planned Road Projects
- Questions and Answers
- Conclusion and Collection of Ballots

State of the Subdivision

Lake and Common Grounds:

- May 7 & 8: Brush Clearing around the lake and other common ground areas. The equipment was rented and work was performed by three of the trustees and 2 volunteers from the subdivision. Some of the brush cut down by the lake still needs to be chipped and the trustees plan to rent a wood chipper and chip up this brush.
- We also need to clear the rest of the brush off the back of the dam.

State of the Subdivision (Cont)

Road Repairs in 2016

Amount spent since May 1st: \$41,875.00

- May 19: A large crater hole and the deteriorated street around it on Waybridge that made the street close to impassable was repaired.
- July 12, 13 & 14: Walnut Ridge was seal coated to prevent future repair costs to the street.
- July 29—August 1: Pothole Repair
- September: Additional Pothole Repair

State of the Subdivision (Cont)

Road Signs

- June 25-28: Replacement of damaged stop signs and street name signs. With the help of volunteers in the neighborhood, some of the signs in the neighborhood were either repaired or replaced.
- More signs will be installed soon.

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 salted and plowed
- New Snow Plow Company for this coming winter

State of the Subdivision (Cont)

- 2 trustee positions are open and will be voted on in this ballot
- An owner with experience in web design has volunteered to take over maintaining the website and hopes to get it redesigned and updated very soon.

Assessments and Revenue

Assessments:

- 2016 Assessments were mailed out on May 1st, 2016. 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.
- Total collected as of Sept 2015 - Aug 2106:
\$65,855.79
- A third billing will go out with a 30 day deadline.

2015-2016 Assessment Revenues

<u>INCOME</u>			<u>General Assessment Fund</u>	<u>Street Assessment Fund</u>	<u>Past Due Collections</u>
Deposits	Sept 2015		\$500.00	\$667.50	\$210.74
Deposits	Oct 2015		\$225.00	\$550.00	\$200.15
Deposits	Nov 2015		\$200.00	\$575.00	\$955.80
Deposits	Dec 2015		\$75.00	\$75.00	\$442.68
Deposits	Jan 2016		\$111.25	\$150.00	\$216.70
Deposits	Feb 2016		\$250.00	\$515.00	\$6,546.24
Deposits	Mar 2016		\$100.00	\$275.00	\$2,411.18
Deposits	April 2016		\$50.00	\$150.00	\$2,300.96
Deposits	May 2016		\$4,533.00	\$9,688.30	\$633.42
Deposits	June 2016		\$6,317.50	\$13,897.00	\$81.78
Deposits	July 2016		\$2,209.25	\$6,000.00	\$46.49
Deposits	Aug 2016		\$1,090.00	\$2,801.60	\$708.25
		Totals:	\$15,661.00	\$35,344.40	\$14,754.39
Total Income				\$65,855.79	

Collections and Legal Actions

- In January, 34 accounts were submitted to our legal representative for action.
- 20 accounts have been resolved resulting in \$14,754.39 in revenue.
- Petitions will be filed in court on the remaining 14 accounts by the end of the year.
- Total owed by the pending legal accounts (including the \$25 per month late fees and interest): \$28,550.94

May 2015 – April 2016 Expenses

		<u>Administrative Budget Expenses</u>		
		<u>2015-2016 Amount</u>	<u>Budgeted Amount</u>	<u>Delta</u>
Legal Fees		\$4,396.25	\$2,000.00	--\$2,396.25
Office Expenses		\$316.87	\$1,500.00	\$1,183.13
Website		\$0.00	\$350.00	\$350.00
Postage		\$673.50	\$1,150.00	\$476.50
Street Lights		\$175.00	\$200.00	\$25.00
P.O. Box		\$86.00	\$80.00	--\$6.00
Miscellaneous		\$413.07	\$1,000.00	\$586.93
Insurance		\$8,390.00	\$1,400.00	--\$6,990.00
Lake Maintenance		\$0.00	\$750.00	\$750.00
Common Ground Maintenance		\$3,593.28	\$3,000.00	--\$593.28
Common Ground Repair and Development		\$0.00	\$4,000.00	\$4,000.00
General Meeting		\$239.19	\$500.00	\$260.81
Emergency Fund		\$0.00	\$4,220.00	\$0.00
Total Admin Expenses		\$18,283.16	\$20,150.00	
		<u>Street Budget Expenses</u>		
			<u>Budgeted Amount</u>	<u>Delta</u>
Road Repair		\$23,615.50	\$27,625.00	\$0.00
Snow Removal		\$13,870.00	\$15,000.00	\$0.00
Total Street Expenses		\$37,485.50	\$42,625.00	\$0.00

