

Lakecrest HOA Meeting October 7, 2013

Board Attendees:

Margo Sitko
Leslie Horton
Brian McCarthy
David Schneider
Babs Petelos
Jody Northcutt
Lisa Hoyle

Old Business

Agenda #1: Playground was completed in July; final price was \$68,475; a little more than anticipated but some issues with location.

Agenda #2: Top coat on Flag Circle is complete.

Agenda #3: Update on the beaver problem at the end of Whitestone Circle; it has been taken care of; dams and debris have been removed; cost was \$1,050.

Agenda #4: Regarding the grass near the guard rail on Hwy 150; Jody has called several times and is still working on getting a hold of someone to cut this back.

Agenda #5: American Lawn will fertilize 5 times per year; they have completed 4.

Margo asked if there were any questions about the old business.

A resident expressed concern about food being dropped in the playground area which is attracting ants and asked if we have a plan for keeping this area clean and free of food/garbage.

Jody verified that there are two garbage cans in the playground area. In addition, it was suggested a sign be placed stating no food is allowed in the area. Jody will also check with American Lawn and see what they would charge to take care of cleaning up the area.

Another resident inquired about the lock on the gate; Margo answered that it was completed.

New Business

Financials: \$338,083 collected in dues/fees; there are still 10-15 homes which haven't paid their dues; we are about to turn these over to the attorney; the largest expenses are utilities, landscaping and pool, which is closed so those expenses are done for the year; the pool has been covered; we can open the pavilion for winter use, but there will be no access to the bathrooms; the checking account balance is \$98,525.15; the Morgan Stanley reserve balance is \$71,106.43; a resident asked about the discrepancy between workers comp budget versus actual; Jody said this was probably a typo and she will correct for the newsletter; David moved to accept the financials; Leslie seconded; all in favor.

Lighting on Flag Circle: A complaint has been received by a couple of the residents at the beginning of the street (nearest Lake Crest Drive) that the street lighting is insufficient on that end; Jody contacted Alabama Power about putting two more street lights on Flag Circle; they will install for free, but charge

about \$111 per month in flat rate usage fees; a suggestion was made that the board consider putting only 1 street light on that end of Flag Circle; Jody will check with Alabama Power for usage fee for one; Leslie made the motion to get light installed now; Babs seconded; motion approved by all.

During the discussion of lighting, resident Gill Bentley asked if Alabama Power was contacted to request LED bulbs in all neighborhood lighting fixtures to cut down on utility expense; Jody asked Alabama Power and was told they will not replace bulbs with LED at this time; Gill suggested telling Alabama Power to come get all of the light fixtures, HOA purchase fixtures from someone else and use LED bulbs; neighborhood would only pay Alabama power for the actual power usage; resident Shane Street agreed this was a good idea; Margo asked the two men to form a committee to look into the cost/savings of this suggestion; they agreed to report back to Jody with information.

Board/ARC: There are two board members finishing up their three year terms; Toni Schrader and Emory McDaniel; if they want to continue serving they will need to place their names on the 2014 ballot; if there are any board members who have not completed their three years, but want to get off, they need to let Margo know; we need volunteers to serve on the board; two members of ARC committee are ending their two year service; Charlie Conklin and Tricia Farris; anyone interested in volunteering for ARC or Board should contact Jody; current board will continue thru the first part of February when the annual meeting is held.

December meeting: The board will have to vote on landscaping and property management services; bids will be obtained from current providers, American Lawn and Premier Properties, as well as other companies; these expenses will be included in next year's budget.

Activities: The next kid's party is October 27 for Halloween; there will be cotton candy, pumpkin painting and costume contest; most likely will be from 4pm-6pm.

Communications: Tricia asked that all attendees complete the sign-in sheet and put down their email addresses; since newsletter is primarily sent out via email, it is important to keep Jody informed of correct email address.

ARC-Paul reported they will be scheduling another meeting shortly; Margo confirmed that ARC members are asked to serve a 2 year term; Paul responded that in the last 10 months, they have had only three consistent members.

Raise in HOA dues: Margo report that the HOA will most-likely break even this year; last year ended \$6,000-\$7,000 over budget; the board has looked into a number of repairs that might happen in the next few years; roof and a/c are both 20 years old, estimate to replace is \$7200 for the roof and \$8500 for the a/c; driveways and parking lot have to be resurfaced every 4 years or water damage can occur; siding on the clubhouse should have been replaced in 2011 but wasn't, replacement cost in 2011 was about \$40,000, may have gone up by now; cabinets in kitchen, the hinges will have to be replaced in next few years; like all homeowners associations, we have people who will not pay dues; we are waiting to collect \$35,000 from delinquent homeowners; although it is not fair for us to have to pick up slack, bills have to be paid and repairs have to be made; these are the reasons why we are looking at increasing dues; we are looking at \$20-\$40 per year increase; a \$20 increase will probably only last a couple of years until another increase is needed; Margo stressed that this will be the first increase of Lake Crest HOA dues in 20 years; Margo asked everyone who wants to speak not to talk over each other

Gill Bentley- He had someone come look at clubhouse roof; he provided an estimate of \$7300 to replace the roof, which was very close to the estimate Jody received; Gill also provided a detailed report of the problems noticed, including damage to the roof edges due to hanging of Christmas lights; a couple of stop gap repairs costing \$800 could be performed which would add another 5-8 years to the current roof; Gill also suggested if siding needs to be replaced, board replaces with less expensive siding; he also has a good contractor for replacement of the a/c when needed; Gill also mentioned getting a fine letter for letting garbage can sit out but his wife had moved it inside
Margo said they would take care of the fine.

