

**MARGARET'S WALK
HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS BUDGET WORKSHOP MEETING
August 9, 2010 @ 6:30 P.M.
Conference Room
FLEMING ISLAND PLANTATION AMENITY CENTER
2300 Town Center Blvd.**

I. CALLING OF ROLL AND CERTIFYING A QUORUM

Ms. Joyce called the regular meeting to order at 6:32 P.M.

Present:

Don Christofoli, **President**

Bill Korn, **Vice President**

Mike Brady, **Secretary/Treasurer**

Gwen Joyce, **Community Association Manager**, Severn Trent Services

Holly Donahue, **Community Association Manager**, Severn Trent Services

Several Residents

Attendance was taken and a quorum was established.

II. PROOF OF NOTICE OF THE MEETING

Notice of the meeting was posted 48 hours in advance on the community message board.

III. OWNER'S FORUM

The following concerns were addressed by residents:

- Ms. Harrison – *Island work by Mr. Jimbo Granger.*
 - She and her neighbors love what Mr. Granger has done with their island at his own expense. It looks nicer than other islands in the neighborhood.
 - Questioned why Mr. Granger received nasty letters from the BOD asking him to stop disturbing the island.
 - Ms. Joyce confirmed that her office never sent letters to Mr. Granger regarding the island.
 - Mr. Korn noted this was never discussed by the BOD.
 - Mr. Christofoli acknowledged that they sent Mr. Granger violation letters about dumpsters and other structures that were on his property, which were not allowed. It is a violation for owners to disturb the islands without BOD approval, but the BOD never sent Mr. Granger a violation letter for this.
 - She does not have a problem with the dumpster.
 - Ms. Joyce noted that Mr. Granger went before the REC and indicated that the dumpster will be removed shortly.

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- Mr. Matt Amstutz – Barking dogs at 1815 Sentry Oak Court.
 - He has been making complaints to STMS since April and was told that this would be handled by the REC.
 - He called STMS on June 28, 2010 and was told that the owner received two violation letters, but they were not going before the REC in July because there was not enough time to send out a certified letter and this matter would be going before the REC in September.
 - He complained to STMS on July 8 because the dogs were barking the night of July 7 and was told that a third violation letter was going to be sent and the owners could possibly be going before the REC in August.
 - When he called STMS last Thursday after hearing from Mr. Korn that there was going to be an REC meeting today, he was told that the owners would not be appearing because there was not enough time to send out a certified letter.
 - He believes they have had enough notice and if they are receiving violation letters from STMS, but there is no enforcement, sending letters was a waste of time.
 - Last night he almost called the Sheriff's Department because the dogs were barking at 12:40 A.M. and woke his son up at 3:30 A.M. He will call the Sheriff's Department if this continues to be a problem.
 - Mr. Christofoli noted that he heard the barking dogs on Friday.
 - Ms. Joyce noted that this item was going to be discussed later in the meeting, but the BOD could take action now to direct STMS to send out a certified letter tomorrow.

A motion was made by Don Christofoli, seconded by Bill Korn to authorize STMS to send out a certified letter to the owners at 1815 Sentry Oak Court in violation of their barking dogs; with all in favor, the motion carried.

Mr. Korn addressed the following:

- Questioned the gaps between the first violation letter being sent to the owner on September 18, 2009, the second notice being sent on April 5, 2010 and the third notice was sent on July 8, 2010.
 - Ms. Joyce explained that the gap in time between the September and April letter was because no Fining Committee meetings were scheduled. The third notice was sent after STMS received two complaints.
- Questioned what the third notice stated.
 - Ms. Joyce explained that the notice used stronger language than the second notice stating that they will be fined for non-compliance and noted the date and time for the next REC meeting. However, since there was no scheduled REC meeting, due to the number of complaints, she sent out the third notice. Under the Statute, a letter cannot be sent certified mail unless it reflected an REC hearing date.

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- It was his understanding that the dogs were supposed to be moved to another home on July 15, 2010 and yet this was not done.
 - Mr. Christofoli noted that the owners were on an “Adopt a Pet” website.
 - Ms. Joyce noted that she was told the owners were involved in an animal rescue organization and suspected that they had more animals than were permitted, but she has not been able to confirm this. Mr. Korn concurred.
 - Ms. Joyce indicated that the barking of the dogs was not consistent and it was hard to enforce. She will send the certified letter to the owner with the date of the next REC meeting.

