

HERMITAGE HILLS SUBDIVISION

TRUSTEES NEWSLETTER

October 2012



To: All Owners/Residents of Hermitage Hills Subdivision
 From: Board of Trustees – Lynn Daugherty, Tim Davis, John Linsenbardt, Dan McKean, Holly Tichy

NOTICE OF GENERAL/VOTING MEETING

for Hermitage Hills Subdivision
 Homeowner’s Association
 Wednesday, October 24, 2012
 7:00 p.m. – 9:00 p.m.

Check-in begins at 6:30 p.m.

Rockwood Summit High School

(In the Commons area located just inside the main front entrance to the high school)

1780 Hawkins Road
 Fenton, MO 63026

The meeting will include a presentation from the HOA Board of Trustees regarding budget information for 2012 and 2013 and voting items being submitted to the lot/homeowners.

FALL IS HERE!



Happy Fall to you and your family! We hope you enjoyed the Summer in spite of the extremely high temperatures. Unfortunately, because of the heat we were unable to complete the neighborhood projects that were

planned to take place over the summer. It is our hope they can be completed in the next couple of months.

FALL SUBDIVISION PROJECTS

Street Name/Stop Sign Installation

In follow-up to the last newsletter about the street name and stop sign installation in the subdivision, the trustees have purchased the signs, u-channel poles and tamper-proof hardware needed for the project. This decision was made because street name signs are required by ordinance of the fire department and other emergency services and stop signs are needed for safety. In addition, there were multiple requests from lot owners to have them installed. The total cost including shipping was \$2,895.65. This was



SUBDIVISION PROJECTS (CONT'D)

Street Name/Stop Sign Installation (Cont'd)

paid with some of the leftover funds allocated for snow removal last year.

To save on installation costs estimated at an additional \$2,000, we are planning to provide the labor ourselves with the help of volunteers. The date for the sign installation project has been set on Saturday, November 3, beginning at 9:00 a.m.



We plan to rent a Bobcat with an auger to dig the holes for the u-channel poles and would like to organize 2–3 crews of volunteers consisting of 2–3 people each. One crew will use the Bobcat to dig the holes and the other 1–2 crews will install the poles and set them with concrete. If your home is near where a sign will be installed, you may get a knock on your door with one of us asking to use water from your hose for the concrete. If you can help with this project, please contact us as soon as possible.

Concrete Pothole Patching

An assessment of the potholes on our roads that could be repaired with concrete patching and the amount of concrete needed was done. However, this project has been cancelled, because the potholes will be filled with asphalt as part of the road repairs being done by a contractor. These repairs are scheduled to begin on October 11.



Brush Clean-Up Day

Instead of organizing a Brush-Clean Up Day, the trustees rented a push behind 25” brush cutter in June and the Board Chair, Mr. Linsenbardt, used it to clear the brush from the area under the lake dam, around the entrance sign, on the top of Hermitage near the entrance and on the hill of High Cliff. The cost of rental and gas for the cutter totaled \$92.19.

We are hoping to add brush cutting along the subdivision streets to the contracted landscaping services for common ground maintenance in the future.

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2012 ROAD REPAIRS

Road repairs this year are again being funded by the collection of back assessments and remaining snow removal funds. If the new indentures are not approved, there will be ZERO funds for road repairs in the foreseeable future. A standardized bid request for asphalt repairs was developed and mailed to several asphalt companies, including some recommended by lot owners. Bids were received and the trustees selected the contractor with the lowest bid for the most amount of work that could be done with the \$15,000 available in the HOA budget for road repairs. The areas to receive asphalt repair include Timberside between the entrance at Saline Road and Waybridge, an area of Westbourne Way behind the lake and several potholes throughout the subdivision. The repair work was scheduled to begin on October 11, 2012.

ROAD CLOSURE

The asphalted section of lower Summerland Dr. between 717 Summerland Dr. and Westbourne Way is severely deteriorated with large holes and presents a safety hazard and liability issues for the subdivision.



Because of lack of funding to repair this section of road, the trustees decided to close it with barricades. The Springdale Fire District Board approved the closure with a two year variance to allow necessary time for Hermitage Hills to raise the money for proper repairs to the road and make it accessible by county emergency vehicles. It is not safe for emergency vehicles to travel on it in the current condition. The road closure began on October 6, 2012 and will remain closed until funding is available for the repair.

