



CONDOMINIUM ASSOCIATION Newsletter

December 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."



*Our wishes for a very happy holiday season
and the best for the New Year!*



IMPROVED MAINTENANCE VEHICLE LOOK

As some of you may have noticed, the maintenance vehicle is sporting a new coat of paint and some sharp looking decals. Due to the longstanding relationship with ProTech's Paul Petschelt, Paul had graciously and generously agreed to sand, de-rust/prime and paint the vehicle on his own time, free of charge to Birch Pointe. Eric Kennedy's wife Christine worked on and provided the new Birch Pointe graphics and whose time was also instrumental in the great "After" look!



"Before"



"After"

Paul and his crew have been a vital asset to the community over the years and their continued service goes well beyond the balcony rebuilds and other structural repairs.

We would hereby like to take this opportunity to thank Paul for all that he has done over the years, and particularly the work he has invested in making the maintenance vehicle shine.

2019 BUDGET AND HOA FEE



The Board has reviewed, debated and ultimately passed the attached 2019 budget unanimously (7 yay, 0 nay) on December 11, 2018, ahead of the customary early January date for passage.

Furthermore, the Board has voted, again unanimously, to keep the monthly HOA fee steady at \$350 throughout 2019 (less customary and established payment method discounts).

On a further positive note, 2019 will be the last full fiscal year in which the community will pay towards the M&T loan; it will be satisfied at the end of May 2020. Therefore, it is expected that substantially more funds should be available for capital projects starting in mid-2020. Great timing as there will be some major additional projects to be addressed in the near future: new entrance doorways, retaining wall rebuilds, Diana Drive's grading and paving work, and building pod water lines, among many others. Also, the process of growing our reserves will begin for other large scale projects that will become due between 2020 and 2040 (roofs, siding, roadways, etc.) as outlined in the 2017 capital reserve analysis

Birch Pointe's present day financial health is a direct result of the past 10 years of conscientious self-management, rigorous collection processes as well as prudent and mindful spending. It is incumbent upon this and future boards to continue in this tradition well into the future so that everyone in the community may take enjoyment from living here.

BY-LAW UPDATE



The Board is in receipt of a close-to-final version of revised by-laws, a project started at the beginning of the year with the intent of bringing the original up to 2018 standards. The changes are currently being reviewed in detail and it is anticipated that the community will be approached in January for its review and vote to pass those changes. Details will be provided once the final version is available. The majority of the incorporated updates are common sense modifications that will allow the community to operate both more efficiently as well as enable the Board to enforce long requested concerns such as individual owner property and liability insurance, first floor unit egress, common or limited common element modifications as well as smoking of non-tobacco products in common areas.

ELECTRIC VEHICLE/EV CHARGING STATION SURVEY



The Board reviewed and discussed in detail the results of the survey which was sent out in November. While the results had been mixed – with several strong advocates, several strong opponents and a broad range of "middle of the road" opinions – the Board felt that, while this technology will continue to increase in importance and can be a property value driver, no further action will be taken at this time. It is encouraged that owners who feel strongly about wanting this technology to come forward at future meetings or via other channels so that we can keep track of interest. Once a critical mass of 10 to 15 owners is established who would directly benefit from such charging stations, the investment in this area will be reconsidered.

As a final note, electricity provided through the stations would NOT be a common community expense, but instead be billed to individual users by the station, including a premium that would be used to maintain and service said stations.

FIOS UPDATE



The Board continues to wait on Verizon for an update on engineering drawings for FiOS deployment. An update will be provided once we hear from Verizon on this matter.

PET WASTE AND CLEAN-UP



Please remember to clean up after your pet! It is not only expected as a courtesy to the community, it is also mandated! The fine for disregarding this by-law is \$50+ per occurrence. For convenient and proper disposal, pet waste baskets have been installed on Claremont Court and Diana Drive open space areas and also between 3700 and 3800 Haley Court.

In addition, make note that pets are, under no circumstances, to be left on patios or balconies for extended periods of time and allowed to relieve themselves there. Such areas fall under the classification of "limited common elements" and, thus, fall under the same rules and regulations as any other open area. The aforesaid behavior is not only unsanitary and disrespectful of neighbors, it WILL be substantially fined.

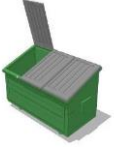
"RESIDENT" PARKING REMINDER



Please make sure that you display your hang-tag! If one has not been obtained, such as by new owners just moving into the community, contact Eric Kennedy to have one issued. This also applies to anyone with a handicapped parking spot: a Birch Pointe hang-tag must still be procured and visible. Note that vehicle information, including license plate number, must be provided in order to secure a hang-tag.

