

Community Association Meeting, 10/11/18

Einstein Room, Savage Library

At 7:21 we were welcomed to the meeting by Deborah. She explained this meeting was about the potential selection of a management company for the community.

Donna asked if there were questions from Blackstone. Deborah said no. There was supposed to be a call.

Denise reiterated dues would not be increased at this time.

Handouts were distributed for Blackstone and Clark Simpson.

Denise explained the management company would cover us should the board lose a member.

The consensus was Blackstone fees were a concern, some service fees were in addition to the general services. There was also a 2-year obligation.

Another firm (name missed) appears to be bookkeeping services only.

We then discussed the necessity of site visits, how to continue on should board members leave the community or no longer wish to serve.

With Blackstone, 2 people must approve and sign checks.

At this point, we received a call from Clark Simpson. What follows will be a summary of that call, the questions and answers. (*Larry C: I have a recording of the meeting from this point.*)

With Clark Simpson we need to sign for one year. After that first term (year) we can terminate at any time in the second year with a 90 day notice. He specifically mentioned we can cancel at any time with a 90 day notice. Clark Simpson (hereafter CS) will send a letter out to all the homeowners that will have information about CS, how we will pay community dues, how to contact CS, how to update our profile information, how to sign-up for automatic draft. A web portal for the community with individual usernames and passwords will be included at no charge. (We would not be able to edit the portal.) He was asked if the use FDA insured banks and we were assured they only use FDA an insured bank. A website is \$500 to set-up and \$175 for hosting. The Community Board will have access for updating the website. They use WordPress so if anyone was to edit the site, he said they would teach us how to do so.

Bruce wanted to know how much liability coverage is there should Clark Simpson goes out of business. The CS representative did not know off the top of his head. He said that if they did go out of business, our money in our operating bank account would be covered and returned. Bruce was concerned not just with the bank account but malfeasance. Denise asked if they have liability insurance and the CS rep responded to the affirmative. A copy of their coverage will be included to the board.

Deborah mentioned Clark Simpson does not make site visits. CS will send out violation notices. The board must record the violation (pictures, bylaws rule), send the info to CS. CS will match it to our covenant, add it to the owners files, track the violation and send a letter to the homeowner. If the homeowner registers a complaint, CS will forward it to the board then the board can respond to the homeowner. There is a \$5.00 (or 7.00) fee for violation notices.

CS does the home resale package and does not charge the Board, they charge the homeowner who can then charge the buyer. The charge is generally about \$250.

Donna asked if there's an annual audit. CS said they cannot do our audits. It needs to be done by a third party CPA. There's one they use in Charlotte but they don't like to refer a CPA to a community.

Question from the floor about Item 5C, collecting delinquent fees from a homeowner. The fees cover records/paperwork sent to a third party collection agent. It is charged up front to the association but it is on the owners account. When the homeowner pays all the delinquent charges and legal fees, the association is reimbursed half of the fees collected.

Deborah asked if CS prepares our Federal tax report. CS replied the Board and community would get an annual report. (It did not sound like it from the recording; Larry)

Deborah asked how many communities does CS serve. CS replied about 7 in Maryland, nationwide over 1,000. They range from small 30 home units and various community cooperation levels. They also work with tower-type communities. 2/3rds are smaller communities who cannot get the level of service they need (without a management company).

Deborah asked how long after we sign a contract to get the portal set-up and communicate with the community.

CS replied about 30 days. Anywhere between October 1 and February, they need a 60 day window. So, to start January 1, if we get signed up end on October, beginning of November we should be good.

Deborah asked how do we pay CS.

CS replied quarterly.

Someone from the community posed a question regarding WordPress and the community website and whether there would be ads.

CS replied there will not be any private/homeowner information on the website. It will only have community pictures, a calendar, that sort of thing. There would not be ads. If the site is hacked a third party would be engaged to clean up the site. They use VPS so if a hard drive containing a website failed, they can be restored by the server company.

