

# DEERWOOD PARK HOA MEETING

OCTOBER 19, 2019

## HOA BOARD MEMBERS

Terry Morton, President – present  
Wayne Saxon, Vice President – present  
Maria Trujillo, Secretary/Acting treasurer – present  
Mary Prados, Treasurer – resigned- absent  
Vivien Valdes-Fauli, At Large – absent due to surgery

### CALL TO ORDER

Meeting was called to order by the HOA president. Attendance was recorded and a quorum was established.

Everyone in attendance received a package of information to follow thru the meeting. All members of the Board present were introduced by the president. Vivien Valdes-Fauli was absent due to recent back surgery.

Motion was made to approve 2018 HOA meeting minutes. Motion made and passed unanimously and minutes approved.

A brief synopsis was given by the president of the Board's past year's focus on:

1. Overdue Invoices called "Aged Receivables" are invoices that have not been paid. We have been very successful in collecting those and will continue to focus on these in order to bring the uncollected \$\$ to zero.
2. Inccorrec Contact information --Probably the root cause of why we have aged receivables. When we lose contact with the owners we don't have the information we need to send invoices to them. A lot of time and effort has been taken by Mary, Maria and myself to reconstruct all the files dating back to 2015 in order to get the data we felt comfortable with and update addresses in order to bill accurately. Those two pieces of information make this job very easy or very hard and it also impacts our income drastically.
3. In 2018/2019 we have really focused on our roads and maintenance in the area. We had some additional income coming from those Aged Receivables which we have applied to permanently fix a lot of the erosion problems. A lot of water comes down the mountain and across our roads. We've had roads completely washed out to the point there is no sub surface area and had to be rebuilt. Thanks to Wayne's leadership and the road staff we have focused on those areas that have continued or are

repetitive problems. Action has been taken to ditch, grade, and change the roads so we won't continue to have to spend money every single year on these roads.

**Please note: All pages in the handout package cited below will be posted on the website for reference**

## **FINANCIALS (Terry)**

The September 30<sup>th</sup> income/expense sheet (pg. one in handout packet) reflects the moneys we should be getting not what we are actually getting. As of September 30<sup>th</sup>, 2019 we had an income of \$121,873.00. As of today, we have a bank balance of \$26,087.00. Between now and the end of the year we will resume our normal activity. We should have around \$20,000.00 at the end of December. There are still a number of items to pay including our taxes, our credit cards and the expenses we normally have including some bills for box blading, tree removal etc.

Balance sheet of our Assets and Liabilities is found on page 2 of the packet. This is a detailed information of the list of land parcels that the HOA actually owns and a breakdown of our expenses. This doesn't change very much from year to year. The association owns two lots 23 and 24 in the Enclave. These lots are not suitable to build on or sale. There is an easement associated with lot 23. If they ever build in lot 9 in the Enclave, they will have to use lot 23 for their septic tank drain line.

Next three pages on the packet (3, 4 and 5) contain information that as a homeowner you need to monitor from year to year. The information contained will help you be aware how well the Board is performing with the finances.

First, on page 3 we wanted to reflect exactly where our income comes from. We have a total of 68 homes (\$500 dues each) and 164 vacant lots. Of these 13 are combined lots a/k/a as grandfathered lots. ( What this means is that owners had an option before the HOA took over to combine their lots into one and it impacted their dues. Once the HOA took over it was agreed that combining lots for the purpose of HOA dues would not be allowed. You may combine lots for tax purposes but not for HOA dues purpose.) Subtracting the 13 combined lots and the 2 HOA owned lots, leaves us 149 billable lots (\$450 dues each)

Therefore, on page (3) you can see that we have a Possible Income of \$101,050.00. We are averaging about \$5,000.00 in uncollected dues every year. Thus, we have an estimated Annual Income of \$96,050.00. Unless we do a special assessment, raise dues, people donate money or more people pay, that is going to be our average income each year.

NOTE that, in 2017 the HOA agreed to contract a local certified accountant. An independent accounting firm was hired who will keep HOA member contact information and invoice status current regardless of how the boards change. This action will prevent losing important billing data/information every time we change boards as has occurred in the past.

Page 4 reflects all the age receivables since 2017. In other words, people who have not paid. After an extensive reconstruction of HOA contact information and invoice status, we began rebilling, sending lien letters, and filing liens. These efforts have resulted in collecting unpaid invoices such that we are now down to \$8,231 in uncollectable dues. We have 4 uncollected invoices that we are working on, including 2 foreclosures.

Page 5 reflects End of Year Funds (Bank Account Balance on December 31). Every Board should have a carryover fund of \$20,000 to \$22,000 at the end of the year to cover expenses January thru May of the following year. We have a fiscal year of January thru December but we have an Income year of June to June. The year-end amounts from 2014 thru 2019 were discussed. Each year since 2014 (except special assessment years), the end of year balance has been declining because of uncollected receivables going up and increased expenses. We will discuss these items more in the last session today.

## **MAINTENANCE (Wayne)**

All the general maintenance items are found on page 6 of the handout. We had odd weather this year. Last year we had 20" of snow. We usually have an average rain fall of 58". This year we had close to 100".

