

HERMITAGE HILLS SUBDIVISION



TRUSTEES NEWSLETTER

October 2011



To: All Lot Owners/Residents of Hermitage Hills Subdivision

From: Board of Trustees – Lynn Daugherty, John Linsenbardt, Holly Tichy

AMENDMENT APPROVED!!!



THANK YOU to all the lot/homeowners who supported the amendment to the indentures which will allow us to move forward in implementing improvements in the subdivision. A total of 322 approvals were received which represents 81.7%

of the 394 lot owners. For the amendment to be implemented, 80% approval was needed. A formal counting of the approvals took place on Monday, August 15, 2011 at 7:00 p.m. Three lot/homeowners volunteered to assist the trustees in the formal counting process to verify the needed number of approvals were received.

The following changes will be made to the indentures:

Item #1 – The notice time required for general meetings was changed from 10 days to 30 days in advance and will allow general meetings to be held within the 63026 zip code in St. Louis County instead of Jefferson County only.

Item #2 – Notifications of election/voting meetings will now be sent to lot owners by regular mail rather than certified mail.

Item #3 – Those who cannot attend meetings will be allowed to vote by absentee ballot sent by regular mail.

Item #4 – The number of lot owner votes needed to approve any future item brought up for vote has been changed from 80% of all lot owners to 2/3 majority of “attending voters plus absentee ballots”.

Item #5 – The Board of Trustees can appoint a 5th Trustee to prevent voting ties by the Trustees.

The passing of this amendment is a milestone that marks the beginning of much needed changes in the indentures and subdivision improvements. (A copy of the filed legal amendment is enclosed.)

SUBDIVISION MEETING

The first subdivision meeting since the election of the current trustees will be held on **Monday, October 24, 2011 at 7:00 p.m. PLEASE ARRIVE EARLY. CHECK-IN BEGINS**

AT 6:30 p.m. The meeting will take place at **Rockwood Summit High School, 1780 Hawkins, Road, Fenton, MO** and will last approximately 2 hours. In order to conserve the subdivision funds, no refreshments will be provided.



The meeting agenda includes the following:

- Introduction of trustees & subdivision attorney
- A re-cap of the subdivision work done over the past year since the election
- Financial statement report for 2010-2011
- Anticipated operating budget for 2011-2012
- Discussion of items being presented for a vote (EXPLAINED ON THE NEXT TWO PAGES)
- Question and Answer session

Ballots for voting will be provided at the meeting. Absentee ballots were mailed to the lot/homeowners owners with the 30-day notification of the meeting. **ABSENTEE BALLOTS SHOULD BE USED ONLY IF YOU CANNOT ATTEND THE MEETING.** These ballots must be received by the trustees no later than the meeting date of October 24 to be included in the tallying of the votes.

We need four volunteers to assist with the check-in of the lot/homeowners. The volunteers will need to arrive no later than 6:15 p.m. Please contact us as soon as possible if you are willing to do this.

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VOTING ITEMS

The following items are being presented for a vote:

1) **Assessments should be changed from \$0.65 per front foot to a flat annual fee of \$250.00 per developed lot with a house on it and \$100.00 for additional lots owned by a homeowner and for undeveloped lots. This change would become effective in 2012.**

Example: A single lot with a house would pay \$250.00. A homeowner that owns three lots with a house on one of them would pay \$250.00 + \$100.00 + \$100.00 = \$450.00 total. An owner of only undeveloped lots will pay \$100.00 per lot.

A flat fee will provide a fair and equal billing for each lot owner. Currently, those with larger front foot properties than others pay more than those with the smaller front footage.

The current assessment rate was set in 1965 and does not provide the funding needed to properly maintain a subdivision the size of Hermitage Hills. The current annual assessments only allow us to collect up to \$20,700 per year. This is not much considering snow removal is budgeted at \$10,000 per year and last year cost about \$15,000.

In addition to snow removal, the subdivision's operating expenses include:

- Liability insurance
- General legal expenses
- Payments over the next five years to pay off a legal judgment debt of \$20,000 against the neighborhood from 2002
- Annual cost of the light at the main entrance
- P.O. box rental
- Common ground mowing and chemicals for weed and algae control of the lake
- Administrative costs including website fees, postage and supplies for mailings of newsletters, billings, and meeting notifications as well as other needs of the subdivision.

