



# CONDOMINIUM ASSOCIATION Newsletter

January 2018

*"A self-managed and run community composed of a volunteer board that works to keep costs low while striving to enhance property values and provide efficient leadership through open and honest communication."*

# HAPPY 2018!



## **2018 BUDGET APPROVAL**



The 2018 budget draft had its second reading and a few adjustments were made to the original numbers:

- In light of the recent snow and ice events, the snow removal line item was increased to allow for a harsher winter than previously anticipated.
- Legal fees – associated with more aggressive delinquent account collections – while sizable, was deemed necessary by the Board to continue the pursuit in clearing out overdue HOA fees.
- Insurance premiums were modified to include a slight increase in premiums attributable to cyber crime.

The planned capital improvements for 2018 were reviewed again, and the anticipated projects and their preferred time-lines discussed. There are quite a few significant expenditures on the horizon but most are needed and not simply for aesthetics. As collections in 2017 were strong, resulting in good carry-over of funds, the list of items to be addressed is more inclusive than usual. Among these:

- Carpet replacement in several buildings in which extreme wear – especially from large pets – was evident. After receipt of several bids from contractors, the estimated cost per building was upped to \$2,250 each from the first budget draft, with 10 being budgeted for the year.
- Maintenance vehicle replacement cost was recalculated.
- Repair of stucco on several building facades.
- Continued balcony replacements, with 10 budgeted for the year and 3 roll overs from 2017 not yet finalized.
- Continued replacement of intercom systems.
- Partial or full seal coating of Birch Circle (funds permitting, to be determined in Q3).

Following the review and discussion, the final draft of the budget was approved and passed by the Board. Details can be found at the end of this newsletter.

## **MAINTENANCE VEHICLE REPLACEMENT**



Vice-President Stephen Papparazzo discussed and worked with the maintenance team, Eric and Dennis, to determine the features needed for replacing the community's utility vehicle. Size, load/hauling capacity, bed length and, of course cost, were all brought up and factor into the ultimate choice. Steve presented specs for several possibilities to the Board and the decision was made to procure a Koboda mini-truck. This is a 4-wheel drive vehicle equipped with tires providing good ground lift and traction with readily available parts. Birch Pointe expects to take delivery by the end of January, pending final inspect of the particular vehicle. Steve and Eric will check out the local dealers in PA and NJ; Steve will have the final purchasing authority. A cost of roughly \$7,100 is expected, well within the budget.

## NEW LARGER RECYCLE CONTAINER ON BIRCH CIRCLE



As the recycling container at the beginning of Birch Circle was consistently overflowing, a larger size was ordered from Waste Management to prevent overage charges from being added to our monthly invoicing. This should, hopefully, address the issue and allow for less redistribution by maintenance. Note, however, that residents should still break down large boxes so that as little space as possible is used and permit others to dispose of their recyclables as well. As a reminder only plastic items designated by numbers **1 to 7** should be placed in the bins; NO plastic grocery or trash bags, sheeting, foam cups, and packaging materials.

## ANNUAL COMMUNITY OPEN MEETING



The annual Birch Pointe open community meeting for 2018 has been scheduled for Tuesday, March 27<sup>th</sup>. It will take place at Skyline Middle School cafeteria from 6:30 to 8:30PM. Please make a note of this date on your calendars! A more detailed agenda will be forthcoming. Every owner is encouraged to attend and bring pre-announced concerns, questions or issues for discussion.

This meeting will include election of the 2018 Association Board. Any member of the community who is interested in running for office is encouraged to contact Manuel Harnisch ([mharnisch@birchpointe.net](mailto:mharnisch@birchpointe.net)). We welcome new ideas and 2018 will be a busy year with respect to defining the future of Birch Pointe.

## COMMUNITY REMINDERS AND REFERENCE INFORMATION



### PET WASTE and PET LEASHING

Cleaning up after your pet is expected and mandated! The fine for disregarding this rule is \$50 per occurrence. Please dispose of bagged pet waste properly; for convenience, pet waste baskets have been installed on Claremont Court and Diana Drive open space areas and also between 3700 and 3800 Haley Court. **All pets are to be leashed at all times; NO EXCEPTIONS!** If unleashed dogs are seen, animal control will be notified.

### COMMERCIAL VEHICLES



Per Birch Pointe by-laws, **commercial vehicles** are NOT permitted to be parked overnight on site. Common areas are solely for ordinary passenger vehicles. Should owners have such trucks or vans as their only means of transportation, it is required that any signage, logos, and/or advertising be covered up and blocked such as with removable magnetic panels.



