

Huntington Estates HOA - Minutes
October 8, 2019 @ 7:00 p.m.
4th Quarter Board Meeting
Location: Fellowship Baptist Church
3705 N. Monroe Street
Tallahassee, FL 32303

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Members in attendance: John Kellerman, Jordan Pearlman, Barry Kelly, JuDee Dawkins, Pat Page, Rebecca & Greg Moore, Jim & Joan Hoch, Barbara Hudson, Scott Strand

Board of Directors in attendance: Candy Strand, Sam Marshall, Grant Kimball, Wes Robinson, Jon Holtom, Debbie Page, Clay Whitaker. Absent: Terry Maier, Bill Lowman

The meeting was opened by current president Jon Holtom at approximately 7:05 p.m. Jon welcomed members and expressed appreciation on behalf of the board for their attendance. First order of business was to review and approve the July 9, 2019 (3rd Qtr.) Minutes. Sam motioned, Debbie seconded. All 7 directors in attendance, approved.

Committee updates:

Recreation - Debbie: Debbie announced she'd like to recommend another neighborhood potluck be held right before the 2019 General Annual Meeting. Candy agreed to support that via Public Relations, also. Jon asked members what they thought and received positive response to this idea.

Maintenance - Jon: Jon wasn't aware of any immediate concerns, however, opened the floor for anyone present to speak up. JuDee Dawkins expressed concern the speedbumps lost their reflective elements, possibly dangerous to unsuspecting motorists, runners, walkers, and/or bike riders. Spray paint not an option, even temporarily. Warrants consideration, so options will be looked into. Candy mentioned she was aware that Connors' asiatic jasmine was quickly growing back into the road, and didn't know how others felt about that, since "maintenance" had been asked several months earlier to have owner egde vines off the road and kept in her yard/green space. No one had complaint as long as it didn't get as bad as it once was. Jon prompted members to speak up if they had any other issues or concerns regarding maintenance, none expressed, so Jon reminded all to call or email any director if and when they do.

Treasurer - Clay: Expenses for the quarter are same as last, however, there was an Esposito bill that had been paid twice. It was paid quite some time back and inadvertently overlooked by Esposito, so was credited back when Clay was able to verify payment with Esposito. Clay had nothing further to address at this time, will do so when New Business comes up.

Secretary - Candy: Nothing to address until it was brought to Candy's attention that Nick Calabro hadn't been receiving emails from secretary/HOA. Candy did not have an explanation for that at the time, however, she apologized and agreed to look into that. (Follow-up: The next day Candy looked at her group list for homeowners and Nick's email address had somehow been omitted. Candy immediately placed his address back in the group. Accidental, as it was, Candy believes it happened when trying to share addresses with Sam for purposes of reaching out to members for the Nominating Committee one month earlier. Candy's apology!)

Vice-president - Terry: Terry absent. No known topic to discuss or address on his behalf.

Nominating, Audit and ACC report will be addressed accordingly under New Business.

Old Business:

Architectural Control Committee - Jon: Follow-up on guidelines for approvable outbuildings and adopt resolution for same. Jon gave a summary, for the benefit of the members in attendance, with special attention given to new homeowners Greg & Rebecca Moore (also their first HOA meeting), of the importance and need to proceed with adopting this resolution. This has been a popular topic of discussion for many years! Directors serving on the board in 2018 & 2019, have been listening to the members and heard a need for written guidelines, especially to help protect the values of our properties and the integrity of our neighborhood. The last year we have received verbal input from members who've attended these meetings and appreciated their concerns, suggestions and encouragement, to proceed with guidelines and resolution for same. Jim Hoch inquired about giving members a time frame, suggested another two weeks, to allow all members to weigh in on this, since so few members in attendance this evening. Jon informed Jim that in the 3rd Quarter Newsletter emailed to members on record, and mailed to those w/o, members were encouraged to go on to the HEHA website: <http://huntingtonestateshoa.org> and feel free to review proposed county requirements that Clay posted online, and which we'd all agreed was a good starting point for our Association to follow during the July 9th meeting. Also, members were encouraged to give their input, suggestions, or express concerns or objections, in a comment box provided on website and kept confidential with the board. Since that date, we received two positive comments and suggestions through the website. Secretary Strand received one email from a long-time member, supporting detached structures with certain conditions they'd like the ACC to consider. Jon thanked those members for their input! With that, he also explained the procedure he followed when drafting the written guidelines, with the help of Grant, Terry & Wes, who are also on the ACC. Secretary shared some printed [draft] copies for the members and directors to share in reviewing the [draft] guidelines together. Members and directors were given a few minutes to look over this before Jon read it aloud. Members got very involved in a lot of discussion and seemed to enjoy the opportunity to share their recommendations and opinions to a board that was happy to listen to them!

