



CONDOMINIUM ASSOCIATION

Newsletter

April 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."

BIRCH POINTE ANNUAL OPEN MEETING – BRIEF REVIEW



The annual meeting of the Birch Pointe Condominium Association was held on Tuesday, March 27, 2017 at the Sky-line Middle School cafeteria. Although there was a disappointing turnout at this important annual ritual of Board and owners assembling, it was nonetheless productive and informative.

Operating expenses as well as capital expenditures for fiscal year 2017 were discussed. The approved budget for 2018 was cited with a few specific line items highlighted and the breakdown of the monthly HOA fees was illustrated with the "Where Your Money Goes" designations.

President Manuel Harnisch relayed to the attendees some of the various issues which had come up during last year – both positive and some more unfavorable. These included:

- 2017 was the strongest year for collections in Birch Pointe history. This was largely due to the more aggressive stance the Board is taking with significantly delinquent accounts through demands and legal action, as well as increasing pressure on owners to settle their balances and/or set up an acceptable payment plan. Participation in the ACH program has also increased, now with over 80% of the community enrolled. An ROI chart – Return on Investment – was included in the handout materials, comparing monies recovered in back HOA fees to the legal costs incurred for the same. The high level result has been that for every dollar invested in collections, about three dollars and twenty cents are received back, or a 320% return on investment.
- Property values are stable or have increased during the year. In spite of several long-vacant units going into foreclosure, turnover has been steady with these sheriff sale properties now bringing in paying owners.
- Comcast withdrew from the proposal that had been communicated in many newsletters, in which internet access was to be included with the HOA fee and any the cable TV service currently included scaled back. After protracted delays, the negotiations ultimately fell apart due to the late 2017 FCC decision on "net neutrality". As the community has no secondary option today to Comcast, there will be no service changes in services until 2020 when the current contract with Comcast concludes.
- Long term solvency of Birch Pointe was discussed, referring to the Capital Reserve Fund analysis which had been done in February 2017. It was noted that the future – within the next five to ten years – will necessitate the execution of several high cost, major projects as part of repair work and normal upkeep. These include big ticket items such as roof and siding replacement, hallway painting, common area/hallway carpeting, roadway repaving (Diana Drive), large scale landscaping problems, and vent windows and front security door replacements. The current M&T loan will be paid off by June 2020 and will free up a substantial amount of monthly liquidity. It must be noted that the community's net monthly HOA fees (exclusive of the ACH discount adjustment in 2017) have not seen an increase since 2008, while the Consumer Price Index during this same period has risen about 30%. Current and future Boards will need to seriously address any funding shortfalls as a result of increase recurring costs.
- Feedback concerning the "resident-only" parking designation and the effectiveness of the program was mentioned. First rolled out on Haley Court to address the often limited spaces there, then taken community-wide, the initial success seems to have abated. The current "Phase 2" has lost effectiveness and is being

ignored by both visitors and residents in certain areas. As has been mentioned in several newsletters, the next step in attempting as equitable a solution as possible to this situation is the employment of hang tags. More details on this can be found below. It was also brought up by some residents attending the meeting that designations, including those for "guest" spots, might need to be reevaluated in some areas.

- The funding for a by-law rewrite has been approved. The main emphasis will be to clear up language in several current gray areas including fireplaces, landlord/tenant responsibilities and obligations, mandatory insurance, unit damage caused by leaks, etc., as well as communication methods and meeting quorums.

Attendees also had an opportunity to listen to guest speaker Michael Ramone, State Representative for the 21st District, which includes Birch Pointe. Rep. Ramone first mentioned his e-newsletter as well as his twice monthly meetings at the Crossroads Restaurant and at his house, intended as a low-keyed means of dialog with his constituents.



Mr. Ramone followed with a quick review of a few of the major issues impacting Pike Creek and, ultimately, Birch Pointe:

- County: (1) former Three Little Bakers golf course and the its probable development with 40 to 66 houses or condominiums/townhouses, but most likely not in the near future; (2) the former Charcoal Pit bowling alley site, where the building and parking lot has been leveled but for which the ultimate use is deed restricted to entertainment and/or recreation; (3) an upcoming paving of the upper stretch of Skyline Drive down to Grendon Drive, which would then contain seven speed bumps.
- State: (1) his participation in the Joint Financing Committee and its goal of balancing the budget. Rep. Ramone noted that they had taken a conservative, prudent and specific approach to reverse the deficit of 2017 into an anticipated surplus for 2018, largely due to an increase in the transfer tax. He stated that there has been a large influx of residents to Delaware from neighboring New York and New Jersey because of the low property taxes. However, this migration is mainly of older individuals who can afford the transfer tax; the younger residents are on their way out. (2) the many bills in the State House, including several relating to gun ownership, "Angel Investors" credit, New Castle County succession if seats are left open, and a "Coffee with Cops" program.