The current assessment fees cover these expenses, but do not allow for improvements in the subdivision.

VOTING ITEMS (CONT'D)

The recent street repairs cost \$21,905 and were possible only because of the back-billed assessments collected for 2007, 2008 and 2009. (See page 4 for road repair details.)

The new rate will allow us to collect up to \$89,000 per year with a 100% collection rate. This would meet all our current expense needs as well as provide the funding to continue with the much needed street repairs and other improvement projects.

The primary need for this assessment increase is the continued repair of the subdivision streets and long term maintenance of them. Because the Board of Trustees was barely active for the past 6 years, many of our streets have deteriorated beyond the point where just overlaying them with another layer of asphalt would be sufficient. They now need many sections dug out, a new base applied, and then paved.

As the streets are repaired, we hope to include work on the ongoing water drainage problems we regularly receive complaints about. In addition, after the streets are repaired, we need to perform regular maintenance on them with seal coating every few years so we won't have to repave as often.

The condition of our streets has also significantly impacted the value of all the properties in the subdivision. A real estate agent who lives in the subdivision and sells homes here informed us that potential buyers are turned away by our streets. This causes the seller to have to lower their price to attract buyers or may cause a foreclosure if the seller is in a severe financial situation. These lowered prices lower the market value of all our homes.

We understand this a large increase from the current rate; however; the proposed rate is comparable to other subdivisions our size in the area such as Konert Farms in Fenton (with an annual assessment of \$250) that has less maintenance needs with concrete streets and storm sewers.

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VOTING ITEMS (CONT'D)

To break out the cost of the full assessment of \$250.00, it comes to \$20.83 per month, \$4.81 per week and \$0.68 per day. Most of us pay more than this for other monthly household bills we have. It is a small price to pay to both protect the value of the large investment you made when you purchased your homes and live in a well-maintained neighborhood.

The trustees proposed this assessment increase after careful thought and consultation with the subdivision attorney, an assessment of the current needs of the subdivision and comparison to similar neighborhoods nearby. We chose not to propose incremental increases over the next few years because this would prolong the progress of repairing the streets and making other much needed improvements to the subdivision. The trustees pay the same assessments as everyone else and will be affected the same by this increase; therefore, would not have proposed an amount they do not think is necessary.



The subdivision has been neglected for many years and it will take time, money and work to improve it to the level that will restore the value of our homes. Your

“yes” vote to the proposed increase is needed and will be greatly appreciated.

2) An amendment to the indentures should be added that would require the Board to put an item to vote that has been petitioned by the lot/homeowners and has received approval signatures from 10% of the lot/homeowners.

This amendment to the indentures will give the lot/homeowners the power to petition for any change to the indentures or change in subdivision rules/regulations, etc. They will have to collect approval signatures from 10% of the lot/homeowners (32 signatures) before it can be submitted to the Trustees. The Trustees will then be required to include the petitioned item in the voting items brought before the subdivision lot/homeowners.

This amendment is intended to provide an avenue

VOTING ITEMS (CONT'D)

for lot/homeowners in proposing changes to the indentures, improvements in the subdivision and rules and regulations for the subdivision and prevents the Board of Trustees from suppressing a vote on any item should they disagree with it.

3) The Board should pursue the actions required to have the subdivision indentures re-written to reflect current needs and conditions of Hermitage Hills.

The current indentures written in 1965 do not include bylaws with rules and restrictions that provide for an effective orderly environment in the subdivision. We have been advised by the subdivision attorney that the re-write of our indentures will cost about \$4,000 in legal fees and the process will take a year to complete. The final re-write has to be approved by 2/3 of the voting lot/homeowners before it can be adopted.

The Board intends to encourage lot/homeowner participation in the re-write process. This will include soliciting ideas and suggestions for the new indentures. In addition, preliminary drafts of the new indentures would be provided to the lot/homeowners for review and feedback before the final re-write is completed.

These voting items will be discussed in detail at the general meeting on October 24. If you cannot attend the meeting and have any questions about them, please contact us.



