

## **Advisory Board Meeting Minutes**

### **Green Valley Estates Trust**

**October 18, 2018**

**Location:** NAI Keystone Office 875 Berkshire Blvd Suite 102, Wyomissing, Pa

**Keystone Commercial Attendees:** Steve Willems and Danielle Smith

**Advisory Board Attendees:** Jeff Orner, Erik Saar, Sal Sottosanti, Jeff Bryan, Christopher Taylor, Dave Mattes, Mike Kowalick, Robin Brooks, Steve Wagner, Megan Engler, and James Testerman

**Absentee Board Members:** Ron Bieber and Peter Champagne. Members that did not attend were emailed the Agenda and other handouts.

#### **Items discussed:**

1. Cash Balance as of September 30<sup>th</sup> is \$3,609.65. All past due, prior year bills have been paid in full to Sal's Landscaping.
2. 2018 Maintenance Fee. We have collected to date, \$84,306. This is approximately 93% of the \$90,000 billed. There is still \$5,694 in outstanding bills for 2018. These bills will be turned over to the Trust Attorney for collection.
3. Prior Year Maintenance Fees. We still have about 44 people that have not paid, approximately \$4,938. We have sent out four mailings to collect funds. The next step is to turn these over to the Trustee to handle. These will be turned over to the Trust Attorney for collection. It was suggested that we file directly with the District Justice ourselves and skip the attorney fees. NAI will be contacting the DJ to see what the costs involved with filing claims are.
4. What is the Board hearing from the home owners? No complaints.
5. Items that have been completed to date:

See- saw, bike rack and basketball poles at the Pacific Ave Playground have all been painted, which was performed by NAI staff.

Filling of the sink holes at the Pacific Ave Retention Pond, Pacific Ave Walkway, and the North Carolina Retention Pond have all been completed.

Spraying of the parking lot at Pacific Ave, walkways and playgrounds for weeds has been completed.

Restriping of the basketball and tennis courts has been completed.

Grading and leveling on either side of the bridge located on the walkway near the Pacific Ave Pavilion. There was a considerable washout due to the rain storms we have been having.

Construction sign at Faust Rd was removed by our maintenance staff. Board mentioned that the posts still remain in the ground. Asked our staff to saw down the poles to remove them 10/19/18.

6. Items that still need addressing:

Slide for the Pacific Ave Playground. Initial pricing came in between \$4,000 - \$6,000. NAI will continue to look at slide replacement.

Paving the walkway around the common areas - First bid came in at \$62,000. NAI will continue to look for other bids. The board agreed that we should do a special assessment to collect the fees to do this work, possibly do this work later in the year 2019.

Installation of playground signage at the various playgrounds listing the hours. Signs showing the times will state "Dawn to Dusk". Signs will be installed by our staff.

7. Trust Attorney. Fred Reigle, the attorney for the Trust passed away this summer. The Trust has been working on finding a new attorney. An engagement letter has been signed with Gene Orlando.
8. Trash collection situation has been determined. Waste Management collects for the entire Development through the Township. Our maintenance staff has been routinely checking the trash and swapping the cans when needed putting them at the curb at Pacific Ave when needed so that they get picked up. Waste Management will not pick up the cans unless they are at the curb. We purchased extra trash cans to make this happen as the Township only provides one and we could not get any from Waste Management.
9. Trust fees – The trust is allow to take up to 10% of the fees. They are going to start collecting these fees in 2019, at the rate of \$3,000.
10. Suggestion was made to eliminate the Trust but keep NAI on as the Property Management Company.