COMMON GROUND MAINTENANCE

The trustees hired a landscaping service contractor this year to provide mowing of the common ground area around the lake and have now added trimming around the entrance sign to the service.



The contractor damaged his equipment trying to mow the area below the dam because of the deep ruts and uneven ground. He will not mow this area again until it is repaired. The repair to the ground will require adding dirt to the ruts and then leveling it out. This project will be started after other priority projects have been completed and funding is available.

ENTRANCE SIGN MAINTENANCE

The subdivision entrance sign was power washed and re-painted by Mr. Linsenhardt (Board Chair) in July at a cost of \$47.25 for the paint and supplies. We would like to thank him for a GREAT job and doing this in the extreme heat of summer!

PLEASE TAKE CARE OF THE ENTRANCE SIGN by not nailing, stapling or taping any signs or anything else to it.

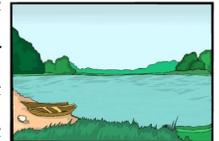
In addition, please do not put stakes with signs on them into the dirt inside the stone box under the entrance sign. There is plastic ground cover in it under the wood chips to prevent weed growth. Any holes poked in the plastic will allow weeds to come through. You may put these signs with stakes in the ground in front or on the side of the stone box.



ANY SIGNS ATTACHED TO THE ENTRANCE SIGN OR PUT IN THE STONE BOX WILL BE REMOVED AND THROWN AWAY.

LAKE MAINTENANCE

The trustees would like to thank the volunteer resident who has been doing a great job of maintaining the lake by applying the lake dye and algaecide purchased by the HOA. The lake and common area around it are available for use by all lot owners of Hermitage Hills; however, the following restrictions are to be followed:



- No unauthorized vehicles allowed on the common ground areas, including cars, trucks, 4-wheelers, motorcycles, dirt bikes, and mini bikes.
- No gas powered passenger watercraft allowed on the lake. Electric trolling motor watercraft are allowed.
- Small, gas powered and radio controlled (RC) non-passenger vehicles are allowed on the lake and common ground.
- No swimming allowed in the lake.
- No littering of trash on common ground or lake.
- No camping or fires allowed on common ground.

VIOLATORS WILL BE PROSECUTED AND FINED FOR ANY DAMAGE THEY CAUSE TO THE LAKE OR COMMON GROUND AREA.

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SALINE ROAD CLEAN-UP DAY



The Friends of Hermitage Hills Adopt-a-Road group has set October 20th for their Fall Clean up Day to pick up trash on Saline Road. **Volunteers should**

meet at Hermitage Hills Baptist Church at 9:00 a.m. In case of rain, the date will be moved to October 27, 2012 (same time and same place).

Your participation in this subdivision volunteer project will be greatly appreciated!

TRUSTEE SECRETARY NEEDED

The trustee secretary, Lynn Daugherty, has submitted her resignation after two years of dedicated service to the Board. She has agreed to continue as secretary until a replacement trustee can be put into office.



The requirements for this position are the person be a lot owner and at least 21 years of age. The person needs computer skills including Microsoft Office (Word and Excel) and the ability to correspond by e-mail.

If you are interested in serving as a trustee, please contact the Board of Trustees as soon as possible.

FALL SUBDIVISION VOTING MEETING

The next subdivision voting meeting is scheduled on Wednesday, October 24, at 7:00 p.m. and will take place at Rockwood Summit High School. **PLEASE PLAN TO ATTEND.** The official 30-day meeting



notice was mailed a few weeks ago which included an absentee ballot for those lot owners who will be unable to attend the meeting to submit their votes. The absentee ballots have to be mailed with a postmark **no later than the meeting date of**

October 24, 2012 for them to be included in the counted ballots.

VOTING ITEMS

The items being submitted for a vote and an explanation of each are as follow:

Item 1— New Subdivision Indentures

The trustees would like to thank all of you who have supported the Indenture re-write process and those who attended the meeting to discuss the drafted indentures on April 23, 2012. We are now asking for your help in approving the final version of the new subdivision indentures which incorporate the suggested changes submitted by the lot owners to the first drafted copy discussed at that meeting.

