



# CONDOMINIUM ASSOCIATION

## Newsletter

March/April 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."*

## 2019 ANNUAL OPEN MEETING – RECAP



As previously announced the annual open meeting of Birch Pointe owners was held on Wednesday March 27, at the Skyline Methodist Church. Unfortunately, there was a disappointing turnout with only 15% of all unit owners in attendance, who thought it important to learn about the projects, finances, and issues of Birch Pointe and surrounding area. Please remember that the Board is all-volunteer and works tirelessly and diligently on behalf of everyone's interests. It is everyone's responsibility to come to this meeting if they wish their voice heard and have a say in decisions that the Board makes on behalf of everyone in the community.

A brief recap is provided below:

### AGENDA:

#### **Welcome and Introductions**

**Year in Review** : FY2018 Financial recap; Real estate review

**"Looking Ahead"** : FY2019 Capital Improvement projects; Beyond 2020: A future without the loan;  
Verizon FiOS, Comcast, 2020 bulk contract

**Guest Speakers** : Michael Ramone / Representative. 21<sup>st</sup> District; Janet Kilpatrick / Councilwoman District 3  
General district updates and information

#### **Property Values on the Rise**

#### **New By-Law Q & A**

#### **Open Community Discussion**

#### **Board Elections / Voting**

#### **Adjournment**

### ➤ **YEAR IN REVIEW**



#### (1) 2018 FINANCES:

- 2018 was quite a good year overall: income was better than budgeted
  - Expected \$1.15M in HOA fees; actually collected over \$1.2M (in 2017 collected \$1.186M)
  - Also had a small revenue stream in interest, recertification fees (for DUCIOA forms) and AMEX discounts
  - In January and July had significant income from 6- or 12-month pre-pays
  - ACH program/e-payment enrollment status (set up 2012) is now at 248 total or 84.5% of community
- Started the year with balance of \$87.4K in the Operating Fund, \$95.3K in the Operational Reserve
  - Ended with almost \$62K in OF and \$40.4K in the OR (Reserve Fund is constant at \$255K)
- Total operating expenses were just over \$1M, about \$13K under budget
  - Net operating profit of \$213.4K, well ahead of projected \$135.3K
  - Extra monies allowed for some additional capital improvements and some unexpected expenses
- Budgeted and actual expense numbers came in close for just about all line items; several were lower
  - Those which came in over:
    - Maintenance team salaries – new hire
    - Snow removal – by \$8.4K (snow/icing events for 12/2017; 1/4, 8, 17; 2/5, 7, 17; 3/7, 21 in 2018)
    - Landscaping – by \$7K; had tree removals; planting of Haley Court hill; additional mulch

- Legal fees for collection recovery – over by \$4K, but also had \$4K in regained expenses
- Savings from budgeted items which were below projections:
  - Contractor repairs – only a quarter of costs anticipated
  - Salt delivery – now included with GSU’s invoicing
  - By-law re-write – had allotted \$9K more than actual costs
  - Lower water usage – lower by \$4K

(2) 2018 CAPITAL PROJECTS / EXPENDITURES

Even though we had some unexpected projects come up during 2018, we managed to address them without difficulty as well as completing a very ambitious list put together when the budget was first drafted

- Done were:
  - Maintenance vehicle purchase (\$6.8K, had budgeted \$8K)
  - 10 Balcony rebuilds plus 3 carry-overs from 2017 (\$177K)
  - Replacement of carpeting in 10 buildings (\$21.3K)
  - 19 Intercom replacements (\$19.7K) – all buildings but 2 done; have replacement parts
  - Seal coating of Batta Drive and first half of Birch Circle (\$8.5K)
  - Diana Drive asphalt patching (\$11.2K)
  - Stucco repair for 3 building pods (\$24K)
  - Unexpected sewer grate repairs/rebuilds (\$13K)
- Total anticipated was \$255.7K; came in at \$281.7K
- Because of strong collections, still finished the year with a smaller than predicted effect on balance

