

DIRECTORS PRESENT:
LINDA SARGENT – PHASE I
SUSAN HENTZSCHEL – PHASE II

MINUTES RECORDED BY:
SUSAN HENTZSCHEL

DIRECTORS NOT PRESENT:

LOCATION:
SUSAN HENTZSCHEL'S RESIDENCE

MEMBERS PRESENT:

**HAMPTON FARMS PRESIDENT'S MEETING:
PHASE I AND PHASE II
WEDNESDAY, NOVEMBER 17, 2021 AT 10:30 AM**

The HOA Board Presidents from Hampton Farms Phase I and Phase II met with the hopes to learn from each other as well as to positively navigate the future of the community collectively. This is the beginning of many meetings ahead, as the two HOAs will continue to have talks. As of this moment (until further notice), this meeting or any future meetings between the two HOA Boards does not indicate that the two HOAs have become one. Both HOA Board Presidents are aware that there are a lot of other policies and procedures that must take place before any kind of union can occur.

The following are questions that were asked by the HOA President of Phase II (two), Susan Hentzschel (**black and red font**) and were addressed by HOA President of Phase I (one), Linda Sargent (**blue font**).

1. **Why did Phase I choose not to have a property manager? Have you guys ever had one?**
Cost wise. Phase I has never had a property manager in 16 years. Linda has been the HOA Board President for the last 10 years.
2. **What kind of challenges have you run into by not having a property manager?**
Phase I has not seen any real challenges by not having a property manager.
3. **What activities does Joyner provide as accounting services, what is included in that?**
Joyner performs "Accounting/Financial Services" only for Phase I. These services include the following:
 - **General Liability Insurance for HOA Board**
 - **HOA Tax File and Prep Services (additional fee for CPA)**
 - **Vendor Invoice Payment**
 - **Lien Filing and Release (additional fee for Attorney)**
 - **Monthly Financials**
 - **Annual HOA Fee Invoices (additional fee for postage and copy)**
 - **Annual Budget**
 - **Send out Newsletters/Community Announcements (HOA Board writes, Joyner sends out)**
 - **Send out letters regarding HOA Delinquent Accounts (Joyner writes and sends out)**

Phase I pays \$145 per month for the above services. This price does not include (CPA, Attorney, Vendors, or postage and copy). In addition, in the last 16 years, Phase I has only had 3 property managers that oversee their account.

Joyner's "Accounting/Financial Services" do not include the following:

- Enforcement of HOA Covenants, By-Laws and Violation Remedies
- Monthly Drive-Throughs
- Handling of ARCs (Architectural Review Committee)
- Quarterly Meetings with Association Property Manager
- Annual HOA Meeting with Association Property Manager

Phase I Board conducts its own meetings and drive-throughs, handles its own ARCs, and addresses any covenant violations with homeowners without any property management involvement.

In comparison, Phase II pays \$516 per month for "Full Services" with Joyner, which is all services listed above. This price does not include (CPA, Attorney, Vendors, or postage and copy). In addition, in the last 6 years, Phase II is currently on their 8th property manager.

4. Who sends out violation letters?

Phase I Board writes its own covenant violation letters.

a. What are the pros and cons of that?

PROS: Letters come from the Board directly, able to develop relationships, usually get better feedback

CONS: Letters come from the Board directly, sometimes things may not get resolved as quickly, sometimes have to write/send multiple letters

b. Are there any challenges you have faced to make sure that neighbors stay within the covenant and by-laws?

Currently, Phase I does not have any violation remedies in place. Therefore, Phase I Board writes its own covenant violation letters and gives the homeowner ample time to remedy the violation (usually 30 days). Over the years, Phase I has had experience of being involved in placing liens against a homeowner and working with banks in lien escalated situations.

There are a number of rental properties in Phase I. Sometimes the rental properties can cause a problem because they are owned by rental companies. Unfortunately, these rental companies have to schedule a time to come and maintain the home/yard. In addition, Phase I does not always know who the occupant is. Therefore, in order to help reduce any issues, upon seeing a new resident in the rental property, Phase I Board will give the new resident a 'Welcome Letter' and a copy of the Covenants.

5. Did Joyner tell you that their CPA taxes have increased?

Joyner did notify Phase I regarding the CPA price increase and 3 year commitment contract for HOA Tax Prep and Filing.

a. If so, how much and is it the same set up as they have offered us?

Phase I believes it is the same rate and commitment as Joyner has offered Phase II. Phase I has chose to use the CPA that Joyner referred, paying the increased amount.

In comparison, Phase II has chose not to take the 3 year agreement for CPA services with Joyner as Phase II's budget will not allow it. In the last 6 years, Phase II has never paid more than \$130 for CPA services.