Our gratitude to members JuDee, John, Barbara, Barry, Jordan, Jim & Joan, Greg & Rebecca, Pat and Scott, for your contribution and assistance editing the final draft with the directors for purposes of recording. Jon made a motion to accept these written guidelines for purposes of recording in public records, contingent on the changes discussed and made during this meeting. Candy seconded. All 7 directors in attendance, approved.

New business:

Discussion on dues increase - Jon: Jon had the difficult task of reminding members, again, that our roads are private and we each own the portion of the road to the middle of the street along our property line. The roads were last paved in 1997-1998 and will need to be resurfaced again in approximately 3-5 years. As has been discussed in several of our meetings and shared with our members, the funds required to complete this necessity is not sufficient to meet that financial obligation, which we are anticipating (for practical purposes) in 4 years. The current board regrets this situation, as this was the condition in which we received it from past board, and we are doing the best we can to rectify this matter. Aside from the fact that we are seeking all measures legally possible for collecting dues in arrears, cutting overhead expenses, and placing those "savings" into the Raymond James road fund investment account, we are still nowhere near reaching that goal of \$300,000+ needed in 2023 (+/-) for our roads. Staying conservative with investment scenarios, Jon and Clay, crunched some numbers to determine how much our annual dues should be raised to meet that quota safely and reasonably. The increase recommended was \$200.00 per property owner, for a total of \$600.00 in annual assessment per lot. The members did not want to hear this! Members voiced their frustration and outrage that past board and non-paying members got us into this dilemma. Greg Moore made a poignant statement: "So we just moved into this neighborhood a few months ago, and we knew moving in we'd owe \$400.00 a year for HOA dues. We had no idea that so many neighbors hadn't been paying their dues or that they'd get away without paying them. But now you want us, new homeowners, to pay \$200.00 more a year to make up for those who have lived here much longer than us and never paid? Imagine how we feel right now." Another member suggested selling the common area, with a potential buyer willing to pay extra for a lot with a tennis court on it already, and likely to pay their annual dues each year... especially if we could find the means to collect most, if not all, dues moving forward. Member was told this has been suggested by other members, as well, however, we aren't that desperate right now and it is the only amenity we have. Both Greg and Grant, said they enjoy the view they have from their front yard with the open lot and tennis court across from them, a selling point when they bought into the neighborhood. They'd prefer to keep it that way! Ultimately, the dues will need to be increased to necessitate the income needed for meeting the cost to resurface our roads, which \$200.00 more per lot **would** accomplish. Be prepared for a vote to increase dues at the annual meeting, amount yet to be determined...

Discussion on possible investment options to offset dues increase - Jon & Nick: Jon gave a summarized history of the Raymond James account regarding our dedicated road funds, established to go into effect in 1994. \$100 per lot (91 lots x \$100 = \$9100) was supposed to be added annually to this "dedicated road fund". In 2010 a vote was taken to raise the amount to \$125 per lot (\$11,375 annually), effective 2011. Years later, it was discovered that the Board placed no funds in the RJ account (approx. 2008-2009) without the members vote, stating this was at the discretion of the board, stating it was necessary to use those funds for litigating and suits against members (>\$23,000). Also, if all the members aren't paying their portion of annual assessments, it wasn't always getting the \$9100 or \$11,375. Additionally, this account was averaging less than 2% interest year after year, due to being conservative to protect major losses. In the last 2 years, the new board has strived to cut back on overhead expenses, and reserve more funds to deposit into the RJ account. While we would have liked to cut back on legal expenses, we absolutely needed to