(3) 2018 REAL ESTATE REVIEW

- 28 Total units sold:
 

Units on Haley Court:	6	(4 in 2017)
Units on Birch Circle:	11	(6 in 2017)
Units on Diana Drive:	4	(2 in 2017)
Units on Claremont Court:	7	(1 in 2017)
- 2 Foreclosure units sold at sheriff sales (6 in 2017)



➤ **“LOOKING AHEAD”**

(1) 2018 HIGHLIGHTS

- Strong year, good financial health
- Property values are up; robust sales
- Making progress with FiOS/Verizon regarding probable build-out of community in the summer 2019
- 1½ year by-law revision/modernization is complete; will need 67% community approval to pass
- Maintenance crew refreshed with new hire Jules Litchfield; purchase of grounds vehicle

(2) 2018 LOWS

- Recent leaks/water intrusion on some 1<sup>st</sup> floor units at the end of Birch Circle
- Artesian’s “requirement” for community-wide backflow prevention devices
  - Usually limited to commercial properties; would cost roughly \$20K to have installed
  - Previously had help/intervention from Rep. Ramone

(3) 2019 PROJECTED CAPITAL PROJECTS

- In-house power washing of siding
  - Rental or possible purchase of equipment
  - Expected to take place between June and August, weather permitting
- Balcony replacements/rebuilds; 10 in this year’s budget
  - Have completed exactly 100, with about the same number (96) to do for 2<sup>nd</sup> and 3<sup>rd</sup> floor units

- Hallway carpet replacements, with 10 buildings to be done
  - 2 – 3 more years to complete entire community
- Concrete work
- Second half of Birch Circle seal coating
- Inspection of building water lines
- Addressing some foundation issues on Birch Circle

#### (4) 2020 AND BEYOND

- Loan obligation will be paid off June 1<sup>st</sup>, 2020
  - Had large special assessments in 2005 and 2007 to address issues for which prior Boards did not budget and plan for accordingly
- Resulting \$232K of additional yearly funds will be used to plan for future major projects
  - 2017 Reserve Study indicated \$4.5M to \$9M in upgrades and replacements will be needed
  - Includes roofing, siding, retaining walls, paving, ongoing balconies, etc.

#### ➤ **GUEST SPEAKER JANET KILPATRICK**

Ninth year as District 3 Councilwoman



- Has been handling the 3 Little Bakers golf course development
  - May well be going back to court due to density issues with Onyx's proposed number of houses
  - Judge Wallace wrote original opinion in appellate court; hopefully will stick with same
  - Only open space left in district
  - Number of units (60 vs. 224 vs. 454) thought of as a cap; Onyx thinks as entitlement
  - Regarding upkeep, currently 2 codes involved: one for county to mow, other for Dept. of Agriculture pertaining to noxious weed control
  - Rumors with respect to possible fencing around golf course, perhaps as intimidation
  - 11 communities border golf course which may well result in big storm water management problems (see also info at <https://www.ncdc.org/461/Pike-Creek-Golf-Course-Development-Plan> )
- Other issue in state about education and funding related to disadvantaged schools
  - Monies not available because of low property value assessments
  - Reassessments would take a long time and may affect all 3 counties
  - Potential court case/law suit and appeals

#### ➤ **GUEST SPEAKER MIKE RAMONE**

Elected in 2008 and Birch Pointe's district (21) Representative since 2012 after Joe Miro's tenure



- Birch Pointe has a good reputation and its sound property management was noted
- Mentioned road repaving done in the past
  - With change of senators, there may be slow-down for state funding to fix Diana Drive
  - Road has fundamental grading issues
  - Should be eligible for CTF (Community Transportation Fund) and Conservation District monies
  - Would need about \$200K to totally fix but will likely be delayed until at least 2020
- Additional street lighting project in Birch Pointe has been completed
- Noted that Fairmont Drive is now designated a primary not secondary road and should be plowed
- Rep. Ramone's past local projects included the Skyline Drive repaving
- Current bills on which he is working: transfer tax, senior tax credit, abolishment of daylight savings
- Job growth has been faster than in the last 10 years
- District safety has been good thanks to county police / 911/ EMT response
- Sponsors coffee with constituents at Crossroads every month
- Q & A from owners present revolved around (1) increased litter, (2) graffiti, (3) Charcoal Pit development