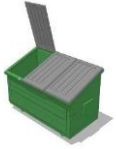
### FIRE ALARM SYSTEMS (important!)

The fire alarm systems in the buildings (with the exception of 3300 and 3400 Haley Court) **DO NOT** automatically contact 911. It is an ALARM only, alerting you to check your immediate area and VACATE the building until cleared by Fire Department. Do not assume it is a FALSE ALARM!

### SMOKING POLICIES



Smoking is prohibited in all building common areas including hallways and staircases; light up only once outside. In addition, do not toss butts onto property or over balcony/deck railings as this can be a serious fire hazard; please dispose of them properly.



## **DUMPSTERS ARE FOR HOUSEHOLD TRASH AND RECYCLING...ONLY!**

Please DO NOT leave trash on the outside of dumpsters or put mattresses, furniture, carpets, appliances, etc. in or beside the dumpsters. **Private contractors are NOT permitted to dispose of materials in BP dumpsters!** Resident disregarding this warning will be assessed a fine in addition to the current \$175 special pick up fee charged by Waste Management.



## **IMPORTANT FIREPLACE REMINDER**

As cold weather is becoming more and more frequent, an important reminder concerning fireplace safety needs to be reiterated, especially for any new owners. **Unless your fireplace has been repaired/rebuilt and undergone a level 2 inspection** (by the state Fire Marshall), it is **NOT** safe to use. Due to crucial safety concerns, ALL chimneys were capped several years ago! Maintenance will uncap them **ONLY** if documentation is provided indicating the fireplace has passed inspection.

## **BIRCH POINTE DIRECTORY/IMPORTANT NUMBERS**



### ➤ **GENERAL PROPERTY MANAGEMENT QUESTIONS**

Eric Kennedy – phone: (302) 685-4310; e-mail: [ekennedy@birchpointe.net](mailto:ekennedy@birchpointe.net)

### ➤ **MAINTENANCE ISSUES AND QUESTIONS**

Maintenance staff (Dennis, Eric) – e-mail: [maintenance@birchpointe.net](mailto:maintenance@birchpointe.net)

### ➤ **ACCOUNT STATEMENTS / CONDO FEE QUESTIONS / ACH SIGN-UP**

Monica Rieder – e-mail: [mrieder@birchpointe.net](mailto:mrieder@birchpointe.net)

### ➤ **BIRCH POINTE MAINTENANCE EMERGENCIES**

phone: 1-267-474-2907; e-mail: [maintenance@birchpointe.net](mailto:maintenance@birchpointe.net)

# January 2018 Board Meeting

(held on 1-3-2018 at Skyline Middle School library)

- Financial Reports and Monthly Expenditures
- Collections – Payments / Delinquencies / Legal Cost Recovery
- Real Estate Update – Units on Market / Units Sold
- 2018 Budget Draft – Second Reading / Vote for Approval
- Maintenance Vehicle – Final Proposals
- Carpet Replacement Bids – Vendor Reviews
- 2018 Capital Projects – Proposed Timelines
  - Balconies / Carpet Cleaning and Replacements / Seal Coating / Stucco Repair / Intercoms
- Open Meeting Date



**Real Estate Status:** Online resources such as Realtor.com, Trulia, Zillow, Estately.com, etc.  
(since last newsletter and as of 1/9/2018)



(1) Units on market now:           3 on Birch Circle  
  1 on Claremont Court  
  2 on Diana Drive

(2) Unit(s) sold:                    1 on Birch Circle                   SOLD 12-29-2017

## **Notes:**

- Let a member of the Board know if you are aware of a new listing in Birch Pointe, or if YOU are moving and planning to sell your *own* condo.
- Eric is the Birch Pointe real estate liaison and can provide many of the essential documents, forms, and certifications needed for property transfer for a \$25 fee.
- Birch Pointe has been recertified by HUD allowing them to obtain FHA insured mortgages.
- **Birch Pointe has a policy regarding investors to protect the interests of ALL owners which must be disclosed to potential buyers, either directly by the seller or by his/her realtor. The document outlining this policy – which was established in 2013 – is clearly outlined on our website.**

## **Collections Report:**



(1) Total operating income posted to December:	\$ 89,649 <sup>1</sup>	HOA fees
	\$ 2,000	investor fee
	\$ 75	3 DUCIOA re-certification fees

<sup>1</sup> This does not reflect \$4,520 of the deferred income collected in January and July for the various 6- and 12-month HOA fee pre-payments attributable to December

(2) Large HOA payment posted:                   \$ 1,050                   to go toward clearing a delinquency

(3) Other larger check payments:                   2 at \$700; 1 at \$500; 1 at \$450  
  all addressing smaller overdue HOA balances

A lien placed on a unit whose sale settled at the end of December was satisfied and all back HOA fees – totaling over \$10,000 – have been received as well as legal costs associated in pursuit of this long delinquent property owner.