Specific to Birch Pointe, Rep. Ramone mentioned that – as the roadways had been turned over to the state – the community might be eligible for state monies to repair and re-grade Diana Drive. The surface of this road has become a casualty of the harsh winter and structural deficiencies, becoming filled with pot holes and rapidly deteriorating asphalt. Birch Pointe will work to patch the current holes but will work on a more comprehensive plan to address the underlying issues with the state provided we are deemed eligible.

BOARD ELECTIONS / APPOINTMENTS



Prior to adjourning the 2018 annual meeting, elections for the Association's Board were held. Current members seeking re-election were invited to briefly outline their reason for running, mirroring the bios which had been included in the previous newsletter. They comprised: Manuel Harnisch, Monica Rieder, Steve Papparazzo, Susan Yeatman, Cheryl McDonough, Rich Shelton, and Tom Saienni; no additional nominees were presented. Ballots and proxies were cast and collected. As there was insufficient participation of the community to reach a quorum at the meeting, the election results would serve only as guidance for appointment of Board members per our by-laws. The Board held an organizational and regular meeting on April 3rd, 2018, at which it re-appointed all sitting members based on the tradition of honoring the majority of the unit owner votes. The Board further elected its officers for the 2018/2019 term.

The 28 voting ballots received – without proxies – and official results from the organizational meeting were as follows:

Manuel: 27 Yes and 1 Pass	→	re-appointed and elected President
Monica: 27 Yes and 1 Pass	→	re-appointed and elected Treasurer
Steve: 27 Yes and 1 Pass	→	re-appointed and elected Vice-President
Susan: 27 Yes and 1 No	→	re-appointed Member-at-Large
Cheryl: 27 Yes and 1 Pass	→	re-appointed and elected Secretary

Rich: 24 Yes and 1 Pass and 3 No
Tom: 25 Yes and 3 Pass

→ re-appointed Member-at-Large
→ re-appointed Member-at-Large

PARKING PHASE 3A



In response to the numerous notes received from members of the community as well as observation by Board members, the Board has voted to proceed with Phase 3A of the parking roll-out.

This Phase will include the issuance of Birch Pointe branded and numbered hang tags at a rate of one tag per unit. Only vehicles with a hang tag may park in a "Resident" designated parking spot.

The procurement of these hang tags is currently in process and issuance thereof will begin early May 2018. They will need to be picked up from the maintenance building at 5000M Claremont Court. A separate notice will be posted when the tags are ready.

Enforcement of the hang tags will initially be conducted without the use of a towing company (part of Phase 3B). A member of the maintenance team will, at random times during evenings after the enforcement window starts (after 5PM and before 8AM EST, Monday – Friday), patrol the community and issue warning citations to violators.

PRIVACY AND SECURITY



The Board would like to remind everyone to be courteous when walking dogs or moving about behind first floor units. Please respect the privacy of those residents. Furthermore, we urge everyone to report any and all suspicious activity by calling 911 and reporting it to police. We have had several instances of residents notifying maintenance or Board members directly about suspicious activity or petty crime without reporting it to the police. Birch Pointe has no authority to arrest suspects or cannot otherwise cure these incidents. It is urged that everyone call 911 to officially report such instances and have law enforcement address these concerns.

COMMUNITY REMINDERS AND REFERENCE INFORMATION

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.

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.



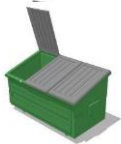
FIRE ALARM SYSTEMS (important!)

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!



DISPOSAL OF RECYCLABLES

Please do not "contaminate" recycle bins with plastic items other than those designated by numbers **1 to 7**. This includes plastic grocery or trash bags, sheeting, foam cups, and packaging materials. Birch Pointe will be fined for any bins containing non-designated materials.



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

Please DO NOT leave trash or any other items such as mattresses, furniture, carpets, and/or appliances in or beside the dumpsters!

Private contractors are NOT permitted to dispose of used materials in BP dumpsters

If the dumpster closest to you is full, please be courteous and take it to the next closest bin. If you have large items to be removed, you will need to have a pick up by a private source as our waste removal company is NOT contracted to remove large items or overflow.

If items are in reasonable shape, consider donating them to a charitable organization – which will often come on-site – and possibly even receive a tax deduction!

If you DO see a resident disregarding these by-laws, e-mail maintenance@birchpointe.net. Once an offender is identified, the resulting special pick up fee [**currently \$175**] will be charged to his/her account, along with an additional fine. **For owners who have rental units, this cost will be invoiced to YOUR account** so please communicate this regulation directly to your tenants. Everyone's cooperation and assistance is appreciated.