Both Councilwoman Kilpatrick and Representative Ramone were thanked by everyone in attendance for taking the time to address the owners at the meeting

## ➤ **BY-LAW Q & A**

Most everyone should have received the packet from Morris James with new the updated by-laws. If you have not, please contact us at [condos@birchpointe.net](mailto:condos@birchpointe.net) and a copy will be issued.

- To signal agreement / approval, sign the final signature page and mail it to the address designated in the letter attached to the form. Alternatively, the signed copy may dropped off at the maintenance trailer drop box.
- The form does NOT need to be notarized
- Inaction on the form constitutes lack of approval
- 196 votes (i.e. signed forms) are needed to pass the proposed bylaws
- It is asked that everyone complete and send the form by June 15<sup>th</sup>, 2019

Community discussion on the by-laws had been brief, relating to continued parking issues, hallway/landing objects, rental units and decorations.

## ➤ **BOARD ELECTIONS / VOTING**



Prior to adjourning the 2019 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 Paparazzo, Susan Yeatman, Cheryl McDonough and Richard Shelton. 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 per our by-laws would serve only as guidance for appointment of Board members. The Board held an organizational and regular meeting electronically on March 28<sup>th</sup>, 2019, 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 2019/2020 term.

The 35 voting ballots received and official results from the organizational meeting were as follows:

Manuel Harnisch:	35 Yes	→	designated as continued President
Monica Rieder:	35 Yes	→	designated as continued Treasurer
Steve Paparazzo:	35 Yes	→	designated as continued Vice-President
Susan Yeatman:	34 Yes and 1 Pass	→	designated as Secretary
Cheryl McDonough:	29 Yes and 1 Pass and 5 No	→	designated as M-A-L
Richard Shelton:	29 Yes and 1 Pass and 5 No	→	designated as M-A-L

## **PARKING REMINDER**



The Board would like to remind everyone in the community about the current parking rules in effect:

- Every resident is responsible for obtaining a hangtag from the maintenance shed and registering their vehicle(s) with the community
- One (1) tag per unit is issued; it may be used for any personal vehicle associated with the unit to which it was issued
- Tags may NOT be copied or otherwise duplicated or falsified
- Hangtags are required for anyone wishing to park in a "Resident" marked parking spot (including designated handicapped parking spots!) during applicable times
- Parking rules are NOT applicable Monday – Friday 8am – 5pm EST to facilitate contractors and others to use parking at their leisure.

The Board is currently investigating the use of an outside resource to patrol and enforce parking rules on a randomized basis. Enforcement may include warnings, fines and ultimately towing for repeat offenders.

Due to the contentious nature of parking enforcement, current employees of Birch Pointe, Board members or members of the community are not considered for this enforcement role. A search for a solution is being conducted.

## HALLWAY CLEANING



The Board has decided to change hallway-cleaning contractors due to poor performance by our current vendor. This transition is expected to take place in early May and will be starting with a 3-week schedule. The Board asked multiple cleaning companies to submit bids and did receive three. Only one bid was considered "comprehensive," outlining line items to be performed. The Board has decided to move forward with that bid despite it being more costly than the two other bids. In exchange, the frequency will be reduced by a factor of 50% to compensate for some of the cost difference. We look forward to seeing some results from this new vendor in May.

## 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, Jules) – e-mail: [maintenance@birchpointe.net](mailto:maintenance@birchpointe.net)

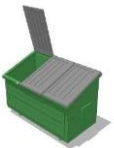
### ➤ ACCOUNT STATEMENTS / HOA FEE QUESTIONS / ACH

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)

## 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.

### **SMOKING POLICIES**



NO SMOKING

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!