Phil Holcomb-asked about the playground costs, how much over budget did it run; Margo replied \$3,000; Phil also asked why the location was moved from lot near Preserve Parkway
Margo explained issues with Hoover City, landscaping costs, etc.

Harold Mays-Since HOA is fining homeowners for violations, can this money be used towards HOA expenses; he also received a letter for garbage can
Margo said fine money collected is put into operating account; she also explained that HOA usually waives fines when the violations are corrected and that fines were never meant to make money but meant to hold homeowners responsible for covenants

Shane Street-Commented that he had been trying to contact someone about what he needs to do to correct a violation, but could not get a call back; he finally gave up trying
Margo made sure Tricia from ARC would meet with Shane to discuss.

Mike Hembree- He is extremely happy with the ARC and the way things have been done; questioned the role of PPM; Margo said we pay PPM about \$1,100 per month; Mike asked how playground was paid for and wouldn't that be one less expense next year
Margo replied that playground was paid for from reserves account, not operating account; Margo repeated that we will be dead-even for operating expenses this year
Mike commented that we should be looking for where we can save, not add
Margo said she understands that some people who have not been here long might not understand the increase, but has not been raised in 20 years and expenses have gone up during that time

Ken Muldowney-Asked how much dues could be raised by the board
Margo verified board can raise them up to 10% per year
Ken also recommended roof be examined for hail damage and insurance claim submitted to pay for new roof if needed.

Gill Bentley-Mentioned the current condition of the roof and said installing Christmas lights can cause some leaks; he also reiterated that dues have not been raised since the beginning of the HOA

Mike Hembree-Stated he doesn't have a problem with an increase, just wants to make sure the budget is being handled well

Wendy R.-Asked if PPM duties can be performed by someone within the neighborhood
It was explained that bids were accepted from PPM, Jody Northcutt and another homeowner and the board decided it would be a conflict of interest for a homeowner to handle this process; PPM rides thru the neighborhood once to spot violations, rides thru again to make sure violations have been corrected; gives Jody a report of violations not corrected; if these duties were to be handed over to property

manager, she would require 2 more people to help; also property manager is already on call 24/7 and it would require an increase in salary to have her take over these responsibilities; Brian McCarthy commented that it is easier to have a 3rd party report the violations than to have a resident telling other neighbors what to do

David Schneider-Commented it is good to have 3rd party to do this enforcement; but since PPM is not sending out nearly as many letters as in the beginning, we need to find a way to cut their cost; suggested less ride thrus, maybe once per quarter

Margo responded PPM doesn't drive thru every month, we did reduce cost from last year and can look at doing that again by reduction of drive-thrus.

Malina Randall-She came to the HOA last year to ask assistance with her neighbor who mowed his back yard 3 times last year and has not mowed at all this year; weeds are growing up to the roof; commented that she moved here because there were covenants; asked if there was a way to modify the rules/regulations to ensure ARC is allowed to send someone to a home to perform yard work if that homeowner will not do the work themselves

Tricia suggested Malina complain to City of Hoover because this was against ordinance; Margo asked Malina to send the address to Jody.

Gill Bentley-Made a suggestion that the board consider taking any extra-curricular funds (eg. fines, lake fees, etc) and put them in an endowment fund which is not touched but interest earned is put into the operating account

Margo said we can look at that.

Charlie Conklin-Remarked that every 4 years we have to resurface pool, the lake path needs work done; explained that PPM comes to look for violation the first time, then second time looks to see if it is corrected; certain times of the year have more violations than other times; remarked that compared to other neighborhoods, Lake Crest is 'only 75% there'; PPM probably spends 24-30 hours each month doing their job; there are only 6 people on the ARC and it would take a ton of time for them to do the same thing PPM is doing; remarked that ARC members spend more time on the neighborhood than anyone else except the board president.

Amanda Vaughn-If we are paying PPM \$12,000 per year, but not accomplishing getting the big violations corrected, is it really worth it; they are only getting the small, nitpicking things corrected; she also talked about residents under financial duress who cannot afford a large increase in dues

Margo said we have had a lot of compliments from residents on what PPM is doing, even if it seems like nitpicking to others.

Unknown Resident-Asked if it is a chronic group of people who keep having the same violations, what is the next step; commented that all are paying the price for a few people

Margo responded that attorney said it was not prudent to sue people over things like leaving garbage cans out since it can be very expensive; we can only fine them and put liens on the homes.