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USE OF THE SUBDIVISION E-MAIL DISTRIBUTION LIST



An old copy of the trustee's email distribution list was recently used to send unsolicited emails to members on the list. The trustee's wish to apologize to the list's members that this occurred and to let them know the trustees had already taken steps several months ago to prevent the display of the members personal email addresses in the outgoing emails. While the trustees value the opinions of our residents and welcome open discussion of issues, we ask that any members of the list refrain from using it for personal use. The members on this list gave us their e-mail address with the understanding that it would be used only for email correspondence from the Board of Trustees.

If you have any questions regarding this or any other subdivision related matters, please contact us through our direct e-mail or through regular mail. We will respond as soon as possible.

STREET REPAIRS HAVE BEGUN!

Asphalt and gravel repair of the streets began on Friday, September 23 and was completed on Saturday, September 24 by Asphalt Paving & Concrete, Inc.



This repair included gravel and 178 sq. yards of asphalt patching on Waybridge Lane; 138 sq. yards of asphalt patching on Pine Haven; 179 sq. yards of asphalt patching on Hermitage Drive; and 251 sq. yards of asphalt patching on Westbourne Way. These sections of streets were selected based on the cost of repair, the condition of the streets, the amount of traffic on these streets and the amount of funds available.

Other areas of street repair that were included in the bids could not be completed at this time because of a shortage of funds.

There are many sections of our streets in need of repair and there are two major issues with doing them in addition to the funding. The first is our streets lack

ROAD REPAIRS HAVE BEGUN (CONT'D)

proper base material beneath the asphalt and the second issue is storm water run-off drainage. There are a lot of holes and low spots in the streets where it is visible that the base material is being forced out from underneath the pavement to the sides (pumping). Also, on many other sections the pavement is too deteriorated to just overlay it with more asphalt. These areas need to be dug out, removed and replaced. This a result of the 6 years when we had no maintenance (patching and sealing) done. As for the drainage, most of the streets aren't crowned properly. There are too many places where water drains onto and across the street instead of off of it like it should, because there's no ditch on the uphill side of the street and there were no culverts installed under many driveways parallel to the street. Bids obtained to repair and re-pave all the streets (with the exception of Walnut Ridge which has already been re-paved and a re-paved section of Westbourne Way) quote a cost of over \$1 million. This does not include the cost of correcting the water run-off issue. Because it is impossible at this time to raise enough money for the full re-paving of the streets, the best option is to provide sections of asphalt repair and patching on the streets as funding becomes available.

The timing of the next phase of repairs and the amount that can be done will depend upon whether or not the assessment fees are increased and the collection rate of the billed assessments.

STREET NAME SIGNS

In response to multiple requests from subdivision lot/homeowners for street name signs to be put on every street in the subdivision, the trustees have been contacting sign companies for bids. It is estimated the cost to do this for materials (signs and posts) is about \$2,000. This would not include installation services. The trustees are considering soliciting volunteers to assist with the installation of these signs. Depending upon the cost for installation and the amount of funding available at the end of winter, this project could possibly take place in spring 2012.

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2011 ASSESSMENT BILLING



The 2011 assessment billing is scheduled to be mailed the last week in October. The assessment fees will be due by December 31, 2011. The collected assessments from this billing will be utilized for the payment of any needed snow removal services this winter; therefore, your prompt payment is needed. Any remaining funding at the end of the winter will be used for other subdivision needs.

COLLECTION OF PAST-DUE ASSESSMENTS

Past due assessments are in the process of being turned over to the subdivision attorney to begin the legal collection process. In addition, the trustees are soliciting collection agencies for quotes to provide on-going past-due assessment collection services. If you owe past-due assessments and want to avoid being put into the legal collection process that will include late fees and added legal fees, please contact the trustees to set up a payment schedule as soon as possible. Payments must be received as agreed upon to prevent collection through the attorney and/or a collection agency.

UNBILLED ASSESSMENTS FOR '04-06'

The final back-billing of assessments to include the years 2004, 2005 and 2006 is scheduled for mid-spring 2012. This billing will only apply to those who owned lots and/or homes in Hermitage Hills during these years. It will complete the back-billing of assessments for the six years in which the association was barely active and no assessment billings were issued to the lot/homeowners.

