

SHERMAN PINES HOMEOWNERS' ASSOCIATION, INC.
Edgewater Management Group, LLC

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28 homeowners in person (Zoom due to COVID) or via ballot were submitted for the annual meeting

Meeting started at 6:05 PM and ended at 7:27 PM

Sherman Pines Annual Homeowners Meeting
November 16th, 2021
6PM

Zoom Virtual Meeting (COVID-19)

Mike Young, Scott Wiggins, Brendan Graney, Ryan Dickey

Agenda

- Call to Order
- Approval of Annual Meeting Minutes 2020
- Treasures Report
- Treasures Report – Past Due
- Septic Update
- Septic Update – Pumping & Leach Fields
- Septic Update - Leach Fields (Facts & Figures)
- 2022 Budget
- Improvements
- Board Notifications
- By-laws – Path Forward
- Election of Board Members
- Questions/Open Discussion

Treasures Report

- Budget
 - ▶ The overall budget is over in a few areas. The expenses running over budget are trees/grounds, some of this is the power and water at the entrances that we did not put into the 2021 budget during the planning time. We also had two leach fields fail that we paid for from the operating checking account instead of the reserves.
 - ▶ We did not move any money to CD's. The interest rates are so low and we needed to replace two leach fields, paying for the work at the entrances (lights & water), and we have more and more tree requests coming in each year.
 - The legal fees are charged to the homeowner and will be paid back over time but the HOA has to pay the legal fees up front to the lawyer

- ▶ The leach field reserve is not enough to cover all expected failures using the current costs. The last projection was based on a 2010 leach field cost of \$8.13 per square foot and the current ones in 2021 were \$22.19 per square foot.
- ▶ The board felt for the 2022 budget that we would keep the dues at \$46.
- ▶ CD/Reserve Funds (Balances as of October 21st)
- ▶ \$187,997.26 CD at Hudson River Credit Union
- ▶ \$32,219.62 CD at Key Bank
- \$37,330.82 Checking, \$16,505 Money Market (Balances as of September 30th)
- Total Reserves: \$274,051 (including 37K of operating checking)

Treasures Report – Past Due

- Past Due Account Totals
 - ▶ \$4,071.97 Past Due as of September 30th (\$6,624 - 2008 Meeting, \$10,135 - 2009 Meeting, \$12,450 – 2010 Meeting, \$11,011.50 2011 Meeting, \$12,737.50 2012 Meeting, \$14,069.50 – 2013 Meeting, \$14,984.50 – 2014 Meeting, \$20,832 – 2015 Meeting, \$12,956 – 2016 Meeting, \$13,869.42 – 2017 Meeting, \$14,665.27 – 2018 Meeting, \$11,027.27 – 2019 Meeting, \$7,313.97 – 2020 Meeting)
 - ▶ Past due amounts include any lawyer fees that have been added to the homeowners
 - ▶ Lien in the amount of \$3,356.21 (Homeowner is paying \$300 per month)
 - ▶ Lien in the amount of \$669.76 (homeowner is paying \$75 per month)
 - ▶ Past due \$46
 - ▶ **Overall the past due has seen another major improvement in 2021, we have everyone paying with some homeowners falling behind 1-2 months and then catching up. The two large past due balances are paying consistently now.**

Septic Update

- Septic schedule – Scheduled in 2022
 - ▶ Autumn 30, 54, 56
 - ▶ Peachtree 7, 8, 12, 18, 20, 29, 33, 38, 42, 43, 44, 47, 52, 56, 60, 61, 64, 70, 74, 82, 85
 - ▶ Fawn 2, 21, 29, 30, 33, 37, 41, 45
 - ▶ We expect the total to be around \$7,680 plus tax and \$35 plus tax for three filter cleanings if needed
 - ▶ \$205 per house plus tax x 32 homes, \$35 dig fee plus tax x 32 homes, \$35 plus tax for three filter cleanings
 - ▶ **Note: \$185 and \$25 was used for the 2021 budget and this cost is going up each year**
- Septic schedule – Pumped in 2021
 - ▶ Autumn 5, 6, 9, 10, 15, 16, 19, 20, 23, 24, 28, 29, 34, 35, 36, 38, 39, 43, 44, 48, 51, 52, 57, 58, 59
 - ▶ Peachtree 9, 19, 25, 39, 48, 51, 55, 67, 68, 73, 78, 81
 - ▶ Fawn 3, 5, 9, 10, 13, 16, 17, 20, 24, 25, 34, 38, 42, 46
- Septic estimate for single home in Queensbury for 20 yr.
 - ▶ Single home in Queensbury with a 20 year leach field life expectation
 - ▶ Assuming that the leach field is 405 square feet @ \$22.19 per foot
 - ▶ \$8987 would be needed
 - ▶ \$37.45 would need to be saved each month for 20 years
 - ▶ Sherman Pines Current Leach Field Savings

- Based on our reserves of about 9-10K per year, we put in on average \$9-10 per month per homeowner. After 20 years, we saved \$2160-2400 per homeowner

Septic Update – Pumping & Leach Fields

- Brush Hog
 - ▶ We brush hogged in 2021. Nothing will be done in 2022.
- Leach Field Failures
 - ▶ We had two failures in 2021.