Harold Mays-Said he appreciates the effort being made; asked if PPM provides reports to the board; asked if it would help to communicate to homeowners some of the most common violations to see if that would help lower the frequency; something other than the newsletter; also asked if there was a committee who could contact homeowners door-to-door to get information out

Margo replied that we do get a report from PPM; that the intent of the first letter is to give notice about

the violation, to give the homeowner time to correct the problem; usually letters end up getting thrown away without the residents reading them; if Harold would like to see if he can get some volunteers to form a committee that would do door-to-door contact, that would be great; Charlie mentioned that he has all of the email addresses.

Felicia Brewer-She totally understand ARC's stance; she likes David's idea to go to quarterly drive thru with PPM; complained that a main problem with the mailboxes is tape attached by solicitors; wondered if PPM could help with that issue;

Tricia responded that if homeowner will contact Jody with soliciting company's contact information, she will call to tell them Lake Crest has a 'no solicitation' rule or homeowner can call the company themselves; Tricia encouraged all homeowners to take responsibility for complaining to soliciting companies.

Bill Kocour-Regarding the newly built house on Lake Crest Drive near Preserve Parkway, when will construction/dirt pile be cleared away

Jody responded that builder is not allowed to close on the home until HOA provides a compliance letter, so they will not be able to move in until this task is done.

Lisa Hoyle-Going back to PPM, there seems to be a breakdown in the first warning letter procedure; Lisa received a fine letter saying it was the second notice, but was actually the first communication received regarding violation

Margo responded that this particular breakdown was the fault of the HOA.

Kevin Carden-Commented that he received a violation letter on his mailbox, but it did not have any instructions on how to correct or where to purchase; next letter he received was a fine letter

Margo responded that letter should give rule number and instructions on how to correct the problem; she also mentioned that mailbox info is on the website

Mike Hembree-Mentioned that color of mailboxes are close to matching.

Connie Lent-Asked if we pay anyone to pick up the garbage that flies into the street on trash pick-up days and can we communicate to homeowners to please pick-up around their homes

Jody responded to call the City of Hoover and they will get you in touch with the garbage company to complain.

Bill Vandiver-Asked how reserve account is funded and what is its intended use

Margo responded intent is capital improvements like the sign on Lake Crest Drive, sign on Trumpet/Flag Circle and playground as well as emergency repairs not accounted for in the operating account; the reserve account is funded by extra money left over at the end of the year in the checking account, but there has been none in the last couple of years.

Charlie Conklin-Commented that the board agreed they wanted \$100,000 in the reserve account for coinsurance/deductibles/capital improvements; the board has dipped into it but we need to replenish to \$100,000; was in the past funded by gains on real estate sales on Hwy 150, but won't have those types of gains again for a while.

Tim Bond-Commented that \$350,000 per year in HOA dues income should be enough to cover expenses; we need to find some ways to cut expenses

Brian responded that we can look to save money but we are currently breaking even; if we increase dues a little we can put extra aside.

Kevin Page-Asked if there are other things that can be considered to cut back

Brian responded we get 2-3 bids on services to cut down expense

Margo commented there are not a lot of expenses we have control over (eg utilities); David commented residents need to be encouraged to tell the board how they feel and there needs to be more participation and feedback in meetings.

Jeffrey Weinstein-Asked if there is a plan in place to replace the tennis courts, especially since Lake Crest is advertised as a swim/tennis community

Margo replied that board would love to put new courts on land near Preserve Parkway, but there is no money at this time; previous estimate for new courts was about \$125,000 in addition to landscaping required by Hoover City; would require a special assessment which has to be voted on by the entire neighborhood.

Board vote on increase-Brian made a motion to increase the annual dues; Leslie seconded the motion, 4 members in favor; one opposed.

Lisa made a motion to increase the annual dues by \$25 per year; Leslie seconded; 4 in favor; 1 opposed; change effective January 2014

Sheila-Asked if increase requires a neighborhood vote

Margo responded no since it falls within 10% rule.

Margo asked if there were any other issues/comments to bring before the board

Tim Bond-Commented that there were several break-ins reported in the neighborhood; suggested perhaps installing small cameras around to discourage illegal activity

Margo responded that HOA emails residents whenever we hear of anything; Tricia commented that it is not up to HOA to fix everything, some things have to be handled by homeowners themselves; Tim Bond offered to help anyone install cameras in their homes that wants them.

Lisa Hoyle commented that she received a fine letter for not leaving the light above her driveway on from dusk til dawn; only some of the homes on this street have gas lights, the rest are electric; she objected to increase in power bill as well cost of a sensor and replacement light bulbs; fine letter referenced rule #6, but there is no specific wording indicating which streets this rule applies to Margo and Charlie responded that this is part of the ambience atmosphere for the streets with townhomes but if Lisa gets a petition signed by a majority of homeowners on her street, they will reconsider for Flag Circle. Margo suggested recruiting help from Philip Holcomb.

Lisa Hoyle asked if there was any way to discontinue the requirement in the townhomes to pay for landscaping service and let this issue fall back to each individual homeowner

Margo and Charlie responded that the covenants require all of the yard work for the townhomes be done at the same time; any change would require a majority vote of the entire neighborhood.

Margo made a motion to adjourn the meeting at 8:52PM; David seconded; all in favor.