

## **HOLLEYBROOKE HOMEOWNERS ASSOCIATION, INC.**

**January 19<sup>th</sup>, 2021**

The meeting, being held via audio conference, was called to order at 7:05 pm by Lee Brothers; Board members present: Thomas Gordon, Secretary; Lee Brothers, Director; Members Eric Lowe and Ron Spaulding; Contractors: Stella Stanley, Broker and operations manager and Tricia Childress, manager Signature Properties and Irene Davidson, Contract employee.

Approximately 7 residents also in attendance

### **Appointment of HHOA Officers**

Thomas Gordon nominates Lee Brothers as President of the HHOA Board. Ron Spaulding seconds the nomination. The nomination was accepted with no objection. Lee Brothers is appointed as President of the HHOA Board.

Lee Brothers nominates Eric Lowe as Vice President of the HHOA Board. Thomas Gordon seconds the nomination. The nomination was accepted with no objection. Eric Lowe is appointed as Vice President of the HHOA Board.

Eric Lowe nominates Thomas Gordon as Secretary of the HHOA Board. Ron Spaulding seconds the nomination. The nomination was accepted with no objection. Thomas Gordon is appointed as Secretary of the HHOA Board.

### **Approval of Minutes**

Highlights from December 2020 Minutes

HHOA Budget approval, increase of HHOA dues to \$422 per lot, and change to bylaws regarding the enforcement and removal of signs displayed on owner lots.

Prior to the start of the meeting, members of the board were provided a draft copy of the December 2020 Holleybrooke HOA regular meeting minutes. Thomas Gordon made a motion to accept the December 2020 Holleybrooke HOA regular meeting minutes; Ron Spaulding seconded the motion. The minutes were accepted with no objection.

## **FINANCIAL REPORT**

Irene Davidson, contract employee, provides overview of financial report.

As per December 31<sup>st</sup> 2020 statement:

Balance of Checking account: \$78,986.77

Balance of Reserve Account: \$199,924.53 including interest in the amount of \$6.72

Balance for the Checking account as of January 11<sup>th</sup>, 2021: \$16,280.59

CD #1: \$19,254.26 including interest from 12/12/2020 to 01/11/2021 in the amount of \$48.18

CD #2: \$12,928.57 including interest from 12/12/2020 to 01/11/2021 in the amount of \$32.35

Balance of Reserve account as of January 11<sup>th</sup>, 2021: 262,623.65 balance reflects transfer of funds from checking account to reserve account in the amount of \$69,699.12

#### **ACC Update:**

No violation letters issued between December 16<sup>th</sup>, 2020 to January 11<sup>th</sup>, 2021

Eric Lowe made a motion to accept the financial report as provided for December 2020; Lee Brothers seconded the motion. There were no further questions and the financial report was accepted with no objection.

#### **New Business**

Introduction of HHOA Management company – Signature Properties, LLC

Signature Properties, LLC has been contracted by the HHOA to manage the daily operations of the HHOA to include administrative duties such as dues collection, billing, ACC compliance, homeowner correspondence, and contract management

Stella Stanley, Broker and operations manager and Tricia Childress, Manager

#### **HHOA Election Results and Open HHOA position**

There were two positions open on the HHOA board and the elected members are to serve a term of 2 years, Jan 1, 2021 thru Dec 31, 2022. The HHOA members elected Ron Spaulding and Eric Lowe as members of the HHOA board. The candidate Brandon Boyle received 59 votes but was disqualified due to not meeting the HHOA covenant requirements as an owner.

*(Further detail regarding the requirements for HHOA Board Members can be found in the Master Declaration of Covenants Conditions, Reservations, Restrictions, and Easements" for Holleybrooke Subdivision, Article VII, Section 1, Article III. In summary, a person who is not an owner of a lot in the subdivision is not qualified to be elected as a director.)*

The HHOA has an open Board position due to a non-responsive elected board member, Jennie Snyder. Mrs. Snyder who was elected and appointed as a board member for a 2-year term beginning January 1<sup>st</sup>, 2020 has not participated in board functions or meetings since September 2020. The HHOA has made multiple attempts to contact Mrs. Snyder but has received no response. In fairness to the Association members and to ensure a full Board is in place and working to serve the Association, the HHOA Board

must take action in accordance with the Association's bylaws, page 3, Article IV, Section 5 to appoint a replacement board member.

Thomas Gordon made a motion to declare HHOA board seat held by Jennie Snyder vacant in accordance with the Association's bylaws, page 3, Article IV, Section 5; Eric Lowe seconded the motion. There were no further questions and the HHOA board seat held by Jennie Snyder is declared vacant by a unanimous vote.

Eric Lowe - aye  
Thomas Gordon - aye  
Lee Brothers – aye  
Ron Spaulding – aye

The HHOA Board would at this time like to solicit for volunteers to be considered to fill the remaining term of the vacant board position. Those desiring to be considered for appointment are to submit a short bio of qualification, reasons why you would like to volunteer, and how you would be able to contribute for the betterment of the Association. Appointed member will be required to sign a form declaring the member will abide by the rules of the Association and be an active member acting in the best interest of the Association. All interested owners can submit their consideration request to the HHOA email found on the HHOA Association website.

### **Bylaw Enforcement**

The HHOA Board would like to clarify and make a statement that it has not eliminated any bylaws of the HHOA. The HHOA Board has however made a resolution to not enforce a rule found at paragraph #2 on page 21 of HHOA Architectural Rules (Section VIII, H. Signs). Within that rule, a statement is made that if a sign displayed on an owner's lot is found to be in violation of the bylaws, it is to be removed; the HHOA Board feels that it is not proper for the board or HHOA contracted management to enter an owner's property to uphold the rule and has thus made a resolution to amend the bylaws. The amendment to the bylaw states that the HHOA is not to enforce the rule to remove a sign on an owner's lot that is found to be in violation.