- Mr. Al Allen –*Traffic signal request.*
 - Questioned whether anyone looked into the possibility of installing a traffic signal on the corner of Margaret’s Walk Road and Town Center Boulevard. Three years ago, a new resident who was a Law Enforcement Officer said it is easy to get the County to install a traffic light if the community wants it. In the past year and a half, traffic has increased at this intersection.
 - Mr. Christofoli disagreed that it is not easy to get a traffic signal installed because it has to be approved by the Master HOA, the CDD and DOT. In addition, a traffic signal costs \$200,000. According to the last traffic study done, there was not enough volume. Residents in one community of 120 homes did a mailing campaign to try to get the traffic light.
 - Ms. Donahue reported that she contacted DOT several months ago on behalf of the Amberwood residents who were concerned about the intersection and spoke to the head Engineer. They conducted a Traffic Survey on the number of cars leaving MW and coming from Town Center due to several accidents. They found that there were not enough cars to justify installing a traffic signal and ended up marking the intersection. Since then, the wife of the BOD President for Amberwood almost got into an accident a few weeks ago and brought this before the Master HOA.
 - Mr. Christofoli suggested getting some residents together and going before the Master HOA or CDD.
 - Ms. Marilyn Christofoli suggested inviting a County Commissioner to the next CDD and/or Master HOA to address this matter.
 - Admitted that he had no intention of taking on this endeavor as a personal mission. He just brought this item up for discussion purposes.

- A resident questioned whether the lot for sale by the tower was sold.
 - Mr. Christofoli explained that the State had a 99 year lease on the tower and decided they no longer wanted it and reverted it back to the original owner who sold it to an individual who once owned the car dealership. It was listed for \$300,000, but did not sell for that amount. It was not zoned for business, but for residential use.

IV. APPROVAL OF MINUTES FOR MAY 13, 2010 BOD AND MAY 13, 2010 ANNUAL MEETING

A. May 13, 2009 BOD

There not being any corrections or comments,

B. May 13, 2010 Annual Meeting

There not being any corrections or comments,

A motion was made by Bill Korn, seconded by Mike Brady to approve the May 13, 2009 BOD and Annual Meeting minutes; with all in favor, the motion carried.

V. MANAGER'S REPORT

• Financials

Ms. Joyce submitted her status report and the following was discussed:

For the Month of June 2010

Total Income: \$6,163.95
Total Expenses: \$4,912.21
Net Income: \$1,251.74

Year to Date June 30, 2010

Total Income: \$59,074.35
Total Expenses: \$55,123.77
Net Income: \$ 3,950.58

Delinquencies June 2010

There are 12 delinquent owners owing \$9,004.78. This amount has not changed from last month. Mr. Christofoli noted that liens were placed on these properties.

For the Month of July 2010

Total Income: \$5,697.36
Total Expenses: \$5,603.93
Net Income: \$ 93.43

Year to Date July 31, 2010

Total Income: \$64,771.71
Total Expenses: \$60,727.70
Net Income: \$ 4,044.01

• Delinquencies July 2010

There are 28 delinquent owners owing \$8,330.42. The reason for the increase is because adjustments were made to add some certified letter fees which had not been listed.

• Gate Matters

- Commercial Security Systems (CSS) has finished powder coating the exit gate and they were paid.

• Entrance Lights

- A padlock was purchased and put on the electrical panel for the entrance lights because someone keeps shutting off the lights.

• Inspections/Violations

- The board received a copy of the latest Inspection Report.

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- **Lawns**

- Lawns continue to be monitored regularly.

- **REC**

- An REC meeting scheduled for Monday, July 12, 2010 at the Amenity Center did not meet due to there not being a quorum. Two homeowners who were on the agenda showed up and were disappointed that the meeting was not held. All homeowners on the July 12, 2010 agenda were re-notified at Association expense and given a new meeting date of August 9, 2010.

VI. COMMITTEES

CDD Board

Mr. Christofoli reported the following:

- The FY 2011 budget was approved by the CDD Board with a decrease in the assessment of \$27 over last year.
- The CDD Board voted to change the hours of the Amenity Center pool to open at 9:00 A.M. for the month of August, which will be extended through September. They also readjusted the lifeguard hours.
- The CDD Board approved to pressure wash the dock up to the river where it is covered with algae. Mr. Russell Bagg was in the process of purchasing a new pressure washer.
 - Mr. Matt Amstutz questioned whether the CDD owned the dock because the pilings at the end have separated.
 - Mr. Christofoli confirmed that the CDD owned the dock and the pilings have been in this state for a couple of years. Mr. Wachter told the BOD that this did not affect the integrity of the dock. In the next two years, there will be \$80,000 in the Reserve to replace all of the decking and railings on the dock. He will contact Mr. Bagg about this matter.
- They have problems with people sticking items to the brick wall.
- The Navy band will perform in the Gazebo on September 4, 2010 at 7:00 P.M. They were supposed to perform on Memorial Day, but got rained out.
- A resident contacted St. Johns River Management about one of the ponds. They came out and determined that some of the storm drains were blocked with debris. Mr. Bagg cleared them out. The biggest problem with this pond is too much fertilizer going into the pond. The CDD Board discussed aeration, but the cost is outrageous. The CDD has 56 ponds and this pond is not even in the top 10 as far as the worst pond.