#### (4) Pre-payment enrollments

Owners electing to pre-pay their HOA fees – either for 6 or 12 months – was once again offered to the community as noted in the previous newsletter. There is an additional \$10 monthly discount as incentive for enrollment. The up-front availability of such funds allows the Board to use the operational monies earlier in the year to schedule large projects in a more timely manner as well as better gauge outflow.

**NOTE THAT LEGAL ACTION WILL BE TAKEN ON OWNERS WHO REMAIN NON-COMPLIANT IN PAYMENT OF THEIR HOA FEES!**

**REMINDER: – MONTHLY HOA FEES STARTING IN 2017 ARE \$350**  
**– OWNERS WHO ARE ENROLLED IN ACH (OR OTHER E-FUND TRANSFER) RECEIVE A \$20 DISCOUNT**  
**– PAYMENTS MADE BY CHECK MUST BE REMITTED FOR THE FULL \$350**

#### **Notes:**

- Owners in financial difficulty should speak with a Board member to discuss their situation and arrange a payment plan/schedule to address ways of clearing up past balances.
- A Birch Pointe ACH enrollment form is attached for convenience. Sign up and receive a \$20 discount on your monthly dues. Contact Monica for more info at [mrieder@birchpointe.net](mailto:mrieder@birchpointe.net) .

**Cable service will be disconnected on to units in significant arrears without a Board-approved payment plan in place.**

#### **Treasurer's Report:**



(1) Total operating costs for the December:	\$ 96,567		average spends
(2) Major expenses: (other than utility costs*)	\$ 12,595	for	snow removal, shoveling and salting of 12-9-2017 and 12-14-2017 events (payment of 12-30-2017 event is pending)
	\$ 8,304	for	insurance (Worker's Comp, EPLI renewal)
	\$ 4,672	for	legal fees associated with several collection actions (including demands and liens)
	\$ 4,100	for	monthly landscaping installment and tree removal
	\$ 3,390	for	maintenance supplies
	\$ 1,620	for	building entrance ice melt and buckets
	\$ 1,390	for	water leak clean-up at Birch Circle unit

(costs associated with a separate water leak on Diana Drive is being handled by owner and/or Birch Pointe claims)

\* Of note, the Artesian water usage for December was over \$1,000 above that for November.

Please be sure to address any leak issues – especially during extreme cold spells – as well as conserve water whenever possible!

(3) Capital improvement expenditures:	\$ 13,008	for	balcony replacement/rebuild
(4) Status of Birch Pointe accounts:	Operational Reserve	=	\$ 95,358
(see financial summary at end)	Reserve	=	\$ 254,774
Total interest for all accounts during 2017		=	\$ 305

## December/Year-End 2017 Financials

### – Operating Account

<b>Beginning Balance:</b>		\$ 105,292.46
<b>Inflow – Operating Income:</b>	\$ 91,723.55	
<i>(does not reflect \$4,520 of income from 2017 prepays for the month)</i>		
<b>Inflow – One-time Transfers (from ORA*):</b>	\$ 0.00	
<b>Outflow – Operating Expenditure:</b>	\$ 96,567.01	
<b>Outflow – Capital Expenditure:</b>	\$ 13,008.00	
<b>Outflow – One-Time Transfer (to ORA*):</b>	\$ 0.00	
<b>Ending Balance:</b> (to carry over into 2018)	\$ 87,441.00	
<b>Target Ending Balance:</b>		\$ 50,000.00
<b>Surplus / Deficit:</b>		<b><u>\$ 37,441.00</u></b>

### – Operational Reserve Account (\*ORA)

<b>Beginning Balance:</b>		\$ 95,351.23
<b>Inflow – Periodic Transfers:</b>	\$ 0.00	
<b>Inflow – Interest:</b>	\$ 6.47	
<b>Outflow – Periodic Transfers*:</b>	\$ 0.00	
<b>Ending Balance:</b>		<b><u>\$ 95,357.70</u></b>