Expected Costs

- Based on the last two leach fields (2021) and if we use the cost per square foot of \$22.19.
 - ▶ 18 x 1250 s.f = \$582,488
 - ▶ 2 x 800 s.f = \$35,504
 - ▶ 18 x 405 s.f. = \$143,791
 - ▶ Total: \$761,783
- The last two leach fields that we replaced have been in the 8-9K range for a single house leach field. This number can go up and down depending on the engineering work that is required, the amount of soil that may be needed for the right perk test, etc.

Septic Update - Leach Fields (Facts & Figures)

- The board uses a 20 year leach field projection Excel file that we have used for budget forecasting
- We have 39 total leach fields. This was 38 in past projections, see note below*
- We have replaced 10 since the original leach fields have been installed
- In 1994, we had 13 leach fields installed. 7* have been replaced and 6 are going on 28 years of use. *We had a leach field that was a triple that is confirmed to be a double and single.
 - 3 are three house leach fields, 1 double house leach field, and 2 single house leach field
- In 1995, we had 4 leach fields installed. None have been replaced so far
 - 1 are three house leach fields and 3 are single house leach fields
- In 1996, we had 7 leach fields installed. None have been replaced so far
 - 3 are three house leach fields and 4 are single house leach fields
- In 1997, we had 5 leach fields installed. None have been replaced so far
 - 2 are three house leach fields and 3 are single house leach fields
- In 1998, we had 2 leach fields installed. None have been replaced so far
 - 1 are three house leach fields and 1 is a double house leach fields
- In 1999, we had 3 leach fields installed, None have been replaced so far (All are three home)
- In 2000, we had 2 leach fields installed, None have been replaced so far (1-single home, 1- 3 homes)

Septic Update - Leach Fields (Facts & Figures) – Summary

- If we use a 20 year projection then we are already behind in our reserves by -\$340,771 by the year 2032 assuming that all leach fields fail in 20 years. We have seen our maintenance is keeping our leach fields operational for longer periods of time on average. We have some installed in 1994 going on 28 years and still in use.
- Based on the 20 year projection, we would have had a shortfall in 2016 of \$-18,746 and in 2022 we are \$-246,608
- If we push the projection out to 25 years, then we go negative in 2021 by -\$8,746 and

then in 2022 -\$81,182 if we have no failures and contribute 10K to the reserves in 2021 and 2022

■ 20 Year Worse Case

- ▶ If all of our leach fields fail in a short period of time, a special assessment will be needed to generate the funds for new leach fields. This assessment based on the 20 year would be \$-246,608 by 83 homes or \$2,971 per year or \$248 per month. We have already past the 20 year mark on most of the leach fields.

■ 25 Year Worse Case

- ▶ If all of our leach fields fail in a short period of time, a special assessment will be needed to generate the funds for new leach fields. This assessment based on the 25 year would be \$-81,182 by 83 homes or \$978 per year or \$82 per month.

2022 Budget – Draft

	2021	2022	
DRAFT 2022	Budget		
	\$33,687.64	\$3,041.64	
<u>Operating INCOME</u>			
Income - HOA dues	\$47,264.00	\$45,816.00	83x46.00 x 12
Miscellaneous Income-interest			
Legal fees reimburse			
Late fees			
Accounts Receivable			
Previous Year			
Assess	\$0.00		
Fees Owed-lien			
release			
<u>Total Income</u>	47,264.00	45,816.00	
Total Cash Available	\$80,951.64	\$48,857.64	
<u>Operating EXPENSES</u>			
Repairs and Maint.			
Septic Cleaning	\$10,710.00	\$7,680.00	32x240.00 estimated, 205 plus 35 dig fee
Emergency -	\$1,500.00	\$1,500.00	
Trees	\$5,500.00	\$5,500.00	
Grounds-brush			
hogging	\$2,500.00	\$2,500.00	
Administrative	\$600.00	\$600.00	
Insurance	\$4,900.00	\$5,390.00	Based on a 10% increase in insurance rates, was %16 in 2021
Property Management	\$9,180.00	\$9,420.00	\$785 vs. \$765 in 2021
SPEDES Permit	\$330.00	\$330.00	
Electricity	\$840.00	\$840.00	
Water	\$0.00	\$300.00	
Taxes: Prop, State &			
Federal	\$900.00	\$900.00	
Legal	\$1,000.00	\$1,000.00	
Accounting Review	\$1,200.00	\$1,200.00	
Miscellaneous -web	\$750.00	\$750.00	
Total Expenses	\$39,910.00	\$37,910.00	
Contrib. to replacement	\$38,000.00	\$10,000.00	
Ending Cash Balance	\$3,041.64	\$947.64	