The old indentures were out-dated, no longer served the needs of the subdivision and were a hindrance rather than a help. The new indentures have a series of checks and balances the old set did not, including trustee elections, the recall of trustees elected, subdivision-wide budget approval votes, and a simplified process of making changes to the new indentures as they are needed.

In addition, the new indentures have a unique two tier assessment process that includes both an administrative and street maintenance assessment. The administrative assessment will cover all property owners equally and will cover the administrative costs of the subdivision such as insurance, legal fees, and common ground maintenance. The street assessment will cover only those properties that benefit from the use of the streets maintained by the Hermitage Hills HOA and will pay for snow removal, and street repairs. This way, the property owners aren't charged for services they don't use.

The trustees believe the new indentures will be a great leap forward in improving our subdivision. They will make it much easier for the trustees to operate the business of the subdivision but at the same time prevent the trustees from abusing their position.

A copy of the final draft of the indentures was mailed to all lot owners. If for some reason you did not receive it and need a copy, please let us know.

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VOTING ITEMS (CONT'D)

Item 2—Administrative Assessment and Budget

The Board of Trustees has developed a proposed budget for 2013. If the new indentures are approved, the Board would like to propose the 2013 Administrative Assessment be \$50.00 per lot. The HOA would collect \$19,450.00 at 100% collection rate. Any funds remaining from 2013 will be carried over to 2014 and would be in consideration for 2014's budget. If the indentures are approved, but the proposed \$50/lot is not approved by the lot owners, the budget outlined below will be dramatically reduced in order to remain on budget with the "no less than \$25/lot assessment" covered in the new indentures. If the new indentures are not passed by the lot owners, the \$0.65 per linear front foot would remain in place and both the Administrative and Street Assessment Budgets will be drastically reduced to remain on-budget. The Board would like the lot owners to realize this would mean there would be no road repair and only MINIMAL snow removal.

<u>EXPENSES</u>	<u>Year-To-Date (9/14/12)</u>	<u>2013 Administrative Assessment Budget</u>
Legal Fees	\$3,500.00	\$2,000.00
Legal Judgment	\$6,800.00	\$6,350.00
Office Expenses	\$1,182.53	\$1,200.00
Website	\$321.77	\$0.00
Postage	\$761.60	\$1,200.00
Street Lights	\$131.43	\$150.00
P.O. Box	\$76.00	\$80.00
Miscellaneous	\$741.02	\$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	\$293.64	\$400.00
Emergency Fund (10% of Admin. Budget)	\$0.00	\$1,598.00
Refund	\$195.00	\$0.00
TOTAL	\$15,944.76	\$17,578.00

VOTING ITEMS (CONT'D)

Item 2— Administrative Budget (Continued)

Legal Fees

The HOA has spent \$3,500 YTD in 2012, with most of the expense for the re-write of the indentures. The Board would like to leave \$2,000 in the 2013 budget for legal representation.

Legal Judgment

The payment for the legal judgment against Hermitage Hills from NB West was \$6,800 in 2012. The payment will be \$6,350 in 2013.

Office Expenses

This category includes the printer, ink, paper, and envelopes required by the Board.

Website

The expense incurred in 2012 was for a 2 year renewal, so there will be no cost in 2013.

Postage

For 2012, there will be more spent on postage to send out a fall newsletter, accounts statements, 2012 Assessment Billing, and General Meeting notice. For 2013, we are planning on 2 newsletter mailings, a 2013 assessment billing, past due billings, general meeting notice, and potentially information regarding the NID.

Street Lights

To pay for the street light at the entrance on Hermitage Dr. The Board would like to add additional street lights throughout the subdivision, but this project is not planned for 2013.

P.O. Box

Budget to pay for the HOA Post Office Box.

Miscellaneous

In 2012, the Board used this budget to rent a brush hog to clear the common ground area by the dam, paint supplies for the entrance sign, registration with the Secretary of State, and (2) Type III Barriers to close a section of Summerland Dr.

Insurance

The subdivision has to have liability insurance.

Lake Maintenance

The subdivision applies minimal chemicals to maintain the lake.