### – Reserve Account

<b>Beginning Balance:</b>		\$ 254, 752.60
<b>Inflow – Periodic Transfers:</b>	\$ 0.00	
<b>Inflow – Interest:</b>	\$ 21.64	
<b>Outflow – Periodic Transfers:</b>	\$ 0.00	
<b>Outflow – One-time Transfers:</b>	\$ 0.00	
<b>Ending Balance:</b>		\$ 254,774.24
<b>Target Ending Balance:</b>		\$ 250,000.00
<b>Surplus / Deficit:</b>		<b><u>\$ 4,774.24</u></b>

# Birch Pointe 2018 Budget

## 2018 BUDGET - FINAL

✓ Board approved 1-3-2018

			2018 BUDGET TOTALS
<b>Operating Income</b>	Condo Fees	(100% compliance @ \$350/mo.)	\$1,234,800.00
	Delinquencies	~ 3.5% of units	-\$43,218.00
	ACH enrollment discount	85% enrollment (250 units/owners)	-\$60,000.00
	Back HOA fee recovery		\$15,000.00
	Condo Fee Total		<b>\$1,146,582.00</b>
	Interest Income		\$300.00
	Re-certifications income		\$400.00
	Investor Fee Income		\$2,000.00
	<b>Total Operating Income</b>		<b>\$1,149,282.00</b>
<b>Expenses</b>	<b>Employee Salaries</b>		\$98,000.00
	<b>Employee Benefits</b>		\$12,000.00
	<b>Professional Development</b>		\$0.00
	<b>Employer FICA</b>		\$7,750.00
	<b>Income Taxes (federal)</b>		\$50.00
	<b>Professional Fees</b>		
	Accountant		\$16,500.00
	Lawyer / Legal for Collections		\$7,000.00
	Lawyer / Legal for By-Law Rewrite		\$15,000.00
	Auditors and Reserve Analysis		\$1,500.00
	Bank Fees		\$1,700.00
	Payroll Fees		\$100.00
	<b>Utilities</b>		
	Comcast		\$136,340.00
	Insurance		\$105,000.00
	Water		\$81,000.00
	Sewer		\$42,000.00
	Electric		\$30,000.00
	Waste Removal		\$29,000.00
	Advanced Security		\$3,750.00
	Water (3300 / 3400 Haley Sprinkler)		\$3,000.00
	<b>Loans</b>		
	M&T Bank		\$232,020.00

<b>Maintenance</b>		
	Snow Removal	\$40,000.00
	Maintenance Supplies	\$26,000.00
	Landscaping	\$60,000.00
	Cleaning	\$13,000.00
	Carpet Cleaning	\$7,000.00
	Pest Control - Monthly	\$6,600.00
	Pest Control - Spring / Incidental	\$4,500.00
	Snow Salt Delivery	\$2,000.00
	Fire System Maintenance	\$10,500.00
	Security	n/a
	Miscellaneous Contractors	\$20,000.00
	Amex Cash Discount	-\$3,600.00
<b>Office Expenses</b>		
	Phone	\$2,700.00
	Mileage Reimbursements	\$300.00
	Accounting Software / Dues / AMEX / Subscriptions / Promotional	\$2,200.00
<b>Petty Cash</b>		
	Office Supplies, Postage & Associated Miscellaneous	\$1,000.00
<b>Total Operating Expenses</b>		<b>\$1,013,910.00</b>
<b>Operating Profit / Loss</b>		<b>\$135,372.00</b>
<b>Capital Expenses</b>	<b>10 Blacony Rebuilds / Repairs / Permits (plus 3 roll-overs from 2017)</b>	<b>\$172,250.00</b>
	<b>Intercom System Replacements (5)</b>	<b>\$18,000.00</b>
	<b>Seal Coating (Claremont &amp; Batta)</b>	<b>\$10,000.00</b>
	<b>Stucco Repair</b>	<b>\$25,000.00</b>
	<b>Carpet Replacements</b>	<b>\$22,500.00</b>
	<b>Maintenance Vehicle</b>	<b>\$8,000.00</b>
	<b>Total CAP Expenses</b>	<b>\$255,750.00</b>
<b>Net Profit/Loss</b>		<b>-\$120,378.00</b>
Operational Reserve Contribution		\$45,300.00
Operating Fund Carry-Over Contribution		\$87,300.00
	<b>TOTAL AVAILABLE FUNDS</b>	<b>\$132,600.00</b>

Additional Capital Expenses to be approved throughout the year

Available CapEx budget for 2018 is \$267,000: \$135,000 profit plus \$132,000 draw down from OF and OR carry-over

