

Special Board Meeting-March 20, 2014

Attendees: Janie, Babs, Leslie, Brian, Tricia, Felicia, Jody, Lisa

Board Officers: We need to elect board officers; Treasurer, Secretary, VP, President; Leslie said we need to wait until after regular meeting on April 7 to vote since some members are missing.

HOA Delinquent Dues Enforcement: Per Jody, we have collected a lot of money since sending letters out; they have until March 31st to pay or \$100 fine. Per the covenants we should be charging interest; Leslie estimates a rate of 18%. The problems we have are not collecting dues on time and not charging interest on late payments. The process is also very cumbersome and needs to be streamlined. Board has to decide if we are going to enforce collections of dues/fines, and how to best do that. Charlie gave Jody the number of a collection agency; Leslie also spoke to a couple of agencies. Per the source Leslie spoke to, the process involves 3 steps: make X number of phone calls to person, make more phone calls, and then they refer to one of their attorneys; whose fees the HOA would be responsible for. Brian said they work with a collection agency that does not involve attorney; he uses RRS. They put negative response on the person's credit report rather than just a lien on house. With a lien, nothing happens until house is sold. The present problem with pursuing liens is that we do not have the homeowner's employer information for pursuing a wage garnishment. Brian also suggested offering a monthly draft option; Jody said HOA offers this option to anyone who asks about it, but it is not widely published. Both Leslie and Tricia consider that a problem and a liability to the HOA. If something is offered to one, it should be offered to all. Paypal is also available to all for use, with a fee. Those on the installment plan are not paying interest, which is against the covenants. The covenants would have to be changed to do away with the interest, and that would require a neighborhood vote. Leslie said we could add interest to installment plan. Leslie talked to Jay Clark; he doesn't see a problem with allowing installment plan. Board has to decide parameters of making payments; it can't be a selective system and has to be allowed to everyone. Leslie suggested we offer the installment plan to homeowners if dues are not paid by January 31 and charging interest after March 2. We need to get concept settled and then work out specifics. If delinquent homeowners don't take installment option, then we go to collection agency. Brian said we need to determine the dates to begin actions; eg. 60 days from date owed or last installment payment, start collection proceedings. It was determined that this will wait to the regular meeting.

Fines: Same issues as dues; no teeth in covenants or rules/regs. The first 'friendly' letter is a notice of what covenant/rule is being broken and homeowner is given 15 days to correct. The second letter, sent after the 16th day, states that the issue is still not resolved and charges a \$100 fine. The third letter, sent after the 31st day, charges an additional \$250 in addition to \$100. Jay Clark's hourly rate is cost prohibitive to getting liens filed or small claims court. A collection agency would be better. For homeowners with current fines owed, it was suggested there be an amnesty period provided, especially since there is no real paper trail at this point. We need the most expedient way to collect fines. There would have to be communication between collection agency and HOA. We would send letters stating that we are turning the delinquent dues over to a collection agency after 30 days and would need to report in the letter that the collection agency will report negative response to credit reporting agencies. Brian will give Jody the name of the collection agency his company uses. He believes they charge no fee up front but get a percentage of what they recover. A suggestion was made to get PPM to provide a list of all homeowners who currently owe fines as well as the notices that were sent out to each. It was noted that our issues with PPM will need to be addressed in a separate meeting. But PPM will have to begin providing copies of all documentation to homeowners. It was noted that the April 7 meeting will

be a good opportunity to announce the new process of enforcing fines. ARC believes that board has been too lenient on enforcement. Board is the entity that levies fines and enforces collection. If there are exceptions, they need to be brought before the board for a decision. ARC asks that they be informed whenever fines are not going to be enforced for whatever reason.

Fobs: Present board member voted 'No' on fobs at this time.

Garbage cans on Flag Circle: We agreed we need to hold a meeting with Flag Circle residents before a Board vote. An email will be circulated to set up the meeting. Jody has proposals from American Lawn care for building enclosures and she will email them to the board members. Janie will contact the city to ask about garbage pickup from the special enclosure and whether the cans will need to be wheeled out to the front of the enclosure before waste management company will pick up. Any homeowner who does not attend the meeting or respond will waive the right to complain. We also need a survey of the circle to see where HOA boundaries are located.

Replacement of flag on preserve parkway: The present board members voted 'yes' to replace this flag.

Resurfacing/restriping of clubhouse parking and pool parking: The proposal received from Glen Contracting is \$4990 for total. Leslie asked if there was more than one quote; Jody responded 'no', since this company is the same one that has done it before. Five of the six present board members voted 'yes' to having this work done. Leslie objected to this vote due to the absence of other bids and asked that her objection be noted.

Mulch for playground: The price to replace the wood mulch with unpainted rubber mulch is \$50/yard, painted is \$200/yard. This is a discounted price and may not be available for long. Jody will get the total prices and email them to the board members so that we can vote on this.

Pool monitors vs guards: Since time is getting short and personnel needs to be in place by next month, Jody asked about hiring same monitors from last year. Concerns were expressed about using neighborhood teens as monitors since they will let their friends into the pool. Jody suggested she could call the YMCA and see if they can recommend some people. We need to look at either hiring older monitors or maybe just a couple for peak days. Monitors have three shifts per day; morning, noon and night. Jody will email Leslie a job description; Leslie will revise it if needed and email to the rest of the board.

Storage area: Jody will come up with some dates in May to clean out the storage area after all of the pool furniture is moved out.

Real estate signs: Three letters were sent out this week. Jody asked if she needed to follow up with the realtors. It was acknowledged that the Board voted, via email on March 3rd, on the letter to send to realtors. If h/o does not comply within 15 days, send out a follow-up fine letter.

Consultation with Jay Clark: Leslie said once we have decided how to proceed with dues/fines enforcement, that will decide if the HOA needs to meet with Jay Clark; Leslie will put together an outline of procedures in time for the April 7 meeting so the board can vote on it. Jody will check with PPM to get documentation on existing fines.

PPM: Jody acknowledged that she sends out fine letters to homeowners cited as covenant violators by PPM. Leslie noted that this was redundant and the Board agreed. Board voted to remove the letter-writing from PPM because it is redundant of Jody's work and also because PPM is not providing us with copies of its notices. When we meet with PPM, on other contract issues, we will discuss this matter.

Leslie will email revisions to fine letters. We will need to meet with PPM ASAP; their ride thru scheduled for March 25 is to see if things are fixed so sometime before April ride thru. Janie will email board members to get a list of issues to discuss with PPM.

Meeting adjourned.