Replacement Income

Reserve Funds
Key Bank

****2144 01/05/2019

1.5% \$32,219.62 As of 10/21/21

****003705MM \$16,505.00 As of 9/30/21

HRCU

6001=01 \$5.00 As of 10/21/21

6001-001 \$187,997.26 As of 10/21/21

As of 10.21.21 \$236,726.88

Improvements

- Green Day
 - ▶ Was skipped in 2021
- Annual Garage Sale (June 19th 2021)
 - ▶ We plan to fund this each year as an association
- Common Land Trees
 - ▶ We continue to have a lot of tree requests either in the common land or on homeowner property

Board Notifications

- Trees
 - ▶ Any common area trees that seem to be in danger need to be brought to the board's attention; the board does NOT inspect the common land area unless requested and we do not want anyone getting hurt by trees that appear to be a danger. Any trees on homeowner property needs permission from the board BEFORE removal
- **Additions/Improvement to the exterior of Homes**
 - ▶ Any additions/changes to the exterior of homes need to be submitted to the board for approval
- **Thank you for your attention, we do not want to start fining people for not following the HOA rules and regulations.**

By-laws – Path Forward

During the 2016 Annual Meeting, it was decided to rework the by-laws but the committee that was formed did not finalize anything.

We have a draft of changes and if we have homeowners willing to take the lead on this one to get them finalize and approved then we can get them available for a vote and approval.

We need to get a majority of the homeowners to sign the change or they are not valid and the board cannot make changes to the existing by-laws.

The main complaints with the existing by-laws are around:

- Boats (should not be stored or parked for extended periods of time)
- Campers (should not be stored or parked for extended periods of time)
- Fences (old style stockade fencing only)
- **Nothing has been done with this especially with the ongoing COVID pandemic and the board has decided to hold off until Spring 2022**

Election of Board Members

- We currently have four board members since Mike Olson resigned from the board effective August 4th 2021.
- The board has traditionally appointed new members due to lack of interest but we have 5 candidates for the 2021 election and voting for candidates is important in 2021 so please send your ballot into Edgewater.

- The high level commitment to the board:
 - ▶ Email communication for approvals or discussion
 - ▶ 1-2 hours per month maximum
 - ▶ Annual meeting preparation and some topics (Septic Pumping, etc.) may require more time but it is not a huge commitment of time to be on the board
 - ▶ Election 2021 Process:
 - ▶ All homeowners will vote via ballot since no physical meeting will happen
 - ▶ Votes can be faxed, emailed, or mailed to Edgewater (instructions will be on the ballots)
 - ▶ We need to have 42 homeowners to meet the quorum that is needed for an official election
 - ▶ If we do not a quorum, the board has decided on the following process to maintain consistency with previous years
 - The five candidates will stay after the annual meeting and do a brief introduction and summary of themselves
 - The board (minus any board members up for reelection) will hold a session after the five candidates drop off of the Zoom call and select the two members that they feel most qualified to be appointed to the board
 - These new candidates will serve a normal two year term until reelection

Facebook post and additionally emailed and included in the official annual meeting minutes:

Message from Edgewater & Sherman Pines Board of Directors. This will be emailed and most likely mailed via the Post Office as well along with the annual meeting content.

To all Sherman Pines Owners,

This email is to inform you of the results of the election. Since a quorum was not obtained with the minimum requirement of 42 ballots required, the Board met after the annual meeting with the nominees. Michael Young, Brendan Graney and Ryan Dickey stayed on to vote for the appointment of 2 nominees to the Board. The Board took into consideration the 28 community votes that were received, the two candidates with the most votes aligned with qualifications that the board would be looking for and they were appointed since the quorum was not attained.

Some homeowners have questioned if all ballots were received, even those ballots that were sent with the incorrect zip code were received, no additional ballots came in after the due date. For reference we usually have between 7-13 or so at the annual meeting and proxy so 28 ballots has been the most ever for a Sherman Pines HOA annual meeting.

The Board has appointed Scott Wiggins and Jared Burns to the Sherman Pines Board of Directors, both will serve 2 year terms. The Board will hold a meeting with the 5 members and select officer positions.

Sherman Pines Homeowners Board of Directors

Questions/Open Discussions

1. Why is money in CD's for investing? Are there other investment options? At the time of investing in the CD it had a good return. We need to check what other options may be available but most of the other HOA's that Edgewater uses also use CD's as a safe investment and easy access to the funds if needed.

2. When was brush hogging done? End of August, we announced this at the annual meeting and in the annual meeting mailing in 2020 but we did not send an announcement ahead of time. In the future we will be sure to notify the homeowners ahead of time.
3. How often do leach fields fail? Hard to project, we have an extensive spreadsheet detailing the history of all the leach fields. A lot of factors come into play and we decided during the meeting that we would try to educate homeowners more in the Welcome Packet, etc. going forward.
4. Is there a way to assess the leach fields to gauge potential issues or failure. Sometimes this can be found when brush hogging and when the tanks are pumped. But no way to know for sure how much life they have. We will explore in the Spring 2022 if Stone has anyway to assess the leach fields in a more detailed way.
5. Suggested to share with owners indicators of leach field failing and what to or not do with your septic tank
6. How do we get more people involved to volunteer? Welcome packet and committee was suggested