Recently it has been noticed that "Resident" designated parking spaces have been occupied during enforcement times – 24 hours on weekends and 5pm - 8am Monday through Friday – by vehicles without these tags. Note that wide-spread non-compliance of this level of enforcement – via warnings issued – may result in the Board implementing a stricter enforcement through an outside towing contract to ensure more effectiveness above simple warnings.

COMMUNITY REMINDERS AND REFERENCE INFO



DUMPSTERS ARE FOR HOUSEHOLD TRASH ...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!

Residents disregarding this warning will be assessed a fine in addition to the current \$175 special pick up fee charged by Waste Management.



NO SMOKING

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.



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!

FIREPLACE SAFETY (especially for new owners)



Unless your fireplace has been repaired/rebuilt and undergone a level 2 inspection (by order of the state Fire Marshall), it is **NOT** safe to use. Due to crucial safety concerns, ALL chimneys were capped! Maintenance will uncapped them ONLY if documentation is provided indicating the fireplace has passed inspection. Use of such capped chimneys will result in almost immediate smoke build up in the unit which, no doubt, will lead to a 911 fire call. New owners, especially, are cautioned and should be made aware of their units' status by the previous owners

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, Jules) – e-mail: maintenance@birchpointe.net

➤ **ACCOUNT STATEMENTS / HOA 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

December 2018 Board Meeting

(held at Hockessin Public Library on 12-11-2018)

- Collections – Payments / Delinquencies
- Financial Reports and Monthly Expenditures
- Real Estate Update – Units on Market / Units Sold
- Updates
 - FiOS / Verizon – (none to report)
 - Commercial Vehicles with Signage
- Electric Vehicle Charging Station Survey
- By-Law Update and Review
- 2019 Budget Draft / Review
 - HOA Fee
 - Possible Vote



Real Estate Status: Online resources such as Realtor.com, Trulia, Zillow, Estately.com, etc. (since last newsletter and info as of 12/11/2018)



(1) Units on market now:	3 Birch Circle 1 on Claremont Court 1 on Diana Drive	2 new listings, 1 with sale pending \$2.5K price reduction new listing
(2) Units in foreclosure	1 on Diana Drive	scheduled for sheriff sale on 1-8-2019
(3) Units sold:	1 Birch Circle	SOLD 12-17-2018

When moving, PLEASE inform Treasurer Monica Rieder if you are on Birch Pointe's ACH program so that future automatic bank debits can be cancelled. Once DUCIOA forms are requested, any scheduled ACH draws should be discontinued if possible. Current owner monthly payments can be made at closing by check, still at the \$330 ACH discounted rate. Contact mrieder@birchpointe.net if there are any questions or concerns.

Note also that **parking hang tags for units being sold are to be returned to Eric**, not handed to new owners directly or to real estate agents. Tag numbers are associated with specific vehicles for security and tracking purposes. If the existing protocol is not followed, confusion may well result regarding undocumented cars and their actual owners if the new information is not provided. Your cooperation is appreciated!

Notes:

- Eric is the Birch Pointe real estate liaison and can provide many of the essential information and documents needed for property transfer – including completion of DUCIOA forms. **There is currently a \$25 fee which will increase to \$50 starting in 2019.**
- 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 available on our website.**

Collections Report:



(1) Total operating income posted in November:	\$ 91,830.00 ¹	in HOA fees
	\$ 25.00	1 DUCIOA re-certification fee

¹ does not reflect the \$5,820 in pre-payment HOA monies collected in July attributable to each month

(2) Among the three bank deposits made during the month – which totaled \$17,525 – there were a few larger checks received: two were for \$1,050 and one was for \$1,000, all addressing overdue back balances. Other checks above the monthly fee came in at \$700, \$500 and \$450.

**THE BIRCH POINTE BOARD TAKES LONG TIME DELINQUENCIES SERIOUSLY
AND ARE REFERRING THEM TO OUR ATTORNEY!**

- REMINDER:**
- MONTHLY HOA FEES SINCE 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

ACH/FIS enrollment currently stands at 83%

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 November:	\$ 91,655	in	utility, maintenance, professional, and office expenses; wages; loan
(2) Major expenditures for the month: (other than utility costs*)	\$ 5,908	for	Worker’s Comp insurance premium
	\$ 3,925	for	monthly landscaping installment plus tree removal and replacement planting
	\$ 3,835	for	maintenance supplies
	\$ 3,800	for	salting and snow removal on 11-15-2018 and alarm monitoring
	\$ 3,516	for	outside contractor
	\$ 1,092	for	legal fees

AMEX discount/rebate posted to November \$485.