May 2016 – Aug 2016 Expenses

<u>Administrative Budget Expenses</u>				
		<u>Amount</u>	<u>Budgeted Amount</u>	<u>Delta</u>
Legal Fees		\$718.28	\$2,000.00	\$0.00
Office Expenses		\$316.87	\$1,500.00	\$0.00
Website		\$0.00	\$350.00	\$0.00
Postage		\$238.00	\$1,150.00	\$0.00
Street Lights		\$0.00	\$200.00	\$0.00
P.O. Box		\$0.00	\$80.00	\$0.00
Miscellaneous		\$735.07	\$1,000.00	\$0.00
Insurance		\$0.00	\$1,400.00	\$0.00
Lake Maintenance		\$0.00	\$750.00	\$0.00
Common Ground Maintenance		\$1,293.18	\$3,000.00	\$0.00
Common Ground Repair and Development		\$0.00	\$4,000.00	\$0.00
General Meeting		\$253.91	\$500.00	\$0.00
Emergency Fund		\$0.00	\$4,220.00	\$0.00
Total Admin Expenses		\$3,905.31	\$20,150.00	\$0.00
<u>Street Budget Expenses</u>				
			<u>Budgeted Amount</u>	<u>Delta</u>
Road Repair		\$41,875.00	\$27,625.00	\$0.00
Snow Removal		\$0.00	\$15,000.00	\$0.00
Total Street Expenses		\$41,875.00	\$42,625.00	\$0.00

2017 Street Assessment Budget

The Board of Trustees has put together a proposed budget for 2017. The 2017 Street Assessment would increase to \$325.00 per assessable lot. This Assessment would only be applied to the lots within the subdivision that receive the benefits of the street repair, maintenance, and snow removal. A separate lower Street assessment would be applied to lots located on Lazy Oak and Timber Ridge. The HOA would collect \$105,625.00 (325 lots x \$325) at 100% collection rate for the paved road maintenance and \$4,500 to maintain the gravel roads Lazy Oak and Timber Ridge (45 lots x \$100). An additional \$2,500.00 will come from the Chancellor Farm ingress/egress road fee (\$250 x 10 lots). Any funds remaining from 2017 will be carried over to 2018 and would be in consideration for 2018's budget.

<u>EXPENSES</u>				<u>2017 Street Assessment Budget</u>
Paved Roads				\$96,125.00
Gravel Roads				\$4,500.00
Snow Removal				\$12,000.00
	Total			<u>\$112,625.00</u>
	2017 Budget Total			\$141,800.00

VOTING ITEM #1: 2017 Administrative Budget and Assessment:

Raising the Administrative Assessment to \$75.00 per assessed lot

- The Administrative Assessments levels for 2017 have to be raised. This is primarily due to a massive increase in the annual insurance premiums the subdivision pays each year. In past years the annual premium was very low (\$1,099 in 2015). However, when our policy was renewed this year, the insurance company noticed an error in how our subdivision was classified. When they corrected it the annual premium went up to \$8,390 for 2016 and will be (\$10,800.00) in 2017.