# March 2019 Board Meeting

(annual open only)



**Real Estate Status:** Online resources such as Realtor.com, Trulia, Zillow, Estately.com, etc. (since last newsletter and info as of 4/7/2019)

(1) Units on market now:	3 Haley Court 1 Birch Circle 2 on Claremont Court 1 on Diana Drive	2 new listings, other under contract under contract 1 new listing, other with \$13K price reduction settlement scheduled for 4-26-2019
(2) Units sold	1 on Haley Court 3 on Birch Circle	SOLD 2-26-2019 SOLD 3-18-2019, 3-27-2019, 4-1-2019

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](mailto: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.**

## **Collections Report:**



(1) Total operating income posted in February:	\$ 91,581 <sup>1</sup> \$ 150	in HOA fees 3 DUCIOA re-certification fee
Total operating income posted in March:	\$ 97,049 <sup>1</sup> \$ 100	in HOA fees 2 DUCIOA re-certification fee

<sup>1</sup> Does not include \$5,500 in fees collected with January 6-month pre-pays attributable to each month

(2) Check bank deposits made during February totaled \$17,326, for March totaled \$20,324.

(3) A few sizable checks were received with property settlements: \$3,000 and \$990; other larger checks were posted to overdue accounts and delinquencies: one for \$2,000, two for \$1,050, one at \$800, one each for \$750 and \$700, two for \$550, and three for \$500.

**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 currently at 85%

**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 February:	\$147,868	in	utility, maintenance, professional, and office expenses; wages; loan
Total operating costs for March:	\$ 82,778		
(2) Major expenditures for February:	\$ 46,837	for	annual sewer charges
(other than utility costs)	\$ 22,711		insurance premiums for Dec 2018 – Feb 2019
	\$ 21,870		salting and snow removal
	\$ 2,288		maintenance supplies
Major expenditures for March:	\$ 7,567	for	monthly insurance premium
	\$ 4,743		spring pest control treatment
	\$ 2,880		fire alarm system maintenance
	\$ 2,595		maintenance supplies
	\$ 1,905		salting and snow removal
	\$ 1,572		legal expenses relating to collections and by-law revision/updating
No invoicing for cleaning services for either month			
AMEX discount/rebate posted to February = \$276; posted to March = \$559			
(3) Capital improvement expenditures:	\$ 0		(none during both February and March)
(4) Status of Birch Pointe accounts:	Operational Reserve	=	\$ 40,426
(see financial summary at end)	Reserve Fund	=	\$ 255,092

# March 2019 Financials

## ▶ Operating Account

<b>Beginning Balance:</b>		<b>\$ 67,583.86</b>
<b>Inflow – Operating Income:</b>	\$	97,149.35
<b>Inflow – One-time Transfers (from ORA*):</b>	\$	0.00
<b>Outflow – Operating Expenditure:</b>	\$	82,777.84
<b>Outflow – Capital Expenditure:</b>	\$	0.00
<b>Outflow – One-Time Transfer (to ORA*):</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>81,955.37</u></b>

## ▶ Operational Reserve Account (\*ORA)

<b>Beginning Balance:</b>		<b>\$ 40,424.30</b>
<b>Inflow – Periodic Transfers:</b>	\$	0.00
<b>Inflow – Interest:</b>	\$	1.72
<b>Outflow – Periodic Transfers*:</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>40,426.02</u></b>

## ▶ Reserve Account

<b>Beginning Balance:</b>		<b>\$ 255,029.14</b>
<b>Inflow – Periodic Transfers:</b>	\$	0.00
<b>Inflow – Interest:</b>	\$	21.66
<b>Outflow – Periodic Transfers:</b>	\$	0.00
<b>Outflow – One-time Transfers:</b>	\$	0.00
<b>Ending Balance:</b>		<b>\$ <u>255,050.80</u></b>



# 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

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## 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 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**