(3) Capital improvement expenditures: \$ 26,344 for 2 balcony rebuilds on Claremont

(4) Status of Birch Pointe accounts:	Operational Reserve	=	\$ 65,418
(see financial summary at end)	Reserve Fund	=	\$ 255,007

November 2018 Financials

– Operating Account

Beginning Balance:	\$	60,248.01
Inflow – Operating Income:	\$	91,655.00
Inflow – One-time Transfers (from ORA*):	\$	0.00
Outflow – Operating Expenditure:	\$	77,525.34
Outflow – Capital Expenditure:	\$	26,344.00
Outflow – One-Time Transfer (to ORA*):	\$	0.00
Ending Balance:	\$	48,033.67
Target Ending Balance:	\$	50,000.00
Surplus / Deficit:	\$	<u>-1,966.33</u>

– Operational Reserve Account (*ORA)

Beginning Balance:	\$	65,414.23
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	4.30
Outflow – Periodic Transfers*:	\$	0.00
Ending Balance:	\$	<u>65,418.53</u>

– Reserve Account

Beginning Balance:	\$	254,986.52
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	20.96
Outflow – Periodic Transfers:	\$	0.00
Outflow – One-time Transfers:	\$	0.00
Ending Balance:	\$	<u>255,007.48</u>
Target Ending Balance:	\$	250,000.00
Surplus / Deficit:	\$	<u>5,007.48</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 Vehicle Insurance Company: _____

Legal Owner's Condo/Home 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

**** NOTE: Renters are NOT permitted to have pets/animals while residing in Birch Pointe ****

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

If a unit is a rental, it is the duty and responsibility of the owner/landlord to notify the Management/Board and advise all tenants of the Rules, Regulations and Code of Conduct of Birch Pointe Condominiums

I understand that the above information is for the sole use of Birch Pointe Condominium 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

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 for regular HOA payments

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

Financial Institution / Bank Name

(Please Print Neatly!)

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

Birch Pointe 2019 Budget

✓ Board approved 12-11-2018

2019 DRAFT
BUDGET TOTALS

Operating Income	Condo Fees	100% compliance @ \$350/mo. ~ 2% of units	\$1,234,800.00
	Delinquencies		-\$24,700.00
	ACH enrollment discount	85% enrollment (250 units/owners)	-\$60,000.00
	Back HOA fee recovery		\$15,000.00
	Condo Fee Total		\$1,165,100.00
	Interest Income		\$325.00
	Re-certifications income		\$1,000.00
	Investor Fee Income		\$2,000.00
	Total Operating Income		\$1,168,425.00
	Expenses	Employee Salaries	
Employee Benefits			\$12,000.00
Professional Development			\$0.00
Employer FICA			\$10,000.00
Income Taxes (federal)			\$75.00
Professional Fees			
		Accountant	\$16,500.00
		Lawyer / Legal for Collections	\$7,000.00
		Lawyer / Legal for By-Law Rewrite	\$0.00
		Auditors and Consulting	\$1,700.00
		Bank Fees	\$1,700.00
		Payroll Fees	\$275.00
Utilities			
		Comcast	\$140,425.00
		Insurance	\$106,500.00
		Water	\$80,000.00
		Sewer	\$45,000.00
		Electric	\$32,000.00
		Waste Removal	\$28,500.00
		Advanced Security	\$1,000.00
		Water (33/3400 Haley Sprinkler)	\$3,050.00
Loans			
		M&T Bank	\$232,020.00
Maintenance			
		Snow Removal	\$45,000.00
		Maintenance Supplies	\$28,500.00
		Landscaping	\$50,000.00
	Cleaning	\$14,000.00	
	Carpet Cleaning	\$7,000.00	
	Pest Control - Monthly	\$6,600.00	
	Pest Control - Spring/Incidental	\$4,750.00	
	Snow Salt Delivery	\$0.00	
	Fire System Maintenance / Cell Communicators	\$13,200.00	
	Miscellaneous Contractors	\$7,500.00	
	Amex Cash Discount	-\$6,000.00	
Office Expenses			
	Phone	\$2,600.00	
	Mileage Reimbursements	\$200.00	
	Accounting Software / Dues / Subscriptions / Promotional / Advertising / Contributions	\$2,850.00	
Petty Cash			
	Office Supplies, Postage, Printing, & Misc	\$850.00	
Total Operating Expenses		\$1,019,795.00	
Operating Profit / Loss		\$148,630.00	
Capital Expenses			
	10 Blacony Rebuilds/Repairs/Permits	\$140,000.00	
	Seal Coating (Claremont & Batta)	\$10,000.00	
	10 Carpet Replacements	\$25,000.00	
	Concrete Repair Work	\$10,000.00	
	Water Line Replacements	\$10,000.00	
	Power Washing - Equipment Rental	\$7,000.00	
Total CAP Expenses		\$202,000.00	
Net Profit/Loss		-\$53,370.00	

Operational Reserve

Contributions

12-18-2018

Additional Capital Expenses to be approved throughout the year
Available CapEx budget for 2019 is \$200,000: \$148,500 profit plus estimated \$51,500 draw down from Operational carry-over
Allocated CapEx budget for 2019 is \$202,000