VOTING ITEM #2: 2017 Road Maintenance Budget and Assessment:

Raising the Road Maintenance Assessment to \$325.00 per assessed lot

- When the new indentures were passed in 2012, the subdivision was planning on forming a Neighborhood Improvement District (NID) with Jefferson County to get our roads repaired. **At the time, the Road assessment levels were set at the absolute minimum amount we needed to have the snow removed and have simple repairs and pothole patching done.** Earlier this year we were notified that Jefferson County would not approve our NID request. **Therefore, the subdivision itself is going to have to begin funding the major road repairs needed.**
- We continue to investigate different grants and other sources of funding, **but our roads need to be repaired** and we can't wait on grants that may take months or years to be approved. The \$325.00 amount of the assessment will allow us to do major road repair and paving projects every year until all the roads are in an acceptable condition.

VOTING ITEM #3: Indenture modification “A”

A change to the indentures as to how the owner of multiple lots are assessed.

- There are several properties in the subdivision that consist of multiple lots. On a majority of them the lots are undividable, because the house itself extends over both lots. This change would allow the trustees to determine on a case by case basis as to which of these properties would be charged the same assessment as a single property and which ones would still be charged for multiple assessments. The owner would be allowed one vote for each assessment billed.
- For example, the owner of two lots that are adjoining and the house extends over two lots would be charged the same assessments as a single lot, but an owner of multiple lots that are not developed or not adjoining would be charged assessments for each lot.

VOTING ITEM #4: Indenture modification “B”

A change to allow lower Road Maintenance assessments on Lazy Oak and Timber Ridge Lanes.

- Currently the property owners on Lazy Oak and Timber Ridge Lanes have not been billed for the annual Road Maintenance Assessment because those roads have not received any repairs or snow removal over the years and some of those owners maintained those roads on their own. But times have changed and now the home owners association has to begin to maintain them.
- But because the cost of maintaining and repairing a gravel road is significantly less than a paved road, the trustees feel it is only fair that the owners of the properties on Lazy Oak and Timber Ridge pay a lower amount for a Road Assessment. This change would set that initial Road Assessment at \$100.00 per assessed lot for 2017 and would be subject to the same rules and guidelines as the Road Maintenance Assessment that maintains the paved roads.

VOTING ITEM #5: Indenture modification “C”

A change to how any special assessments would be classified and assessed.

- Currently the indentures state that any special assessment has to be billed equally to all lots. But the subdivision is required to maintain separate accounts for funds raised by the administrative assessment and by the road maintenance assessments. By requiring any special assessment to be classified as either for Administrative or Road Maintenance purposes, it would require any funds raised by a special assessment to be routed into the appropriate account.
- This change would also require that any special assessment be applied the same way the annual assessments are, specifically a special road assessment would only be assessed to the owners that currently pay the annual road assessments.

VOTING ITEM #6: Asking for your opinion

POLL QUESTION: At some point in the future, should the indentures be modified to require that a single trash collection company service the entire subdivision with the cost of the annual service being added to the annual assessment bill?

- One of the complaints about the roads deteriorating includes that everyday there are multiple large, heavy trash trucks throughout the neighborhood tearing up the roads.
- One suggestion the trustees hear repeatedly is to get a single company to service the entire subdivision. The trustees have talked with several trash companies and we can get a discount volume that can include recycling and/or multiple pickup days per week.
- What we would like to know from you is if you would be agreeable to this if an acceptable company was found? The information on cost per house, services offered by the collection company, and the exact changes to the indentures so that the trash service cost could be included into the annual assessment would be presented to the owners for a vote prior to any implementation of such a plan.

VOTING ITEM #7: Election of trustees:

2 trustees are up for election or you can write in a candidate.

- Anyone wishing to be candidate needs to notify the trustees as soon as possible. All candidates will be given an opportunity to speak at the general meeting.

Ballot Items (cont)

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.
- Plan is to count them next Monday evening.

Planned Road Repairs

- Lazy Oak will get graded and drainage improvements this fall
- 8 priority projects over the next 3 years
- Total of all bids: \$345,485.00
- After the priority projects, more repairs will continue.

Planned Road Repairs

Summerland Drive, Summerland Court and the concrete portion of Walnut Ridge Drive.