11. Comments were made that the common areas are underutilized. Fees are reasonable for the size of the development and the value/type of homes.
12. Walkway – around the tennis courts it drops off, needs to be built up and paved. Walkway paths need to be trimmed again of plant material and weeds. This would be part of the paving project that NAI is obtaining bids for.
13. Suggestion was made to remove the bench at Pacific Ave that needed repair. Just keeps getting broken for some reason.
14. Suggestion was made to have the \$125 resale certificate fee waived that is paid to NAI for preparing the resale certificate when a home goes up for sale. Suggested that NAI raise their management fees instead. This way the home owner doesn't have to pay the fee at closing.
15. Board agreed that fees need to be raised again to cover the budget. Fees will be raised to \$199 in January of 2019.
16. Question was asked if there will be an audit performed on the books.
17. Snow removal – Sal was reminded that we need to now maintain the walkway at Connecticut Ave. Also the Township needs to be contacted regarding the snow removal on the bridge at Connecticut Ave. Snow should be pushed on the side of the bridge that does not have pavement.
18. Suggestion was made for a reserve. Reserve amount will need to be determined. The suggestion was made to have a \$50,000 reserve for emergencies. Raise fees to collect the \$50,000, once met the fees would go down again.

### **2018 Expense Review:**

Year to Date Expenses are the following (\$165,841):

Insurance \$1,202

This is the actual cost of the liability and property insurance for the playgrounds, common areas, soccer fields, pavilion, etc.

Trustee Fees \$3,000

Trustee Fees are fees that are payable to the Trustee (Fred Grande and Fidelity Bank). Currently this fee hasn't been collected by the Trustee or if collected, not collected at the full 10%. According to the trust documentation the Trustee can take up to 10% of the fees generated. The Trust said they would not collect this fee in 2018 but will be collecting it going forward in the amount of \$3,000. We have included in the expense



reconciliation as we are anticipating the Trust to change their mind and charge the \$3,000 fee in 2018.

Accountant Fees \$1,500

This is to cover audit fees and tax return preparation. This fee has not been incurred yet but we will incur it at the end of 2018 once the returns are prepared.

Trust Attorney \$5,470

Fred Reigle the Trust Attorney passed away this summer. The Trust has been in search of a new attorney. The new attorney is Gene Orlando. An engagement letter with Gene has been signed. We will be meeting with Gene to start collection proceedings on the past due home owner's fees to be collected in the new few weeks. This fee includes \$4,000 for collection costs for past due fee collection.

Landscape Maintenance \$120,656

This year mowing cost are approximately \$25,055, this is to mow the common areas once a week. Prior year (2015-2017) landscaping bills paid in 2018 were \$67,397. Playground mulch was \$1,972. We spent \$675 on snow removal in 2018. We spent \$648 on weeding, \$3,511 on spraying for weeds, \$9,631 on tree trimming around all the playgrounds and walkways, \$6,250 for sink hole repairs, and \$2,106 for miscellaneous grounds cleanup and \$3,412 on emergency leveling and grading of the bridge located at the Pacific Ave pavilion walkway area. The areas of either side of the bridge got washed out by the severe rain storms we experienced late in the summer. See picture included.

Our expenses for 2018 are so extensive due to paying off Sal's Landscaping for prior year bills \$67,397. We also had the emergency repairs to the bridge in the amount of \$3,412, tree trimming was extensive due to not being kept up on over the past few years, \$9,631, and there were several sink hole repairs that needed to be performed that weren't kept on in the past, \$6,250.

Landscaping costs for 2019 will be approximately \$47,655 – this amount includes, Mowing \$23,692, snow removal \$900, mulch \$2,000, weeding and spraying \$6,604, tree trimming \$5,000, possible sink hole repairs \$5,000, cleanup \$2,000 and possible leveling/grading \$1,000.

Grounds Maintenance \$3,020

We replaced soccer nets and provided pads for the poles, \$1,208, repairs to benches, \$394, basketball net replacements \$67, paint for playground equipment \$318, Swing

parts \$132, bucket swing replacement \$47, additional trash cans \$138, and restriping of the basketball and tennis courts, \$715.

Real Estate Taxes \$3,985

This represents property taxes for the common areas. We had prior year taxes for 2016 and 2017 that went to collection \$3,050.49, paid with penalties and interest that we weren't aware of. 2018 taxes were paid in full as well, \$935.

Property Management Fees \$14,000.00

Cost for the Trust Administrator (NAI) to manage the Trust is \$1,000 per month. This includes fees for November and December of 2017 that were not able to be paid till 2018 due to lack of funds in the account. Management fees will be \$12,000 per year.