Most of the road work in the community has been permanent fixes. The roads/ditching repairs are holding up. Working with the contractor we identified the areas that were in greater need of repair and we did those first. The Enclave has received special attention because it is the lowest point in the community and all the water basically goes downhill, damaging and washing out the roads. The rushing stream water washed around the culverts and part of the road was also washed out again this year and needed to be repaired. There are still some areas we need to work on in the Enclave and it will be done next year when money is available. In some of the cul-de-sac areas throughout the community water was not able to go thru the culvert therefore; it was going around it causing the roads to wash out. A lot of money was used to rock the areas in the ditches to allow the water to flow without significant erosion. The work has paid off. Horse trail road, a frequently traveled road connecting Deerwood to the Enclave, had a section of road bed that washed out and it was expensive to fix.

On page 7 and 8 of the hand out you will find a chart of projected road work needed, what the estimated cost will be to get the work done and the projected year by priority.

The amount of money allocated yearly for the road maintenance is not enough to meet the needs of the ongoing road maintenance caused by the wear and tear and inclement weather events. We are going to have to re-gravel, box blade, and snowplow yearly as the money becomes available.

## **SECRETARIAL (Maria)**

New members of the community were welcomed. Mr. and Mrs. Davidson of Mountain Ridge Road and future residents Mr. and Mrs. Richard Happy of the Woodlands. A special thanks to Judi Morton, Lana Saxon, Cindi Boyd, Mercy Robayna and Jesus Trujillo, members who volunteered to help out with the preparations for the meeting. Thanks to our photographer Rafael Robayna for taking pictures of the event. A special recognition to Jerry and Chuck who made DWP Rock Creek entrance safer by cutting bushes that were obstructing the view and to Jerry for donating and installing the look-out mirror across the road. And last but not least Cookie and Abe Rodriguez for donating a new swing to the gazebo located in Deerwood Park. We want to thank everyone for keeping your communication info updated. We have together accomplished a perfect communication roster. All communication is via email. It's important that you keep us informed of any changes in address, email or phone.

A special thanks to Rhythm Expression cloggers for once again entertaining us with their magnificent energetic performance.

New this year..Wooly Worm Race! Those cute fuzzy worms that supposedly predict the winter weather. Winner gets the pot!

## **SPECIAL ISSUES UPDATE AND VOTE (Terry)**

Court case is still pending on Enclave lot 9. The original owner we took to court "quick-deeded" her property to a new owner. A joinder has been placed on the new owner which means no construction will be allowed on this property until court case is resolved.

Horse Trail pond was deeded to the HOA in 2008 as an item in our common spaces deed from the developer. In 2010 the adjacent property, lots 15 and 16 went in foreclosure by BB&T. When the property was sold the pond was taken away from the HOA and included as part of the property (lots 15, 16) and resold. Four or five HOA members were sent notices that the foreclosure was occurring. No one officially received the notice except Dan Murray who was the attorney on record representing the DWP HOA at the time. It appears that he failed to notify the members of the HOA Board; therefore, there was no representation from DWP or Mr. Murray in that foreclosure action.

We are pursuing the return of this pond to the HOA. We have contacted the Bank involved; BB&T and we have contacted the owner of the property requesting the pond be returned to the HOA. No responses to date.

We have some errors in the restrictions that we would like to amend. On page 10, paragraph e. it reads "all construction must be completed within a reasonable time, in any event not less than 18 months." It should be not greater than 18 months.

**MOTION MADE:** Change the restrictions on page 10 paragraph e to read "all construction must be completed within a reasonable time, in any event not greater than 18 months. Motion seconded and passed unanimously.

In the bylaws item VIII.g reads .... "Cause the Common Elements and if and when appropriate pursuant to Article VI of the Declaration, cause.... The Article VI does not exist in the Declaration and is an error and therefore should be removed.

**MOTION MADE:** Revise Article VIII. g of the bylaws to remove the words Article VI of .... Motion made and Seconded and passed unanimously.

In the 2018 HOA meeting the Board was asked to submit a discussion and recommendation on any increase of dues since a special assessment was needed. Deerwood Park HOA – Budget 2008 (~\$101,000) Page 12 and 13 of the packet was introduced and thoroughly discussed. This budget was then compared to the current 2019 budget, page 14 and 15 showing the income has decreased, expenses have increased, and there has never been a dues increase since the HOA was formed, but there has been two special assessments recently of \$150 (2016) and \$125 (2017/18). The present fixed expenditures each year only leaves about \$8,500 for all yearly basic road work, road projects, and has no monies for any contingency items or inflationary costs increase, etc. Basically, routine road work such as adding gravel and fixing reoccurring erosion has been treated as a discretionary item and often very little or no monies exist for these items. The Board recommended that the 2020-2030 budget be revised to add \$18,240 for basic road maintenance, \$4,500 for road, etc. projects (on project summary table) and ~\$4,000 for yearly contingency funds. This would require a budget increase of ~\$18,000 for a new budget of \$119,000. A recommendation was made by the Board to increase annual home (68) dues by \$100 to \$600 per year and increase lot (149) dues by \$75 to \$525 per year. This would provide an additional \$17,975 per year.

**MOTION MADE:** Dues increase of \$100 per home and \$75 per lot. Motion seconded. Motion passed by a majority vote.

The new elected board members are: Shailim (Cookie) Rodriguez and Maria Trujillo

**MOTION MADE** to close meeting. Motion seconded. Motion passed unanimously. Meeting adjourned at 1:30 P.M.