



Huntington Estates Home Owner's Association Neighborhood Newsletter 4th Quarter 2019



Jon Holtom – President & Maintenance Chair, 556-6516
Terry Maier – Vice President & ACC Chair, 562-2679
Candy Strand – Secretary & Public Relations Chair, 445-4841
Clay Whitaker – Treasurer, 352-258-6985
Grant Kimball, 716-939-8759

Debbie Page – Recreation Chair, 514-3936
Wes Robinson, 562-3607
Bill Lowman, 566-1179
Julie (Sam) Marshall – Nominations Chair, 597-0399
Nick Calabro – Audit Chair (non-Board Member), 519-2772

Happy Fall, All!

The neighborhood is looking festive thanks to neighbors providing Halloween decorations for all to enjoy! Let's keep that decorating spirit alive as we head toward the winter holidays!

The 4th quarter Board meeting was held last Tuesday, October 8th. We were hoping to get a better turn out so everyone could provide input and share in the future decisions for our neighborhood. Still, a good meeting was had with those who did attend. The input and feedback from the audience resulted in some exciting advancements for the neighborhood.

Most exciting, the Board finalized and approved guidelines for the Architectural Control Committee (ACC) to follow when approving members' requests for detached property improvements such as garden sheds, garages, gazebos, etc. As previously reported, it has been confirmed by several different attorneys that our Covenants and Restrictions (C&Rs) clearly do allow for detached structures. We just did not have the statutorily-required guidelines for proper and unbiased ACC review and approval. Thanks to the help of those serving on the Board and those who attended the meeting last week, we have completed these required guidelines. They have been filed in the public records as a Resolution by the Board to Establish ACC Guidelines. Following these approved guidelines will allow for personal utilization of your properties while still providing reasonable and necessary ACC approval for protection of the neighborhood property values. Information on how to submit a request for approval has been posted on our HOA website (www.huntingtonestateshoa.org/acc/) in the form of a submittal and review checklist. This checklist will be further refined as we move forward. If you have a desire for any property improvements, please refer to the website and/or contact the ACC to ensure that your request includes all of the information needed for a proper review and approval from the ACC.

By now, you should have received a letter in the mail notifying you about the upcoming annual members meeting on November 12th. This letter also included information about items that will require your vote at the annual meeting, so it is very important that you plan to participate. We understand the need for a dues increase caught some by surprise. We have been doing what we can to keep everyone informed of these important issues by providing these newsletters, sending emails and posting information on our neighborhood web page. The Board has made substantial progress over the past two years to protect everyone's property values and to build up good will among the neighborhood by working to rectify issues of the past. One major issue facing all of us is the pending need to resurface our private roads. We simply do not have enough money in the road fund to pay for this work. At this point, we have a professional estimate of approximately four years left before we will have to resurface our roads. We received several estimates last year that indicated we would need upwards of \$300,000 to cover the cost of the needed work. Currently, we have approximately \$180,000 in road fund reserve. At the current rate of interest, in addition to the \$11,400 (\$125 per lot) we have been contributing annually to the road fund, we will need to generate an additional \$18,000+/- more per year for the next four years to even get near that total. This could be accomplished simply by raising the dues \$200 per year and continuing to add that per lot to the Raymond James Account (road fund). Clearly, this is not a popular option, but it is one that would work! The good news is that the Board feels there are other options that might be better, which is why we voted at last week's meeting to move the road fund from the under-performing Raymond-James account (earning less than 1%

annual interest) into a slightly more aggressive and actively managed fund with a very good track record of routinely earning 5-7% annually. This additional interest will help to off-set some of the increase in dues needed to raise the required capital for our roads. We're also considering cost-saving measures made by the Board over the last couple of years, while looking closely at the budget currently being prepared for next year to see how much more of our current dues we can commit to the road fund. This should further off-set the amount of the needed dues increase. As stated in the notice mailed last week, we are still crunching the numbers to see what the exact amount will be. We are confident that we will be able to reduce it from the \$200 per lot that would be needed following the historical budgeting and investment practices. Of course, no one wants a dues increase! Yet, if we don't take the steps necessary to be able to maintain our private roads, then we will all suffer from the resultant decrease in our property values when the roads fall into total disrepair.

Many of you have expressed interest in turning the roads over to the county to remove this burden from each of us. This option has been thoroughly explored last year and further looked into recently. The bottom line is that, because each of our properties extend to the center of the road, the county requires that 100% of the property owners must agree to turning over ownership of approximately 25 feet of their property to the county before they would consider agreeing to convert our private roads to public roads owned and maintained by the county. In addition, we would be responsible for the cost of bringing our roads up to current Department of Transportation (DOT) standards, which would cost us approximately one million dollars. They could possibly add this amount to each of our property taxes for the next 10+ years (approximately \$1,100 per year per lot), but there is no guarantee of the total cost required. We'd likely get a surprise total when they're finished with completing the upgrades. Plus, the county commission would need to have the request presented to them for consideration, be studied, work its way onto the commission docket by way of a supported referendum and receive approval by way of a majority vote of the commissioners. We've been told that this process could take up to ten years before we could see the commencement of any work. Due to these uncertainties, the Board determined last year that this would not be a viable option for our neighborhood, especially considering the short life left in our roads. Our best option is to increase our collective annual contribution into the road fund to ensure that we reach our needed cost estimate. When our roads are resurfaced, we will actively project the needed amount for the next time the roads should need to be resurfaced and combine with our results from the more aggressive investments. Our goal is to re-establish the annual dues back to a lower amount, since we will then have more time for growth in our (new) road fund investments.