- \$79,400
- 6,000 sq ft concrete patched, Pave entire concrete area with asphalt



Planned Road Repairs

Upper Pine Haven Drive

- \$48,000
- Dig out and re-pave with 2 layers of asphalt from Walnut Ridge to curve.
- Replace 200 ft curbing



Planned Road Repairs

Westbourne (High Cliff to Hermitage)

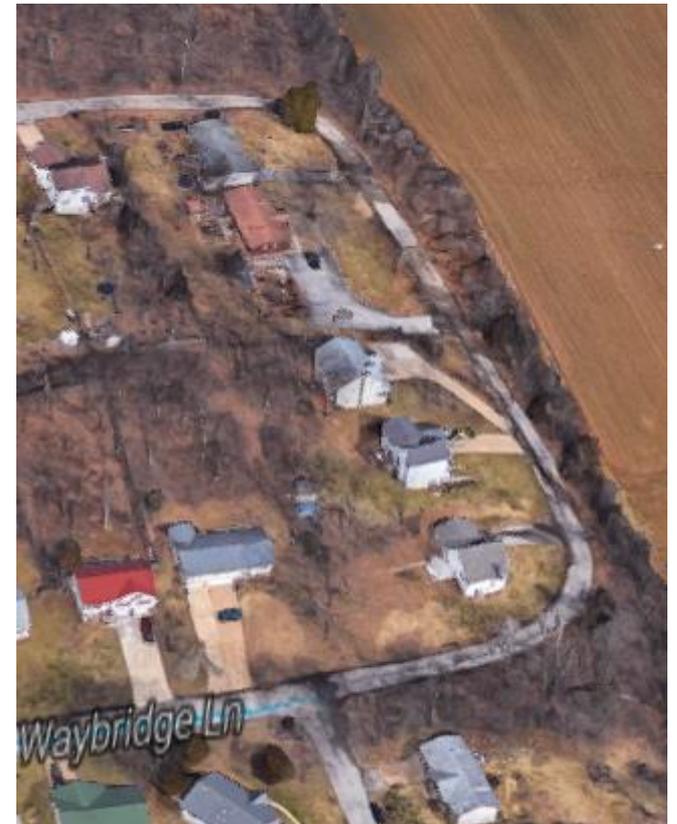
- \$38,755
- Dig out and repair corner, Pave entire section



Planned Road Repairs

Buckboard (bottom of the hill to corner)

- \$28,000
- Install drainage tiles, repair existing structure, repave



Planned Road Repairs

Hermitage (High Cliff to Westbourne)

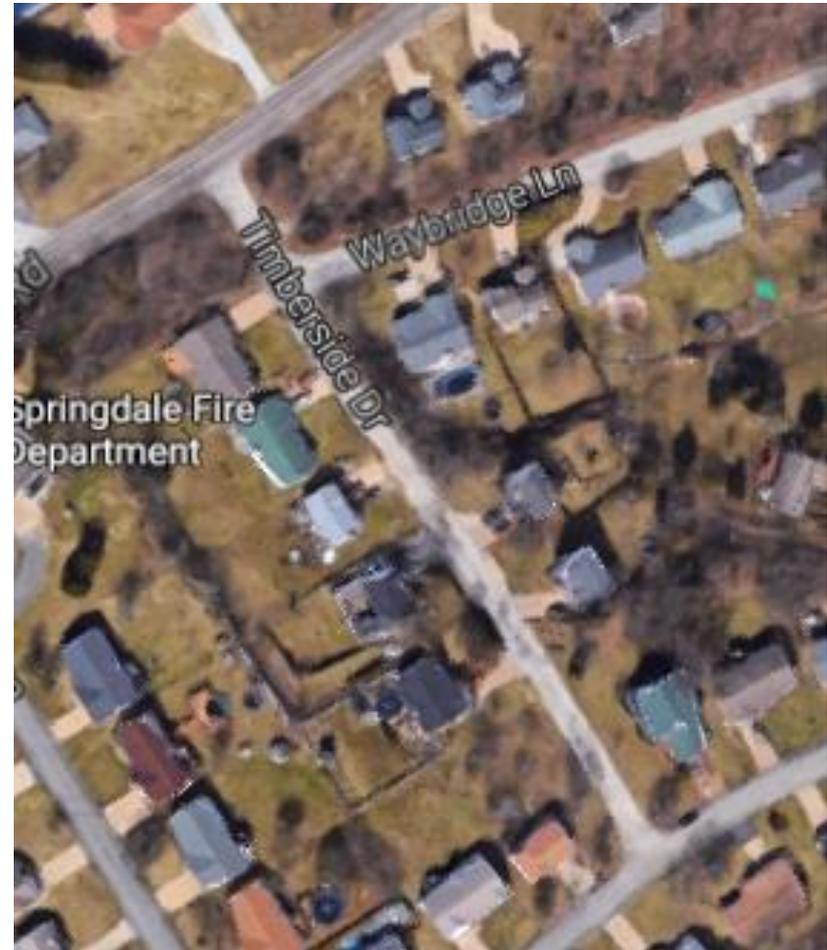
- \$27,000
- Dig out deteriorated areas, repair, and repave with 2 layers of asphalt.