Master HOA

Ms. Christofoli reported the following:

- The Master HOA met last Thursday from 6:00 P.M. to 9:30 P.M. It was a productive meeting. Residents were in attendance who addressed their concerns.
- The main topic of discussion was tracking charts and making sure that STMS followed up in a timely manner to produce accurate tracking charts and send out second and third violation letters timely, quickly and appropriately instead of taking six months to two years.
- The reason for the length of the meeting was due to discussion of ARB business.
- They are looking at the upcoming political season and adhering to the Sign Ordinance. In Fleming Island Plantation, political signs are not permitted and STMS was told to remove any political signs.

VII. ARCHITECTURAL REVIEW BOARD

Ms. Joyce reported that the Walters request to remove their dead tree was approved.

VIII. DIRECTOR'S OLD BUSINESS

Mr. Korn questioned the status of the revised Reserve Study. Ms. Joyce explained that she was waiting for an opinion from the Attorney on ownership of the sidewalks. She brought a copy of the current Reserve Study for the budget discussion as well as the Audit and end of the year statements.

IX. DIRECTOR'S NEW BUSINESS

- **Certified Letter for Barking Dogs to 1815 Sentry Oak Court**

This item was discussed earlier in the meeting.

- **Budget Workshop**

Ms. Donahue provided the following documents to the BOD:

- 2010 Adopted Budget and Budget Assumptions
- 2011 Proposed Operating Budget and Budget Assumptions
- Reserve Fund information and a form for the President to sign
- Proposed Annual Reserve Budget
- Information on a straight line method of calculating reserves
- Letters from Austin Outdoor and the CPA indicating that they will not be increasing their fees for 2011. STMS will also not be increasing their fees.
- Information from Clay County Utility Authority on rate increases

The following was discussed:

- Mr. Christofoli questioned why total revenue was \$85,969 instead of \$86,019.
 - Ms. Donahue explained that the assessment amount of \$480 total units multiplied by the 179 units equaled \$85,920, which is the amount of the

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assessments to be collected for 2010. However, the Accountant used the assessment amount of \$480.55, which equaled \$86,019.

- Mr. Christofoli questioned whether the money to replace the gate came out of Reserves.
 - Ms. Donahue explained that \$3,600 came out of Reserves for this expenditure, leaving \$194. She will confirm this amount.
- Mr. Christofoli suggested decreasing *Insurance* from \$2,500 to \$2,000.
 - Ms. Donahue explained that the Accountants projected that the insurance cost would be \$2,500 by the end of this year.
- Mr. Christofoli questioned why they were projecting \$3,900 for *Legal & Professional*.
 - Ms. Donahue explained that part of the expense was the \$600 fee from the CPA and the remainder was Attorney's fees for liens and legal opinions. She suggested separating out the Audit and Legal Fees.
 - Mr. Korn pointed out that they were spending almost \$4,000 for legal fees and suggested increasing this line item from \$3,500 to \$4,000.
- Mr. Christofoli questioned the increase for *Office Supplies/Postage/Copies*.
 - Ms. Donahue explained that the Accountants projected this line item based on the actual to date and what the HOA would spend for the remainder of the year. However, the projection was based on the July financials.
 - Mr. Christofoli pointed out that the annual meeting already occurred and no additional mailings were planned.
 - Ms. Joyce acknowledged that she tries to conserve as much paper as she can as was printing the financials on both sides of the paper.
 - Ms. Donahue reminded the BOD that they will have to do a budget mailing.
 - A resident, Mr. Jonathan Boswell questioned whether they were looking into posting documents online rather than doing a mailing to save on postage costs.
 - Ms. Joyce acknowledged that the Statute requires mailings to the membership.
 - Mr. Korn noted that they only had email addresses for 30% of the membership.
 - After further discussion, there was consensus from the BOD to leave this line item at \$3,500.
- Ms. Joyce reminded the BOD that the Storage Rental contract included a month free for a yearly rental and they may not offer this next year.
- Ms. Donahue suggested including funds in the budget for next year for a Reserve Study Update, which is estimated to cost \$500.
- Mr. Brady questioned whether they could project the assessments based on historical data for prior years to come up with a median projection.