Although the new Board would have preferred not to collect unbilled assessments for the years in which the association was barely active, they do not have a choice. This is because some assessments were collected for these years through property sale closings. (Part of the process a title company is required to do during a closing is to make sure all the assessments are paid up to date.) This money was used by the previous sole trustee to provide some snow removal services, lake maintenance and a few road repairs.

There were also two road agreements made during that time in which there were some property owners

UNBILLED ASSESSMENTS (CONT'D)

who paid for repair of their streets and the money they paid was applied as a credit toward their assessments during these years.

Because the previous Board was not completely inactive with some assessments collected and some services provided, forgiving the unbilled assessments could cause claims for refunds by those who did pay assessments for those years through closings or the road agreements. In addition, the property owners did receive some snow removal services, lake maintenance and road repairs during those years (even if minimal) and therefore, are required to pay the assessments.

TWO TRUSTEES NEEDED



This past week, Mr. Donny Amos officially resigned from his position as trustee. He chose to serve a one year term which had ended in August. We would like to thank him for the work he did during the past year which was instrumental in getting the subdivision association re-established and making improvements in the subdivision.

With his resignation and the amendment being approved that allows for a fifth trustee, we are now looking for two volunteers who would like to join our team. These two trustees will be appointed by the current trustees. The requirements to be a trustee are:

- 1) Lot/homeowner resides in Hermitage Hills
- 2) 21 years of age or older
- 3) Computer literate, including use of e-mail. Working knowledge of Microsoft Word, Excel and/or QuickBooks is also helpful.
- 4) Can contribute approximately 5 hours per week in addition to weekly Monday night trustee meetings (eventually less time will be required as the association becomes more established).
- 5) If selected, all his/her assessment fees will need to be paid up to date

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TWO TRUSTEES NEEDED (CONT'D)

Those lot/homeowners interested in becoming a trustee should submit the following information to us by e-mail or regular mail.

- 1) Name, address, phone no., and e-mail address
- 2) Main reason for wanting to be a trustee
- 3) Skills or abilities

We will select four candidates from those who submit this information and invite them to meet with us. It is our hope to have the additional trustees selected by the end of the year.

NEIGHBORHOOD WATCH COORDINATOR



The neighborhood watch program coordinator has resigned and a volunteer is needed to take on this responsibility.

This program is currently inactive for Hermitage Hills. Anyone interested in overseeing this program should contact the Board of Trustees. If no one volunteers to do this, the neighborhood watch program will remain inactive.

BRUSH CLEAN UP PROJECT



There is a lot of brush overgrowth around the streets in the subdivision which is causing the already narrow streets to be even narrower in areas. It is also creating limited visibility around some turns which is causing a safety hazard. There is not enough funding at this time to hire a professional landscaping service to remove this brush; therefore, we are asking for volunteers to participate with us in a "brush clean up" day.

We will need the volunteers to bring their own weed eaters, cutting shears, hedge trimmers, small chain saws or other types of equipment they can use to help in removing this brush overgrowth. If you would be willing to participate, please send us your contact information. It is anticipated this project will take place sometime in November.

PLEASE TAKE CARE OF OUR SIGN



The entrance sign belongs to the subdivision and should not be used for posting personal signs, balloons, etc. This includes signs for garage sales, services offered and lost or found pets. Please take care of the sign by not attaching anything to it. Also, please be courteous and remove any signs you post near the entrances in a timely way. THANK YOU!

REMINDERS

There is a Jefferson County ordinance against pets running loose without supervision. This law requires that your pets remain on your property. Anyone may report a loose dog or other pet by calling Animal Control at 314-797-5577.



To contact the Jefferson County Sheriff's Department for a non-emergency:

call 636-797-9999

NEWSLETTERS BY E-MAIL

If you can receive newsletters by e-mail, please submit your name, home street address or lot no. and your e-mail address to our trustee e-mail address. This will save on our expenses for postage, paper and printing. The next newsletter will go out in January.



HOW TO CONTACT US

You may contact us by e-mail at: hhtrustees@hermitagehills.net or by regular mail at P.O. Box 426, Fenton, Missouri, 63026.

WEBSITE

Additional information, including minutes from the trustee meetings can be found on the subdivision website at www.hermitagehills.net.

