

DEER RUN HOA 7A – Board Meeting

Tuesday, March 13, 2018

Board Members / Committee Chairs present: Katie Neylon, Cynthia Greenwald and Betty Spangler

Guests Present: Bill Fulfaro, Adam Fatka, Marcia Diebler and Hector Novoa.

Meeting was called to order by Katie Neylon at 7:30 p.m.

Minutes of the February 13, 2018 meeting were approved as written.

Introduction of Hector Novoa of Community Management Resources LLC by Katie Neylon. Hector attended the meeting in order to identify The Terraces' needs and to see if a property manager could be helpful to the HOA.

Treasurer's Report:

- Betty Spangler, Treasurer, reported: Beginning Balance for February was \$22,356.90, \$720.00 from assessment fees and \$25.00 from Estoppel Fees. Expenses for February totaled \$334.31. There were \$20.00 file and release liens processed on 1420 and 1440 Bridlebrook Dr. Ending Balance for February was \$22,767.59 with all bills paid. Tricon, the company representing 396 Copperstone Circle, paid the assessment on that property.

POA: No report as the meeting was cancelled.

Old Business:

- Bill Fulfaro asked why Diane Lett was not being considered as President. Cynthia stated that Diane is not available to attend our HOA meetings because of her mother's poor health.
- Betty verified that Two Generations is the vendor currently mowing in the easement area.

New Business:

- Hector Novoa presented to the Board and guests what he would be able to provide the HOA, should we decide to contract Community Management Resources, LLC, as The Terraces' HOA management company. Katie, per our last monthly meeting, had volunteered to arrange for him to give a presentation. Hector has been in business for the last 10 years serving multiple communities. Just recently he started managing even smaller communities than ours. He cited a similar community that had little volunteer support that contracted with his firm resulting in a very happy Board. It is his responsibility to learn all the rules and regulations applicable to the Covenants. He asked if the Board had DNO officers insurance (we do not). We DO have a liability policy should someone, as an example, fall off of the outside wall. However, a DNO policy would protect the Board members from being involved in a lawsuit from an unhappy owner/renter who decided to sue because of a dispute. Such a policy would run between \$500 and \$1,500 a year. Without this policy, the Board is taking a huge risk. Every year the state of Florida passes and revises laws applicable to neighborhoods. It would also be his responsibility to keep the Board apprised of such changes. As an example, in July of 2017, Florida passed a statute stating that if a neighborhood had over 150 units, they would be required to have a website with every homeowner having access. Minutes of meetings and all financial reports must be available. In the case of the Minutes, at one point we decided not to post these on the website due to some negative information pertaining to certain residents. Betty will need to have all the Minutes put back onto the website. The cost for our current website annually is \$300. Katie and Adam said that they could build

our own website and that it would be free. We would need a domain (someone hosting this). Hector would also be involved with collections on assessment fees. At this point, Betty is not in need of this service as the number of past due situations is negligible. At the present time we have currently \$10,000 set aside as a contingency in the event of damage to the wall. Hector would provide monthly financials/annual tax information/bank reconciliation, pay the bills, provide cash flow statements, go to the post office, provide notices of the budget, create minutes of HOA meetings, process the taxes, send out rules and regulations to each owner, create a rental policy for owners (if applicable), conduct the actual HOA meetings, distribute welcome letters, deal with the vendors, write up and follow through on Violations, etc. Regarding the taxes, presently we hire a CPA for a minimal amount of cost. Our legal fees are also very minimal wherein the only activity presently is the filing of liens. We would still need a Board and the Board would have a final say on the budget (which is based on the previous year's expenses). In other words, the management company would work for the Board. The contract would be based on several parameters, one of which involves Violations. Some contracts only require checking out properties for Violations every quarter and obviously those contracts would not cost as much as on a monthly basis (along with follow up). Violations would be given out via email or certified mail. The cost for any mailing is between \$2.00 and \$3.00 per address. The HOA would receive a bill for these extras. Hector's recommendation was for the HOA to then charge each owner for these costs, specifically if the mailing is a result of a Violation. He believes that the penalty of the charge would act as a deterrent to the residents. Collecting on these fines was a concern of the Board. If no action would take place on a Violation, Hector would then call the renter or owner (whichever is applicable) with a second warning charging an additional \$25.00. A lien would be placed on the property if no resolution took place. The HOA can choose between a flat fee or a door fee with the HOA being charged between \$5.00 to \$10.00 per door fee for problems. Further, the annual and mandatory 720 HOA budget notices need to be sent out. In this case, the extra cost would be 163 residents X \$2.00 = \$326.00. In a separate mailing, again with the extra cost, some time in October, financials and those nominated for the Board for the following year would need to be mailed out. The contract with Community Management Resources would be determined based on all of the needs of the HOA. The expectation is that up to 20 Violations would be put through per month. It was agreed that Violations is our weakest link. Our annual dues would, obviously, increase to take care of the increase in expenses. Betty stated that at a POA meeting, a representative made a suggestion that several HOAs consider joining together under one management company. There was no further discussion or action.

- Board members agreed to get together to determine the feasibility of hiring such a property management firm.

Violations Committee: No violations were reported.

Architecture Committee: New paint was approved on 308 Copperstone Circle, 1480 Bridlebrook Dr. and 1408 Bridlebrook Dr.

Hospitality Committee: Packets were distributed to 1267 Bridlebrook Dr. and 1413 Bridlebrook Dr.

Other Business: None.

Meeting was adjourned at 8:45 p.m.

Next meeting is scheduled for April 10, 2018.

Respectfully submitted,

Cynthia Greenwald, Secretary