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- Mr. Christofoli noted the assessments could not be predicted, but they have a surplus that can be rolled over into the Reserve.
- Mr. Brady questioned why the expenses were greater than the budget (In the 2010 budget, \$86,000 was budgeted, but expenses are \$98,000).
- Ms. Donahue explained that \$98,000 was going to be taken in as revenue. They are in essence putting out money for foreclosures, but the money will be added back in when tax money came in.
- Mr. Christofoli noted that *Entry Gate Maintenance & Repairs* was budgeted at \$3,400, but \$8,000 has been projected and they have a Gate Reserve.
- Mr. Christofoli pointed out that he estimated \$2,000 for Capital Improvements, but agreed with the budgeted amount of \$1,000 as there was money in Reserves.
- Ms. Donahue questioned whether the BOD wanted to decrease *Landscape Contract* by \$4,000 and add \$4,000 to *Landscape and Irrigation Repairs* for tracking purposes.
 - Mr. Brady suggested increasing *Landscape and Irrigation Repairs* to \$5,000 and decreasing *Landscape Contract* to \$20,000.
 - Mr. Christofoli believed that \$5,000 for *Landscape and Irrigation Repairs* was high.
 - Ms. Donahue noted that they may need \$5,000 to replace trees in the event of a storm.
 - Ms. Donahue agreed with budgeting \$20,000 for *Landscape Contract* as they already spent \$19,260 for this year.
 - There was BOD consensus to increase *Landscape and Irrigation Repairs* to \$5,000 and decrease *Landscape Contract* to \$20,000.
- Mr. Christofoli suggested increasing *Water & Sewer* from \$500 to \$700 due to the Clay County water rate increases.

Based on the above discussion, the following changes were made to the budget:

General and Administrative Expenses

- *Bad Debt Expense* was increased from \$2,300 to \$2,500.
- *Architectural Review* was decreased from \$400 to Zero.
- *Legal & Professional* was increased from \$3,500 to \$4,000.
- *Community Functions* was decreased from \$5,000 to \$3,000.
- This resulted in an increase in the *General and Administrative Expenses* from \$26,179 to \$26,579.

General Maintenance and Reserves

- *Landscape Contract* was decreased from \$24,000 to \$20,000.
- *Landscape and Irrigation Repairs* was increased from \$4,500 to \$5,000
- This resulted in a decrease in the *General Maintenance and Reserves* from \$32,540 to \$32,040.

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Utilities

- *Water & Sewer* was increased from \$500 to \$700.
- This resulted in an increase in *Utilities* from \$6,300 to \$6,500.

Other

- The *Replacement Fund Transfer* will remain at \$20,850 and will be moved into the *Paving Reserves*.
- The *Total Operating Expenses* will decrease from \$85,969 to \$65,119.
- *Surplus Funds* of \$12,880 or the projected amount will be moved into the *Paving Reserves*.
- *Unallocated Funds* of \$130,000 will be moved into the *Paving Reserves*, leaving a projected amount of \$16,104.
- The *Interfund Transfer* projected amount of \$7,140 will be moved into the *Paving Reserves*.

Mr. Brady pointed out in the next five years; they can put another \$37,000 in the Reserves. Mr. Christofoli agreed as this was their goal.

Ms. Donahue will revise the Budget and provide to the BOD. She was going to shift funds around to get the assessment amount to \$480.

A motion was made by Bill Korn seconded by Mike Brady to approve the 2011 Proposed Operating Budget based on the above changes; with all in favor, the motion carried.

X. NEXT BOARD MEETING

The public hearing on the budget is scheduled for October 11, 2010.

Ms. Donahue questioned whether the budget will be mailed to each resident or posted on the website. Mr. Christofoli acknowledged that they will do a mailing and the letter will state how much money will be placed in the Reserve to cover the paving cost of \$208,000. Ms. Donahue questioned whether this amount included the entrance. Mr. Korn confirmed that the entrance was not included, but they were considering pavers.

XI. ADJOURNMENT

With there being no further business to come before the Board;

A motion was made by Bill Korn seconded by Mike Brady to adjourn the meeting at 7:45 P.M.; with all in favor, the motion carried.

Gwen Joyce, LCAM
Severn Trent Property Management
For Margaret's Walk HOA