Joyner's 3 Year CPA Proposal is as follows:

2021 Taxes - \$500 fee discounted to \$350 (paid in 2022)

2022 Taxes - \$535 fee discounted to \$460 (paid in 2023)

2023 Taxes - \$575 fee to reach a more reasonable fee for the preparation of 2023 HOA return (paid in 2024).

**If at any time the HOA decides to get out of the 3 year agreement, then the HOA is responsible for paying for the discount difference. For example, if HOA decide to cancel its agreement in 2023, then HOA will have to pay the full amount of \$535 for 2022 Taxes and pay the discount difference of \$150 for 2021 Tax services.*

Without Joyner's assistance, Phase II interviewed 6 CPAs and was able to find a well respected CPA firm who offered HOA Tax Prep and Filing Services for \$200 a year. In addition to this find, the CPA firm is also willing to lock down the rate for a period of time.

6. How many people are on your board?

Currently, Phase I has three Board Members.

During COVID, when the Berea Library was closed. Phase I rented a building next to Dollar Tree (corner of Hunt's Bridge Road), Berea Community Center for \$35/hour for their 2021 Annual HOA Meeting.

a. What are some of the ways that you have been able to recruit people to serve on the board?

Phase I sends out newsletters asking for volunteers. Phase I agrees that it is difficult to get homeowners involved. Phase I Board writes out the newsletters and Joyner sends/mails them out.

b. If only you, then what are the challenges and benefits of it only being you?

-Question Not Applicable-

c. What situations have you run into where you wish you had more board members?

Phase I has been made aware of the January 2021 incident that took place in Phase II. Phase I has never encountered any such kind of behavior with any homeowner. As all homeowners are aware that Hampton Farms is governed by HOA Covenants and By-Laws and HOA Board Members are held harmless.

7. How much are Phase I's HOA Fees? How many households does Phase I have?

Phase I currently pays \$250 year for HOA Fees. There was no voting involved. When Phase I was initially developed, HOA fees were only \$150 a year. There are approximately 64 homes in Phase I. After reviewing the finances, Phase I Board had to double their HOA Fees to \$300 year for a number of years to make up for the unstable housing market and foreclosed homes in the community in order to keep the community functioning. After the housing market began to stabilize and Phase I was able to recoup some outstanding HOA fees, Phase I then began focusing on building a reserve. Once after Phase I built a solid reserve, Phase I then reduced its Annual HOA Fees to \$250 year. Again there was no voting involved and the community worked together with the HOA with a target goal in mind. Because there is a solid reserve and operating funds in place, homeowners are given multiple options for paying their Annual HOA Fees (annually, bi-annually, or monthly).

Phase II has been working on a similar goal over the last few years and appreciates the experience that Phase I has shared. This topic will be a continued discussion.

8. What is Phase I's expenses and is there any leftover in your annual budget?

Phase I usually comes within \$500 of budget.

Phase I's expenses include but not limited to:

- Duke Energy
- Greenville Water
- Landscaper (including retention pond)
- Joyner's "Accounting/Financial Services"
- General Liability
- CPA and HOA Taxes
- Misc Items

a. How do you deal with unexpected expenses?

If there is anything that needs to be done in advanced, Phase I puts additional money towards it. Because the community worked together with Phase I HOA Board to build a solid reserve and operating funds, Phase I never has to worry about unexpected expenses.

9. How do you keep up when someone sells their home and a new resident moves in?

The only way that Phase I knows if there will be a new homeowner, is if there a 'Sale' sign in the yard. Upon seeing the 'Sale' sign, Phase I Board contacts Joyner to confirm that the old homeowner is up to date/current on their HOA Fees. If the homeowner is not current, then a lien is filed.

10. Do you think that there is value in combining our HOAs?

Phase I believes that there is a value to a degree as it does not make sense that there are different covenants, by-laws and violation remedies. In addition, there will be more resources to pull from and the community can benefit from an economical stand.

- a. If so, then what do you think the benefits would be and what do you think some of the challenges we would face?

BENEFITS: One HOA Covenant, One HOA By-Laws, One Violation Remedies, Same Rules throughout the entire community, more resources to pull from, and the community can financially benefit.

As far as anything else, it is unknown. Both Phase I and Phase II would have to approach Joyner to see what they can do for Hampton Farms as a whole. The HOA Boards would have to discuss further in detail which HOA Covenant and By-Laws to exercise. Violation Remedies fines would have to be discussed. Pricing on some items would change, such as landscaping and taxes. A community HOA meeting would have to be held and conversations with Attorneys would have to take place.

Phase II is willing to explore the option and will continue to have an open dialogue with Phase I regarding opportunities to work towards a future together.

Meeting adjourned at 12:45 pm.

Both HOA Presidents agreed to take the conversation back to their respective HOA Boards to discuss with their Members. The two HOA Boards will continue to discuss as things evolve.