### **2021 Budget - Dues Increase, Reserve Fund and Capital Expense**

Dues increased by 5% for 2021. The increase is in the amount of \$20 per lot, making the annual dues for year 2021 \$422 per lot. This increase aligns with the needs of the HHOA budget, meets the Reserve study guidelines, the Association capital investment needs, and still allows the HHOA to achieve the recommended reserve balance as required by state law.

*Example of capital investment expenditure per Reserve study: The repair and update of the pool deck will cost the Association an estimated \$145,000. Without the reserve, a special assessment would be required in the amount of \$242 against each homeowner (600) this year to cover the cost of the capital investment. This assessment would be in addition to the annual HHOA dues.*

## **Questions by Residents**

### **Q: Who is Signature Property Management**

Signature Property Management is a professional, state certified, HOA management company. They have been contracted by the Holleybrooke Homeowners Association to provide administrative management services. Additional information about the company can be found at their website: [www.SignatureHOAManagement.com](http://www.SignatureHOAManagement.com)

### **Q: What role does Signature Property Management have and what role does the HOA Board of Directors have?**

The Board of Directors role has not changed. The Board is still responsible for all decisions and oversight of the operations of the HOA. The contracted service company is serving in an administrative role just like the previous contracted service employee. The service company reports to the Board regularly and the Board still signs all financial transactions. All Architectural Control Rules (ACR) violations and actions are also reviewed and decided upon by the Board. Some, but not all of the duties of the management service company are listed here for example. In all instances the management company acts under the direction of the Board:

#### Management of Common Areas

- On site visits to manage grounds, including periodic inspections for ACR violations
- Negotiating and oversight of service maintenance contracts
- Evaluation and recommendations for long term maintenance of common areas and property

#### Fiscal and Accounting Services

- Assist with development of annual budget, reserve study
- Collect, post and deposit monthly dues and assessments
- Payment and tracking of invoices
- Preparation and mailing of delinquency notices and collection letters
- Assist in audits and reserve studies

#### Insurance

- Prepare insurance specifications
- Place appropriate insurance coverages
- Assist in processing insurance claims

## Records and Correspondence

Maintain minutes and financial records

Maintain files and documents for each unit in the subdivision including owners' lists

Maintain all data pertinent to transfer of ownership

Regularly mail items to owners as directed by the Board

## Meetings

Attend and participate in meetings of the Association and Board

## Bank Account

Maintain bank accounts

Maintain reserve accounts

Issue payments as directed for services, utilities, etc.

### **Q: Why was a management company hired by the HOA Board without informing or having a vote by homeowners**

1. The Board of Directors are elected by the residents and are responsible for management of the business and affairs of the Association in accordance with the Association covenants and bylaws; Article VII Paragraph 3 of the Covenants and Section VIII, Article VI, Section 1(c) of the Bylaws. These are non-vote items under the purview of the Board of Directors

2. The Board of Directors have contracted a professional service company to replace our current contract employee who was performing the same administrative duties for the HOA. This was discussed at multiple board meetings as far back as April 2020 and approved by Board vote at the September 2020 meeting.

### **Q: Is there an increase in cost to each homeowner for the hiring of a management company**

The implementation of this new service contract, in itself, has not introduced a change increase in our yearly budget. If you review the yearly budget you will see the management company cost is within the same budget line-item level as allowed for previous service.

### **Q: Can a copy of the management agreement be posted with a disclosure of fees and what other management companies and deciding factors for choosing SPM**

Copies of contracts are not posted to public forums due to proprietary information. Any homeowner who would like to review the contract is welcome to schedule an appointment with the board to review any contract of the HHOA.

Over five company bids were reviewed and areas such as Contract Cost, Extra Costs, Contract Term, References, Transition Requirements, Funds Mgmt., Licensing and Certifications, Manager Skills, Fee Schedules, Insurance Coverage, Manager Responsibilities, Affiliated Companies,

Attorneys' Fees, Miscellaneous Fees, List of Forms/Reports/Collection Letters, and Pool Management, etc. were compared. SFM was the best fit to meet our needs and fit within our allowed budget line item for administrative duties and service.

**Q: What is duration of the contract**

3 years fixed price, with option to renew

**Q: Have day to day operation with Irene Davidson been terminated?**

Irene was not terminated. She chose to retire and not renew her contract with HHOA for the performance of administration services.

**Q: How will pool passes and the pool be handled this summer?**

The pool *maintenance* service contract is currently being reviewed for new service. The previous maintenance company has not offered to renew their contract since the owners' widow chose not to continue the business. We are also reviewing options for pool *management* services as well.

There are two parts to this: pool *maintenance* and pool *management* services. The Signature Property Management contract does not include pool management services and the pool maintenance contract does not include services for pool management such as administration of pool passes (applications, owner verifications, printing, issuance, and suspension), administration of daily pool activities, schedules, opening, supervision of lifeguards, or oversight and supervision of the maintenance company.

With regard to pool opening and the impact of state restrictions under the pandemic, more information will be published as we near the opening date in the latter part of May.

**Closing Comments**

The minutes of this meeting will be posted on the HHOA website once they are approved at the next board meeting in February 2021.

If any member of the Association has any requests, questions or would like clarification on a matter, the board would like to encourage the member to please contact Signature Property Management, LLC via email. If they are unable to provide the information or answer, they will contact the members of the board and ask them to address the matter. Signature Property Management, LLC contact information can be found on the HHOA website.

At 7:40pm Thomas Gordon made a motion to adjourn the January 2021 HHOA regular board meeting; Ron Spaulding seconds the motion. The January HHOA board meeting adjourns without objection at 7:40pm.