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VOTING ITEMS (CONT'D)

VOTING ITEMS (CONT'D)

Item 2—Administrative Budget (Cont'd)

Common Ground Maintenance

The Board has selected Pro-Care Landscaping to maintain the common ground areas on Hermitage Dr. and Westbourne Way. In 2013, there will need to be some repair done below the dam so this area can be maintained by the landscaping company. This budget will allow all 3 common ground areas to be maintained and to repair the area below the dam.

General Meeting

The Board will host 1 General meeting in the fall of 2013. This budget covers facility rental, hiring a police officer for security, and legal fees if the subdivision lawyer needs to be present.

Emergency Fund

Currently, there is ZERO emergency budget. The Board would like to put 10% of the Administrative Budget aside to slowly build an emergency fund.

Refund

In 2012, there was a mistake on the charges at one of the seller closings. The HOA had to deposit the check and then refund the amount back to the seller.

Item 3— 2013 Street Assessment and Budget

The Board of Trustees has developed a proposed budget for 2013. If the new indentures are approved, the Board would like to propose the 2013 Street Assessment be \$100.00 per lot. This Assessment would only be applied to the lots that access roads in the subdivision and receive the benefits of the street repair, maintenance, and snow removal. This assessment would not apply to lots located outside of the subdivision without subdivision road access that are located on Lazy Oak Dr., Timber Ridge, and Saline Rd. The HOA would collect \$32,600.00 at 100% collection rate. Any funds remaining from 2013 will be carried over to 2014 and would be in consideration for 2014's budget. If the indentures are approved, but the proposed \$100/lot is not approved by the lot owners, the budget below will be dramatically reduced in order to remain on-budget with the "no less than \$50/lot assessment" covered in the new indentures. If the new indentures are not passed, then the \$0.65 per linear

Item 3—2013 Street Assessment and Budget (Cont'd)

front foot would remain in place and both the Administrative and Street Assessment Budgets will be drastically reduced to remain on-budget. The Board would like the lot owners to realize this would mean there would be NO road repair and only MINIMAL snow removal.

<u>EXPENSES</u>	<u>Year-To-Date (9/14/12)</u>	<u>2013 Street Assessment Budget</u>
Road Repair	\$99.66	\$17600.00 (estimated)
Snow Removal	\$2,050.00	\$10,000.00
Neighborhood Improvement District (NID)	\$0.00	\$5,000.00
Total	\$2,149.66	\$17,600.00

Road Repair

The Board of Trustees will use any remaining funds after snow removal and expenses related to creating a NID (Please Reference the Voting Item #4 - NID Program Project) to make on-going repairs on the subdivision roads. The Board takes in consideration the cost and the amount of traffic using an area of road when selecting the areas to repair.

In 2012, the Board will have spent a little over \$15,000 for asphalt repair of the subdivision roads when the current project is completed.

Snow Removal

In 2012, the HOA spent \$2,050 for snow removal. The winter of 2011-2012 was extremely light and did not require much snow removal. The Board also spent more time selecting a contractor that is providing a better rate than the contractor in 2010-2011. With that in consideration, the Board has decided to budget \$10,000 for snow removal for the 2012-2013 season. Any funds left over from Snow removal will be used for road repair or other projects.

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VOTING ITEMS CONT'D

Item 3—2013 Street Assessment and Budget (Cont'd)

Neighborhood Improvement District (NID)

The Board would like to set aside approximately \$5,000 of the Street Assessment Budget to pay for an Engineering study as a preliminary step towards creating a Neighborhood Improvement District. (Please reference Voting Item #4 - Neighborhood Improvement District Program Project below for additional information.) If this item is not approved, the funds will be applied to snow removal and road repair.

Item 4—Neighborhood Improvement District Program Project

This item is not a vote to actually form a NID. It is simply a request to allocate some of the road repair funds to perform a required preliminary step in the NID process.

The purpose of the study is to have a civil engineering firm determine the estimated funds we would need to upgrade and repair our roads to a level that would allow us to simply perform routine maintenance (sealing) on them, rather than constantly patch and repave them. Even if the NID is never formed, the subdivision will need this information to form a long range road maintenance and repair plan for our roads.

Overview of the NID program: The Missouri NID Program was designed to provide a practical, flexible and responsive tool to finance public infrastructure in response to citizen needs. Simply defined, a Neighborhood Improvement District (NID) is a geographically defined area within which certain public improvements are financed by the local governmental entity (either city or county) through the issuance of general obligation bonds. These general obligation bonds are then paid through special tax assessments imposed on the owners of real estate property in the NID area by either the City or County. The basic premise of NID financing is only those who benefit from the financed improvements pay for the improvements. The contracts, bidding, completed work acceptance, etc. are all handled by the county once the NID is established.