Bruce reiterated there should not be ads and CS insisted there are no ads. CS also said they use WordPress and they use it for CS's website. WordPress in and of itself is not unsecured. If kept up to date it is a secure platform.

Deborah offered to forward any other questions to CS.

The call was ended at this point.

Denise was asked if we currently have a website. We do but it is owned by Bruce. He set it up at his own expense when the community needed one. No one else can edit it or has administrative rights, only view access. He will not grant us admin access to it even though he is reimbursed for it so we will need to pay for one of our own. We do need our own website to which we have access. (There was a bit of discussion regarding the same subject, Bruce owns it, we cannot edit, etc.)

Donna asked if CS will engage the landscaping we have done within the community. Bruce and Denise reiterated CS is basically a bookkeeping company only. They are not full service. Full service would be much more expensive.

An unknown community individual said that looking at the paperwork provided by CS there are a whole lot of extra service charges aside from the yearly fee. She was not clear. She also asked about Blackwell

Bruce replied the other companies had just as many extra fees.

Denise replied we are not using Blackwell, they did not want us as a client. She asked about fees, felt they were glossing over the issue. She wanted specifics but did not receive satisfactory answers.

An unknown resident outlined a summary of what she felt was the “out of the box” services we were going to get for the money we pay. (Those services have been covered fairly well in the meeting and the a sample contract handed out at the meeting)

Another resident said that the only thing the community seems to see from this is a chance to pay online instead of paying by check.

Denise said our initial thing was to hire a company to do inspections in addition to the other items but companies that did were out of our price range and not an option. Other companies have been mentioned other than the ones we interviewed but those suggestions have come too late.

Deborah then said, now we need feedback.

Bruce spoke saying we now have 3 choices; one, choose Clark Simson; two, keep looking; three, do nothing and keep doing things the way we are.

Gill said we could spend a year looking and doing nothing is not an option. The community voted to try it for a year and that was the end of it. It's not up to the board. The board was supposed to come up with a choice.

Will replied the board has sole responsibility to choose but the board on any decision to hire a management company. (There was further discussion but too many people were speaking at once)

Deborah agreed the board had the ability to hire a management firm but the board wished bring the information to the community to maintain transparency. It would not have been a good luck to spend that much one without sharing the information.

Discussion continued.

Kathy Chiarizia summarized that it seemed this firm could simplify bookkeeping for Bruce, it could be a central location for everyone to see and share info such as homes for sale, pictures of homes, etc.

Deborah mentioned it would be good for posting violations. (? I think that's who said that!) We rarely have more than 12 violations. The site would be a good place for the homeowners to see what are “non-negotiable” violations so they know what to keep up on their property. Such as mold on homes, unregistered vehicles, etc.

Gill asked who signs the contract.

Denise said two members at the board, usually the president and one other person.

Donna said we will still be doing the inspections but not informing the homeowners basically because we didn't want the homeowners calling us confrontationally. Violations will still be left to the board to deal with. But the letter will come from CS instead of us.

Discussion once again brought up that any charges for communicating violations might be fronted by the Board/Community but collected from the violator. There's a flat rate for the usual services and extras for the unexpected items.

Bruce urged a vote before the library closed but Denise explained there's nothing to vote on, the board just wants feedback from the community.

(Here ensued lots of discussion by several people on different subjects, including the website)

Denise mentioned the board has been tried to get volunteers to build a website in the past without success.

Will said he'd do it and would not copyright the site.

Another resident asked why the current website was not the community's. He was told it is privately owned and that we need one for home resales, public info, etc.

Denise asked if we have consensus that we should go with Clark Simson for one year and ask about removing the services for building a website and hosting the website at a cost of \$500 + \$175 respectively.

Will requested we get a contract with all the charges recorded.

Larry asked if anyone was strongly opposed.

And yet another person volunteered to work on the website as a volunteer.

And at that, the meeting adjourned.