



CONDOMINIUM ASSOCIATION

Newsletter

January 2019

"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 2019 !



BY-LAW UPDATE



At the January meeting, the Board resumed its review of the revised Birch Pointe by-laws. As noted in the last newsletter, most of the updates incorporated in the rewrite have been common sense modifications that will (1) allow the community to operate more efficiently as well as (2) enable the Board to enforce long requested concerns. Details will be provided shortly but some of the major reworking has been to bring the new version into current standards and language.

A few highlights are:

- Striking of "builder" language as the community is fully developed
- Various miscellaneous tweaks to keep the by-laws in compliance with Delaware laws
- Updates to methods of communications with the community
- Express stipulation of electronic forms of payment; enshrining the ability to grant payment discounts
- Requirement for a defined level of liability insurance by owners
- Elevation of fines to that of ordinary assessments for collection purposes
- Ability to borrow without authorization to refinance an existing obligation
- General language around 1st floor egress, unit modification, use of medical cannabis, common areas

It was voted electronically by the Board (5 aye, 2 nay) to move forward with the by-law presentation to the community. Therefore, owners will soon be receiving a copy of the revision and an explanatory cover letter with high level summary points. The voting to accept the changes will be open for several months to allow ample time for everyone to examine and assess the updates. A 66.7% acceptance by owners is required to pass changes. The updated by-laws will be presented for aggregate vote; in other words, either all updates are approved, or none of them are.

BIRCH POINTE ANNUAL OPEN MEETING



A survey was recently e-mailed to solicit feedback on the 2019 Community Meeting. The Board is looking to determine a day and time which will accommodate as many owners as possible and allow for a more robust turnout. Also requested was if any residents were interested in running for a Board seat and volunteering a bit of time and energy to help with the governance and management of Birch Pointe. Become involved! Remember, everyone owns a share of the community and how it's operated directly influences property values!

FIOS UPDATE



The Board has finally received detailed plans from Verizon for the build-out of the community with FiOS. Briefly, this would entail installing a distribution box at the end of Diana Drive, trenching to run lines, and enclosing these in down-

spout-like fixtures which would be installed on the side of each building. All equipment will be installed but no drilling to access individual units would occur unless an owner wants the service. All of this installation work would be at no cost to Birch Pointe. A meeting with the construction crew will be taking place very soon to review specifics.

Discussions with Verizon regarding providing bulk service would not take place until the latter part of the year when the contract with Comcast comes up for possible renewal. At that time, more serious dialog can begin – with both providers – to negotiate the most advantageous bulk rate contract for the community. In all likelihood, as had previously been surveyed and studied, with the changing demographics residing in Birch Pointe, the service to be included with the HOA fee would be for internet instead of the current TV programming which would be left up to owners to decide on.

A Board vote to proceed with the build-out will be held in February once it has had a chance to review the plans and ask questions. This is a rare opportunity for Birch Pointe to bring a competitor to Comcast into the community. The last time such an option presented itself was roughly 10 years ago and was turned down by the then sitting Board. Approval to proceed with the build-out, while not yet provided, is likely the best outcome for Birch Pointe and its residents.

CONTINUED ISSUES WITH "RESIDENT" PARKING



Once again complaints from some owners have been voiced, both to the Board and to the maintenance team, regarding vehicles without hang tags parking in "Resident" designated spaces. The present "honor system" for times when such parking should require display of tags – 24 hours on weekends and 5pm - 8am Monday through Friday – continues to be disregarded by some residents. Despite signs throughout the community and obvious street marking, it is done by unit occupants parking more than one vehicle in such spots as well as by visitors who possibly may not be aware of our rules.

The protocol Birch Pointe established was designed to maximize the ability of residents to find a parking spot in front – or at least close to – their building. While not always possible for every part of every street, it has been found to provide as equitable an opportunity as could be possible. Stricter fines as well as the use of a towing service will be discussed at the annual open meeting.

Having said this, there is no simple solution to Birch Pointe's limited parking capacity; the Board is well aware that there is no scenario which would satisfy and/or be fair to absolutely everyone in the community. Again, this topic will be on the agenda for the upcoming annual meeting where the Board will hear further feedback from the community.