revitalize our C&R's accordingly to preserve them and to legally enforce them. This could have cost the Association a minimum of \$6000 and as much as \$10,000 to utilize the services of our attorney! The Board opted to do this process themselves at a far less expense, less than \$2000, with a lot of hard work and dedicated directors who genuinely care about the welfare of this neighborhood. Now, our goal is to consider what other alternatives the road monies could be invested in with a higher return and growth rate, while still providing fairly conservative and safe investing. To grow the funds at a faster rate would be helpful in offsetting how much we'd have to raise dues to meet the projected cost of repaving our roads in 3 to 4 years. One year has already passed since we received bids based on a maximum 5 year projection, with no doubt the roads will need this by then. We realize the conditions of the road will affect the value of our properties, so it's important to plan for earlier rather than later. We also must consider inflation in our figures. Nick, who serves on the audit committee and has experience with conservative investments for non-profits, has been recommending some investment alternatives. He explained to the members about our recent meeting with a financial advisor who he has experience with investing with for other non-profits, and has been satisfied with the advisors plan and strategy for growing these investments. Nick explained to members that this advisor is frequently overseeing the management of these funds, would rebalance the account as needed, and review our needs and the growth projection on a quarterly basis with the board. While none of us can guarantee the future climate of the investment market, we know that we need to reevaluate our investment strategy if we are to grow our road funds and raise dues to offset the shortage, in a way that isn't going to create a large assessment or force us to raise dues again! Nick wanted to assure the members that prospectuses (70+ pages) would be shared with any interested members so they can familiarize themselves with the investments of their dues. Members expressed their anger, again, that we are in this mess because of past board. They are angry enough that they want to know why they can't hold past board and attorney accountable. Was there malfeasance? The Board can't help what happened in the past and aren't going to recommend suing themselves or citing legal action that would cost any member legal expenses. They wanted to know how many members in arrears? Currently there are twelve. What do the arrears add up to? About \$21,000.00. How is that possible? One member hasn't paid dues since 2006, another 2010, one since 2012, one 2013 and one that is consistently 2 years in arrears, while seven more have not paid for year 2019. While this is a bitter pill to swallow, we must move forward and every member who hasn't paid their dues as of July 28, 2019 is still considered a member in arrears, or not in good standing. (This doesn't mean the board isn't going to appeal to the members in arrears for past dues, in hopes their conscience will do the right thing. Board will continue to seek all legal avenues of collection, however, they must also take into consideration the payoff results; legal fees vs collection amount. The Board cannot justify the possible expense of seeking legal action at this time due to the variables involved that could cost us far more than what is in arrears.) What the board will do moving forward is have zero tolerance for any member that hasn't paid their dues by March 31st of each year. Interest will be added and proper legal action will be enforced accordingly. While the board understands the members anger and frustration(s) with past board and attorney (Jennifer Winegardner), the current board asks all members to work with us moving forward so this doesn't happen again. Beyond that, each member is on their own, so to speak. This took us away from our discussion and the decision the Board must make regarding our road fund investments moving forward. Nick reminded members that this is a complex plan and while he appreciates the input from members, the decision to switch our account and invest in more growth minded strategy, while still remaining moderately conservative,

was a decision meant to be made by the Board. The time is quickly getting by us! Candy made a motion to move funds from Raymond James over to Cassedy & Company, Inc., under the advisor we met with, Richard Cassedy. Sam seconded. 6 directors in attendance approved, 1 abstained (Wes).

Discuss revisions to C&R's and Bylaws to raise dues; allow motorcycles; and remove the outdated annual audit requirement - Jon: Jon announced that anything we wanted to present to the members for a vote, required a letter at least 30 days prior to the annual meeting. This would have to be drafted, printed and copied, and mailed out to every member in the next two days. While an exact amount was yet to be worked out for raising dues, everyone agreed this was necessary, so it will be placed on the ballot for a vote knowing the amount will not exceed \$200. There was further discussion about rewriting Article 36 to allow motorcycles in the neighborhood. The consensus was that members want the freedom to own and ride personal motorcycles through the neighborhood just as any other properly licensed and muffled vehicle on a public road, without being a nuisance noise wise and street safe. Jon explained there wasn't a need to address the golf carts in this rewrite. Since we own our own roads, members may choose to ride their electric golf cart on our roads, even though they aren't licensed for public roadways. This is a quiet means of transportation for members to get out and visit with their neighbors, particularly for folks who are restricted mobility wise for any number of reasons. We want to encourage our members to visit and be friendly with one another! All agreed with Jon's recommendation for rewriting Article 36 and taking a vote of the members on this. Lastly, discussion regarding the outdated annual audit requirement. While we agree that an internal audit should be performed prior to every annual meeting, our association is small and produces less than \$150,000.00 of annual income. According to Florida Statute we are not required to have an audit supervised by a CPA. Last year we were fortunate to use the services of a Certified Public Accountant for a small fee of \$500.00. We say small because we were quoted far more, as high as \$10,000 even, by several other CPA's. JuDee was chair for this committee last year and agrees that we are doing a fine job managing books and accounting for all current and future expenses. Clay has done an excellent job as treasurer and is transparent in all matters. He welcomes directors and members to view the finances and investments of our Association. The consensus from members in attendance is we should put that up for a vote, too. Three issues up for vote at the November 12, 2019 annual meeting will be: Dues increase, rewriting Article 36 to allow motorcycles, and removing the requirement for a CPA for our annual audits.