Planned Road Repairs

Timberside

- \$30,750
- Repair and Repave from Saline to Walnut Ridge



Planned Road Repairs

Westbourne (Unpaved area to Parking Pad)

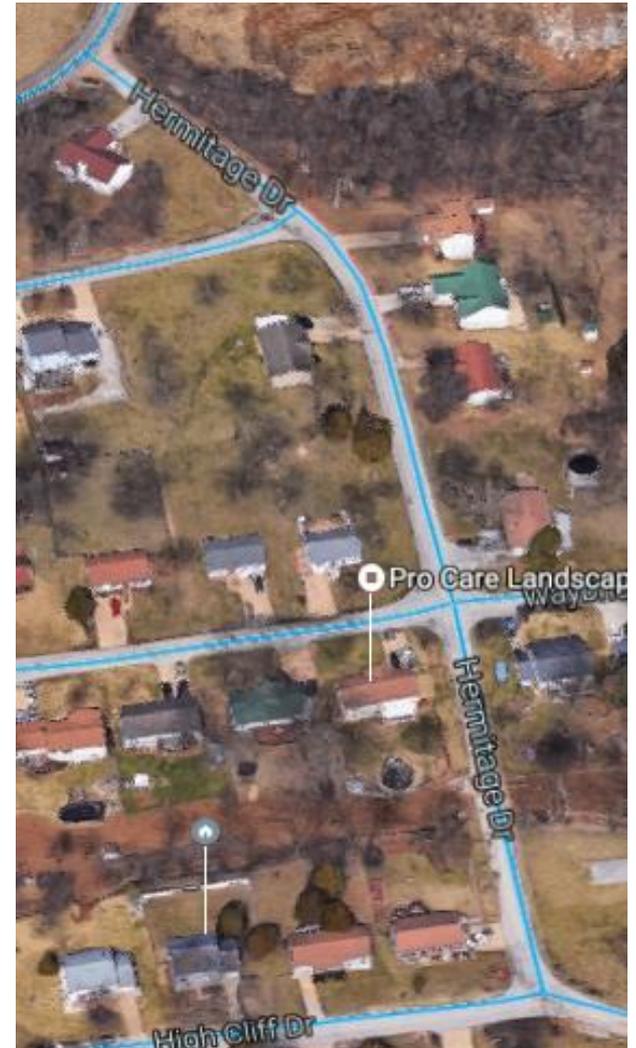
- \$38,650
- Dig out deteriorate area, install new base. Repave with 2 layers of asphalt to the corner of Turnbridge.



Planned Road Repairs

Hermitage (Saline to High Cliff)

- \$54,930
- Repave with 2 layers of asphalt over entire area



Thank you!!

- The trustees would like to thank all of the homeowners who have stepped up to volunteer at the various projects completed within our community this past year.
- We look forward to all we can accomplish in the next year with your help!

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.