Office Expenses \$7,009

This cost covers postage to send out invoices, website fees, bank charges and office supplies. This amount includes \$2,910 in postage fees for billing of 2015-2018 past due fees that could not be reimbursed till 2018 due to lack of funds in the account. Postage should be around \$3,500 per year for mailings.

One Time Sign On Fee - \$6,000

This is the fee that was paid to NAI for coming on board and setting of the accounts, etc. This is a onetime fee and will not occur again.

- **2019 Budget Review (see the Budget Spreadsheet):**
- We currently are billing at the rate of \$150 per home, there are 600 homes. Total revenue that would be generated from this billing would be \$90,000. Expenses for 2019 will be at least \$103,179. The Board feels that the fee should be raised to \$199 per home. Increasing income to \$119,400 to cover the expenses and leaving a cushion in the account of 16,221. This cushion would be used to build up a reserve for emergencies, etc.
- Expenses are the following (\$103,179):

Insurance \$777

This is the actual cost of the liability and property insurance for the playgrounds, common areas, soccer fields, pavilion etc.

Trustee Fees \$3,000

Trustee Fees are fees that are payable to the Trustee (Fred Grande and Fidelity Bank). Currently this fee hasn't been collected by the Trustee or if collected, not collected at the full 10%. According to the trust documentation the Trustee can take up to 10% of the fees generated. The Trustee will be collecting \$3,000 for fees 2019. Going forward the Trust will continue collecting fees.

Accountant Fees \$1,500.00

This is to cover audit fees and tax return preparation.

Trust Attorney \$2,100.00

Fred Reigle the Trust Attorney passed away this summer. The Trust has been in search of a new attorney. The new attorney is Gene Orlando. An engagement letter with Gene has been signed. We will be meeting with Gene to start collection proceedings on the past due home owner's fees to be collected in the new few weeks.

Landscape Maintenance \$36,755

This fee is for landscaping, mowing the lawns of the common areas and retention ponds, fertilization of the common areas, spraying for weeds at the playgrounds, installation of mulch at the playgrounds, and general spring and fall cleanup. Sal's Landscaping will remain the landscaper for 2019. Landscaping prices were bid out and the Sal's pricing continues to be fair and in line with other contractors.

Playground Maintenance \$17,798

This covers sinkhole repairs, if any \$5,000, miscellaneous cleanup \$2,000, grading/leveling if needed \$1,000, possible new slide \$6,000 and any miscellaneous repairs that may be needed throughout the year \$3,798. These costs are all estimates based on last year's expenses. The new slide will be priced out before purchase for the best/lowest price possible.

Snow Removal \$900.00

This is for snow removal for the sidewalks at the Grande Blvd playground as well as the sidewalk at the Connecticut Ave Bridge.

Real Estate Taxes \$982.00

This represents property taxes for the common areas.



Property Management Fees \$12,000.00

Cost for the Trust Administrator (NAI) to manage the Trust. \$1,000 per month

Office Expenses \$4,300

This cost covers postage to send out invoices, website fees, bank charges and office supplies.

Prior Year Expenses (2018) \$23,068

This covers invoices that we were unable to pay at the end of 2018 due to the lack of funds. These invoices are for the following:

- \$1,500 for audit fees for 2018 (not billed yet but anticipated)
- \$9,556 mowing charges/fertilizing and weeding charges for September – November
- \$3,012 for filling ruts and small holes around the walkway, leveling out of the walking path by the bridge at the Pavilion due to washout from the severe rain storms we had late in the summer season
- \$4,000 (estimate) attorney fees for collection of past due accounts. Cost could lower or higher.
- \$3,000 for possible trust fees to be billed
- \$2,000 for November and December Management Fees due to NAI.

We incurred a lot of unanticipated expenses that were not included in the original 2018 budget. Such items were the extensive tree trimming, multiple sinkhole repairs in different areas of the common area, grading and leveling of the walkway by the bridge near the Pavilion due to washout from the rain storms, prior year real estate taxes for 2016 and 2017, and the possibility of paying trust fees that wasn't accounted for in 2018.

**2019 Estimated Net Income: \$16,221**

Discussion amongst the Board Members was that we should raise the fees for 2019 in order to start a reserve fund to \$199 per home.