Presentation of Slate of Nominees by Nominations Chair - Sam: Sam announced she had 10 nominees willing to be candidates for the 2020-2021 term, however, earlier that day one decided she'd better not. Another one was having second thoughts because he wasn't even living in his newly built home yet. The stress of the holidays combined with the stress of his delayed move-in, was not conducive to serving on the board at this time. Still, he was willing to think about it (few days later he chose not to). The 9 candidates left are: John Kellerman, JuDee Dawkins, Edson Manners, Leslie Mami, John Pearce, Jon Holtom*, Terry Maier*, Bill Lowman*, and Grant Kimball* (*previous board director running for another term). We thank these members for their willingness to serve!

NOTE: John Pearce regretted he needed to remove his name the following day.

While we were having our board meeting he attended a different meeting himself. He learned he was needed for at least one more year as pastor. We wish John the best and know how important this is to him and his parishioners! Sam called upon Candy to assist in recruiting a replacement for John &/ or George.

Candy reached out to two members and Liliana Lindsey was one of them. We are happy she obliged and is excited to do so. This gives members more than adequate number of candidates to choose 6 from.

Audit committee needs to prepare for 2020 budget prior to annual meeting - Clay: Working on the budget and will need some fine tuning once it's determined the investment projection and strategy implemented through the financial consultant/broker, Richard Cassedy of Cassedy & Company/McNally Financial.

Discuss and address current violations of C&R's observed throughout the neighborhood - Jon: Board could not proactively go after members for "violations" due to unenforceable C&R's (all related to MRTA). Aware that members want to visit and entertain some changes to the current C&R's, the board has been cautious in how to handle this. There was discussion about boats sitting out in view from the street, and additional automobiles. This didn't seem to bother most people, but it was also expressed that once we have written guidelines for detached structures, this would provide some resolution for providing coverage in the [back]yard or suitable place for parking/storing these items. We further discussed implementing procedure for enforcing violations, referring to our current C&R's and Florida Statutes. It is agreed that we want to discourage anything that devalues our properties, so this will need to be discussed further amongst the members and likely with our attorney. Further discussion and research will definitely be needed and likely a resolution adopted in the near future. We don't want to turn a blind eye, so in the meantime, a member can expect a letter asking them to come into compliance. Jim Hoch is very encouraging about how important it is to maintain that human, personal connection, with our neighbors. Jim suggested that if we reached out to the member and asked them to comply, that would have much better results than sending an impersonal letter. In some instances, members may have extenuating circumstances that have created stress or challenges in their lives. There's more opportunity to resolve issues/violations if we are willing to work with people and allow reasonable settlement. If we do end up with unresolved violations, there are certain steps we can take without seeking legal action, depending on how severe the infraction or violation is. The estoppel resolution we adopted allows for collection of unpaid dues and fines related to violations, if and when a homeowner sells their property. These are fees that can be negotiated between the seller and buyer at closing, with the settlement proceeds being turned over to the Association.

After all this discussion the time was now 9:45 p.m. and everyone agreed it was time to ADJOURN!

Sam Marshall was called upon to pick out a winner for the door prize. Secretary Strand has placed names of all members in good standing on "raffle tickets". Members must have attended the meeting to be eligible to win the prize. After pulling out several ineligible tickets, she finally pulled out one that was - Congratulations to Barbara Hudson! She won a \$20 gift card to Wild Birds Unlimited.

Our next meeting is the General Annual Meeting scheduled for Tuesday, November 12, 2019 at 7:00 p.m. at the same venue. Neighborhood Holiday Potluck will be from 6 - 7. Members in attendance at the annual meeting (and in good standing), will be eligible for a Grand Door Prize!