DUES IN ARREARS

Another common question we have been receiving is what can be done about the handful of neighbors who have not been paying their dues. The unfortunate news is that we can't legally file liens against those properties for collection of dues owed during the years that the C&Rs were expired under the Marketable Records Title Act statute. It has been the hope of the Board that those neighbors who have chosen to take advantage of this situation and not pay their dues, might develop a conscience and realize that they are hurting all of their neighbors who have been living up to the agreement they made to pay annual dues when they signed their deed and moved into this neighborhood. Sadly, that hasn't seemed to happen. The unpaid dues by these neighbors totals approximately \$21,000, which places an additional burden of about \$250 for each of the rest of us to contribute toward the amount needed to resurface the roads. Why anyone living here believes it is OK to let the rest of their neighbors pay for them to add to the degradation of our common roads is a complete mystery. We can't publicly name those who are taking advantage of the rest of us, but we can remind you that the association records are public documents and that you are welcome to look at them any time you would like. The Board is willing to work with anyone who is behind on their dues by setting up a legally binding repayment schedule. To do so, members must actively get in touch with us and arrange to make this happen.

Now that the C&Rs are fully revitalized in accordance with the requirements of Florida Statutes, the collection of annual dues is fully enforceable through the filing of liens and property foreclosures. Going forward, we will be actively pursuing the collection of dues by adhering to the remedies provided in our C&Rs and the Florida Statutes. The Board is committed to fulfilling its obligations to ensure the collection of all money owed to the association for the benefit of the entire neighborhood. The annual assessment is due on January 1st of each year and becomes delinquent if not paid within 60 days. The current plan laid out by an experienced HOA attorney

will involve the sending of a Notice of Intent to File a Lien as soon as the annual assessment becomes delinquent on March 1st. If the dues are not paid within the 45-day period outlined in the Notice of Intent to File a Lien, a lien will be filed against the delinquent property. The filing of the lien will then immediately be followed by a Notice of Intent to Foreclose on the property. If the delinquent dues (plus interest, filing fees and attorney's fees) are not paid within the 45-day period outlined in the Notice of Intent to Foreclose, then Foreclosure proceedings will be initiated. Each subsequent letter and filing sent or processed by the attorney will substantially increase the amount of money owed by the negligent property owner.

The good news with this is that there will be no out-of-pocket expenditures required by the association to pursue this means of collection. The law firm will collect their fee from the delinquent property owner at the time the lien is satisfied. So, be aware that failure to satisfy your outstanding balance owed to the association can literally result in the loss of your home in a very short time at no cost to the association!

This all sounds very barbaric and it is certainly not a remedy that the Board would like to have to pursue. However, the continued disregard for the financial impact on the entire neighborhood by a small group of property owners who appear to not care how their actions affect everyone else is something that the Board understands the neighborhood no longer wishes to tolerate. We have heard your desires for wanting everyone to pay their fair share toward maintaining the neighborhood to the standards we all want for the protection of our investments and property values. So, as much as we may not want to take such drastic actions, rest assured that we have discovered a very workable solution going forward that will be able to prevent these people from taking further advantage of the rest of the neighborhood. Either they pay their share, or they will be required to leave. We will also continue to explore all other available legal options for collecting the unpaid dues. All collections of past due assessments will be deposited directly into the road fund.

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The annual members meeting will be held on November 12<sup>th</sup> at 7:00 p.m. at the Fellowship Baptist Church. As outlined in the meeting notice mailed last week, this year's meeting will include an election for new Board members, as well as an opportunity for each of you to cast your vote for the following items:

1. Whether or not to increase the annual dues to ensure that the road fund is adequately funded.
2. Revise the Bylaws to remove the outdated requirement to hire a CPA to perform an annual audit (oversight of the budget and expenditures will remain intact to meet the requirements of Chapter 720 of the Florida Statutes).
3. Revise Article 36 of the C&Rs to allow homeowners to ride their motorcycles to and from their homes within our neighborhood.

Each of your votes is very important to ensure that your desires for your chosen neighborhood are heard. Please mark your calendars and plan to attend this meeting so that your voice is properly heard through the casting of your votes.

We are planning to have a neighborhood potluck at 6:00 p.m. before the annual meeting. Recreation Committee will be seeking ways to sign members up through e-invites and such. Everyone is invited and encouraged to attend!

Thank you to all who've contributed to making Huntington Estates a great place to live! Let's all keep working together to make it even better!