BIRCH POINTE DIRECTORY / IMPORTANT NUMBERS



➤ **GENERAL PROPERTY MANAGEMENT QUESTIONS**

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

➤ **MAINTENANCE ISSUES AND QUESTIONS**

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

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

Monica Rieder – e-mail: mrieder@birchpointe.net

➤ **BIRCH POINTE MAINTENANCE EMERGENCIES**

phone: 1-267-474-2907; e-mail: maintenance@birchpointe.net

April 2018 Board Meeting

(held on 4-3-2018 at Skyline Middle School library)

- Annual Meeting Election Certification
 - Board Officer Position Appointments
- Financial Reports and Monthly Expenditures for February and March
- Collections and Delinquency Progress
- Real Estate Update – Units on Market and Units Sold / Foreclosures
- Phase 3 of Community Parking Rollout
 - Community Feedback Discussion
 - Issue of Street Color Coded Hang Tags
 - Towing Contractor – Evans?
 - Initiation Period
- Scheduling of May Meeting



Real Estate Status: Online resources such as Realtor.com, Trulia, Zillow, Estately.com, etc. (since last newsletter and as of 4/8/2018)



(1) Units on market now:	3 Birch Circle 2 on Claremont Court 1 on Diana Drive 2 on Haley Court	2 with price reductions 2 new listings; 1 with sale pending new listing 1 short sale; 1 back to active with price reduction
(2) Unit(s) in foreclosure:	1 on Claremont Court	sheriff sale scheduled for 4-10-2018
(3) Unit(s) sold:	2 on Birch Circle 1 on Claremont Court 1 Diana Drive	SOLD 2-16-2018 and 3-30-2018 SOLD 2-21-2018 SOLD 3-5-2018

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 was recertified by HUD in November 2017 allowing buyer 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 in February and March:	\$ 102,555 ¹	February HOA fees
	\$ 95,770 ¹	March HOA fees
	\$ 75	3 DUCIOA re-certification fees

¹ does not reflect the \$5,280 in pre-payment HOA monies collected in January attributable to each month

(2) Large HOA payment posted to months: \$ 10,920 clear out delinquency with sale of unit on Birch

(3) Other larger check payments: 1 at \$1,380; 2 at \$700; 3 between \$400 and \$500
all addressing smaller overdue HOA balances

Another round of legal action took place recently with demands being issued to owners who have failed to address and/or act on their delinquencies.

BIRCH POINTE IS TAKING THESE CASES SERIOUSLY AND REFERRING THEM TO OUR ATTORNEY!

REMINDER: – MONTHLY HOA FEES STARTING IN 2017 ARE \$350
– OWNERS WHO ARE ENROLLED IN ACH (OR OTHER E-FUND TRANSFER)
RECEIVE A \$20/MONTH 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 .

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 months:	\$ 108,375	for	February
	\$ 118,795		March
(2) Major expenses: (other than utility costs*)			
February:	\$ 43,572	for	annual sewer bill
	\$ 6,475	for	snow removal, shoveling and salting
	\$ 1,921	for	legal costs for collection actions
March:	\$ 23,882	for	combined 12/2017, 1-2/2018 insurance pays
	\$ 20,565	for	several snow removals and saltings
	\$ 6,750	for	landscaping – 3 tree removal from storms; first monthly installment for maintenance
	\$ 4,554	for	spring pest control treatment
	\$ 4,060	for	legal costs for collection actions

Contractor expenses incurred in February 2018 for December 2017 water leak at 5300 building of Diana Drive were all settled via insurance reimbursements.

(3) Capital improvement expenditures:	\$ 27,721	for	2 balcony rebuilds (both on Birch)
	\$ 10,500	for	carpet replacement down-payment
(4) Status of Birch Pointe accounts: (see financial summary at end)	Operational Reserve	=	\$ 95,376
	Reserve	=	\$ 254,837

March 2018 Financials

– Operating Account

Beginning Balance:		\$ 132,718.47
Inflow – Operating Income:	\$	95,845.00
Inflow – One-time Transfers (from ORA*):	\$	0.00
Outflow – Operating Expenditure:	\$	121,668.43
Outflow – Capital Expenditure:	\$	24,578.00
Outflow – One-Time Transfer (to ORA*):	\$	0.00
Ending Balance:	\$	82,317.04
Target Ending Balance:		\$ 50,000.00
Surplus / Deficit:		<u>\$ 32,317.04</u>

– Operational Reserve Account (*ORA)

Beginning Balance:		\$ 95,370.04
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	6.48
Outflow – Periodic Transfers*:	\$	0.00
Ending Balance:		<u>\$ 95,376.52</u>

– Reserve Account

Beginning Balance:		\$ 254,815.43
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	21.64
Outflow – Periodic Transfers:	\$	0.00
Outflow – One-time Transfers:	\$	0.00
Ending Balance:		\$ 254,837.07
Target Ending Balance:		\$ 250,000.00
Surplus / Deficit:		<u>\$ 4,837.07</u>

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

04-09-2018

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)**

1st of month

11th of month

21st 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