VOTING ITEMS CONT'D

Item 4—Neighborhood Improvement District Program Project (Cont'd)

The cost to repair all of the subdivision roads to an acceptable level and pave the roads currently gravel is more than can be raised through reasonable annual assessments. Because we estimate it would be 10-15 years to adequately repair and upgrade all of our roads, we are considering establishing a NID for this purpose.

In addition to the road repair, the funding available from Jefferson County as a NID could be used to resolve the storm water drainage and run-off problems in the subdivision through the installation of curbing and a storm sewer system. The cost to repair the streets alone is estimated to be over \$1 million. It is unknown what the exact cost would be for the street repairs and the storm sewer system until an engineering study is done.

If the NID financing is approved for this project, only the lot owners in Hermitage Hills Subdivision who will benefit from these improvements would be billed a special tax assessment through the County as part of their annual real estate property taxes to re-pay this debt to the County. (This would exclude lots located on Saline Road). It is estimated this tax assessment would be billed each year for 15 - 20 years. The amount of the tax assessment will be determined by the total cost of the project and the number of lot owners included in the NID.

This voting item if approved, will allow the trustees to use funds allocated for road repairs in 2013 to obtain the engineering study and legal assistance needed as a preliminary step to establishing the NID. This money would be refunded to the subdivision by the County if the NID process is completed and paid for by the NID property tax. The estimated cost of the engineering study is \$5,000. If it is not approved, the trustees cannot move forward with the NID funding option and must consider another funding source or higher road assessments.

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ASSESSMENT BILLING FOR 2012 and 2013

The 2012 assessment invoices will be billed on the current front foot rate and will be mailed the first week of November. Payment will be due by December 31. Beginning in 2013, the annual assessment bills will be mailed at the beginning of summer rather than late fall. The trustees hope this will make it easier on the lot owners by not having the assessment cut into their Christmas and annual taxes budget.

We are finished migrating to the new accounting software program for the assessment billings. The 04-06 assessment invoices mailed in May used the new program with a new invoice format. In addition, an assessment statement with copies of all paid and unpaid invoices were mailed to the lot owners in September which show account activity since the new Board began working in 2010 and the current balance on the accounts. Because information from the old system was manually entered into the new billing system, there may be inaccurate information shown on your account statement. If the balance due is incorrect, please contact the trustees immediately to prevent an incorrect past due assessment from being turned over to a collection agency. Please report other inaccuracies as well so we can correct them.



We have contracted Consumer Collection Management, Inc. (CCM) to provide collection services on delinquent lot owner assessment accounts. Once the account is turned over to them, payment arrangements have to be made with them rather than the trustees. If lot owners with delinquent accounts do not respond to the collection efforts of CCM, the delinquency will be reported to the Credit Reporting Bureaus.

Effective immediately, the assessment billing and collection procedure is:

- 1) All lot owners receive an invoice for the current year assessment. The payment is due in 60 days.
- 2) All lot owners with an outstanding balance on their account after the 60 days will receive a past due statement with a final due date. If the Trustees have not been contacted by the lot owner to set up a payment

ASSESSMENT BILLING (CONT'D)

plan or the account is not paid in full by the final due date, the account will be turned over to CCM who will handle it from there. The 2012 assessment billing will be handled with the new policy.

REIMBURSEMENTS TO LOT/HOMEOWNERS

Recently the trustees have received requests for reimbursements from lot owners who purchased materials to repair potholes in the roads without consulting the trustees for approval. Because the trustees have to maintain a balanced budget of the HOA funds, they cannot refund or give credit towards assessments to residents for materials purchased for subdivision improvements without pre-approval by the trustees prior to the purchase. Approval will depend upon the proposed cost of the materials, the type of repair being done and available funding.



REMINDERS



Jefferson County Sheriff's Department
Non-Emergency No: 636-797-9999
Emergency No: 911

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.

NEWSLETTERS BY E-MAIL

To 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 expenses for postage, paper and printing.



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 hermitagehills.net.