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

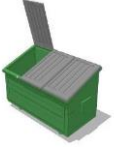
➤ ACCOUNT STATEMENTS / HOA FEE QUESTIONS / ACH

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

➤ BIRCH POINTE MAINTENANCE EMERGENCIES

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

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 uncap 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

January 2019 Board Meeting

(held at the Skyline School Library on 1-8-2019)

- Collections – Payments / Delinquencies
- Financial Reports and Monthly Expenditures
- Real Estate Update – Units on Market / Units Sold
- Resident Parking Enforcement
- FiOS Build-Out Proposal
- By-Law Discussion and Review
 - Vote to Submit to Community
- Planning for Community Open Annual Meeting
 - Possible Date(s) and Location
 - Possible Vote



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



(1) Units on market now:	1 Haley Court 4 Birch Circle 1 on Claremont Court 1 on Diana Drive	new listing with sale pending all with sales pending sale pending
(2) Units in foreclosure	1 on Diana Drive	sold at sheriff sale on 1-8-2019

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. **The fee for re-certification is \$50 starting in January of 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.**

2018/Year In Review:	Total units sold:	28
	Units on Haley Court:	6
	Units on Birch Circle:	11
	Units on Diana Drive:	4
	Units on Claremont Court:	7
	Total units in foreclosure/for sheriff sale:	2

Collections Report:



(1) Total operating income posted in December:	\$ 92,940 ¹	in HOA fees
	\$ 50	2 DUCIOA re-certification fee

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

(2) Due to the holidays, there were only two bank deposits made during the month, totaling \$13,665.

(3) Still, a few sizable checks were received, posted toward some delinquencies: two were for \$1,400, one for \$1,000, and another at \$900.

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 is steady 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.

<u>2018/Year In Review:</u>	Total HOA fees collected	\$1,198,792
	Total re-certification fees collected	\$ 725
	Total legal fees recovered	\$ 3,922
	Interest income	\$ 318

Treasurer’s Report:



- (1) Total operating costs for December: \$ 92,990 in utility, maintenance, professional, and office expenses; wages; loan
- (2) Major expenditures for the month: \$ 10,840 for monthly insurance premium and 2019 annual EPL/D&O Liability renewal
 (other than utility costs*) \$ 3,900 for monthly landscaping installment plus ice melt and bucket replacement
 \$ 1,640 for maintenance supplies
 \$ 1,390 for legal fees (for by-law update)

AMEX discount/rebate posted to November \$301.

- (3) Capital improvement expenditures: \$ 27,505 for 2 balcony rebuilds
- (4) Status of Birch Pointe accounts: Operational Reserve = \$ 65,418
 (see financial summary at end) Reserve Fund = \$ 255,007

<u>2018/Year In Review:</u>	
2018 Beginning Operating Fund balance:	\$ 87,441
2018 Ending balance / carry-over to 2019:	\$ 61,908
2018 Beginning Operational Reserve balance:	\$ 95,358
2018 Ending balance:	\$ 65,418
2018 Beginning Reserve Fund balance:	\$ 254,774
2018 Ending balance:	\$ 255,007

2018/Year In Review:

Total all operating expenses: \$1,002,330 *

* includes: employee salaries, utilities, community maintenance, professional fees,
office expenses, loan

Total all capital project expenditures: \$ 281,692 **

** includes: (1) maintenance vehicle replacement
(2) 13 balcony rebuilds/replacements (3 carry-overs)
(3) 10 building carpet replacements
(4) 19 building intercom replacements (1 carry-over)
(5) stucco repair work on 3 building pods
(6) upper half of Burch Circle and all of Batta Drive seal coating
(7) Diana Drive asphalt patch work
(8) 3 sewer grate rebuilds

Total operating profit/loss: \$ 201,109

December/Year-End 2018 Financials

– Operating Account

Beginning Balance:	\$	48,033.67
Inflow – Operating Income:	\$	92,990.00
Inflow – One-time Transfers (from ORA*):	\$	25,000.00
Outflow – Operating Expenditure:	\$	76,610.37
Outflow – Capital Expenditure:	\$	27,505.00
Outflow – One-Time Transfer (to ORA*):	\$	0.00
Ending Balance:	\$	61,908.30
Target Ending Balance:	\$	50,000.00
Surplus / Deficit:	\$	<u>11,908.30</u>

– Operational Reserve Account (*ORA)

Beginning Balance:	\$	65,414.23
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	2.51
Outflow – Periodic Transfers*:	\$	25,000.00
Ending Balance:	\$	<u>40,421.04</u>

– Reserve Account

Beginning Balance:	\$	255,007.48
Inflow – Periodic Transfers:	\$	0.00
Inflow – Interest:	\$	21.66
Outflow – Periodic Transfers:	\$	0.00
Outflow – One-time Transfers:	\$	0.00
Ending Balance:	\$	<u>255,029.14</u>
Target Ending Balance:	\$	250,000.00
Surplus / Deficit:	\$	<u>5,029.14</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 Balcony 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		

1-16-2019

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