Allocated CapEx budget for 2018 is \$255,750



**BIRCH POINTE CONDOMINIUM ASSOCIATION CENSUS FORM**  
P.O. Box 1195 Hockessin, DE 19707

Unit Address: \_\_\_\_\_ Number of Persons Residing in Unit: \_\_\_\_\_

Legal Owner's Name: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Legal Owner's Mortgage Company: \_\_\_\_\_

Legal Owner's Insurance Company: \_\_\_\_\_

Legal Owner's Phone Number(s): \_\_\_\_\_  
Home Work / Mobile

If Non-Resident, Mailing Address: \_\_\_\_\_

Tenant(s) Full Name(s) and Phone Numbers:

\_\_\_\_\_  
Name Home Number Work / Mobile

\_\_\_\_\_  
Name Home Number Work / Mobile

Emergency Contact Info: \_\_\_\_\_  
Name Phone

Vehicle(s) Owned by Occupant(s):

\_\_\_\_\_  
Year Make / Model / Color State & License Plate Number

\_\_\_\_\_  
Year Make / Model / Color State & License Plate Number

Pet(s) in Unit: \_\_\_\_\_  
Size / Breed

Are you currently in possession of the Rules and Regulations of the Birch Pointe Condominiums? Yes / No

I understand that the above information is for the sole use of Birch Pointe Condominiums Association and its authorized agents in maintaining the community and providing emergency services. I also acknowledge that I must notify Birch Pointe Management if there are any changes in this information and/or if my unit is rented or sold.

\_\_\_\_\_  
Signature of Owner Date

**Census: 4-21-2016**

01-15-2018

# Direct Payment Plan Overview

## A smart and easy way to automate your payment with Direct Payment.

Direct Payment is a repetitive payment between businesses and consumers that enables the service provider to deduct scheduled payments from the customer's checking or savings account. It's a dependable, flexible, and convenient process that does not require the consumer to use a computer or access the internet.



### With Direct Payment, you will:

- Save time by having one less check to write
- Reduce postage costs with one less bill to mail
- Eliminate late fees or charges by making payment(s) automatically

### How does Direct Payment work?

You (the customer) will authorize regularly scheduled payments to be deducted from your checking or savings account by completing and submitting an authorization form. Payments are originated one business day before the specified day that they are due. Direct Payment is usually a repetitive payment that will remain in effect until the customer terminates the authorization. It's just that simple!

### What is ACH?

The Automated ClearingHouse (ACH) Network is a nationwide system that processes electronic payments on behalf of depository financial institutions. The ACH Network was established in the 1970s as an electronic substitute for recurring check disbursements and collections. The ACH system is designed to serve all depository financial institutions, regardless of size, on an equitable basis. The system uses batch processing which costs less than on-line, real time processing systems. This feature makes ACH payments less expensive than other electronic payment methods such as wire transfers, and allows many financial institutions to participate.

# Direct Payment Plan Authorization Form

1. Mark the box of the type of account from which payment will be deducted, either a checking or savings account.
2. Fill in your name, unit number/address, financial institution information, and date.
3. Indicate what day of the month funds should be withdrawn and if this is for a monthly or 6-month pre-pay draw.
4. Attach a voided check for verification of all financial institution information.
5. **Be sure to sign the form!**

## AUTHORIZATION FOR DIRECT PAYMENT

I authorize Birch Pointe Condominium Association to initiate electronic debit entries to my:

**(check ONE)**

checking account

OR

savings account

for payment of my condominium fee(s) on or about the day of the month selected below, as well as any late fees, fines or assessments that are assessed (returned ACH fee, census non-completion fine, general fines, etc.).

This authority will remain in effect until I have cancelled it *in writing*.

Processing date **(check ONE)**

1<sup>st</sup> of month

11<sup>th</sup> of month

21<sup>st</sup> of month

Processing schedule **(check ONE)**

monthly

6-month pre-pay

Starting month

Unit ID (e.g. 5001BC, 4005HC, 5203DD)

Financial Institution / Bank Name (Please Print)

Account Number at Financial Institution

Financial Institution Routing/Transit Number

Financial Institution City and State

Signature \_\_\_\_\_

Date

**PLEASE KEEP A COPY OF THE AUTHORIZATION FOR YOUR RECORDS**

Please mail to: Birch Pointe Condominium Association, P.O. Box 1195, Hockessin, DE 19707

**Staple Voided Check Here**