

PALM LAKE HOMEOWNERS ASSOCIATION

BIANNUAL MEETING MINUTES

JULY 13, 2019

President Ned Timmer called the meeting to order at 9:38 a.m.

Board members present: Ned Timmer, Marty Crosley, Fred Lenz (representing 2 homes), Meredith Fitzgerald and Mike Ketchum

Homeowners present: JoLee Timmer, Rose Ann Ketchum, Joe and Mary Sikora, April Winters, Scott Ziegler, Ray Maikkula (representing 2 homes), Purvi Jayswal, Greg Hatch and Steve Maloney

Homeowners represented by proxy: Ajit Nana, Marcos Cicagna, Robert and Renetta Rene, Mitch Burke, Mike and Sarah Faragalla, Ben and Kimberley Service, Katherine Adams and Steve Hunter,

With 21 homes represented either in person or by proxy, Ned Timmer declared a quorum was present.

Ned Timmer introduced the current board members and also introduced the new members which included Marty Crosley replacing Katherine Adams as ARB Chair and Mike Ketchum replacing Purvi Jayswal as Secretary. Timmer then proceeded to describe the objectives of the biannual meeting.

SECRETARY'S REPORT

Mike Ketchum referenced the minutes from the 2019 annual meeting which occurred on December 12, 2018 and moved their approval. The motion was seconded and without objection the minutes were approved.

ARB REPORT

Marty Crosley reported on his continuing efforts to identify and address hazardous sidewalks and roofs that need cleaning along with the pending approvals of the landscaping plan at 8661 Crestgate. Crosley also encouraged homeowners to check on their sprinklers to assure they are working properly during the hot summer months.

Steve Maloney voiced concerns over the condition of some sidewalks and the existence of a street pothole. Ned Timmer indicated these concerns will be more fully addressed later on the agenda. Scott Ziegler added his concerns on the importance of addressing non-compliance issues and having a process to enforce compliance with our documents.

OPERATIONS REPORT

Fred Lenz reported on the status of several operations activities which included the planting of trees at the rear of the retention pond later in the year, the grinding of certain sidewalks, the postponement of the asphalt re-sealing until later in the year and the problems with the entrance gate and phone system. With respect to the asphalt re-sealing, Lenz said homeowner would be notified in advance with specific instructions as to car parking and halting temporarily the watering of lawns.

Lenz concluded by encouraging homeowners to bring forth their suggestions and priorities for projects in 2020. At the request of Steve Maloney, Ned Timmer reviewed the top 5 projects as a result of the survey responses. In order, they were: 1) Repair sidewalks (completed and will be made an annual project as needed), 2) Update color scheme of mailboxes, posts, streetlights, gate and signage. 3) Increase the appeal of the landscaping and irrigation at the entrance island. 4) Increase the appeal of the landscaping around the guard house and inside the gate. Tie for 5) Replace trees along the west side of the retention pond wall with appropriate landscaping AND; Increase the appeal of the landscaping and irrigation along the walls of Palm Lake Drive. Timmer indicated landscaping of certain areas along Palm Lake Dr. would likely be a project for 2020.

Steve Maloney expressed concerns over the condition of the perimeter wall and suggested it could result in a major expense that the HOA which was now self-insured would be liable for. An inspection was encouraged by Maloney. Fred Lenz responded saying grouting will be a future maintenance project but could not be done this year unless funds were available. He felt the tree trimming was more important as trees pose more threat to the perimeter wall. Ned Timmer indicated backyard inspections to identify yards where plants were growing on the wall would be put on the agenda for the next board meeting.

TREASURER'S REPORT

Meredith Fitzgerald distributed and discussed a report on the year to date financials and a balanced sheet on reserves. The total cash balance on June 30th was \$113,948.93 and the savings balance was \$100,196.39. General Reserve Funds totaled \$21,442.92 with the Road Reserve Fund containing \$44,929.32. A budget copy was made available for those wishing to review it.

Fitzgerald reported some unbudgeted income had materialized due to initiation fees and savings on streetlight expenses. The "self-help" expenses at 8661 Crestgate Circle had been fully recovered from the homeowner but projected repairs to the gate may cost more than anticipated. She added that the Reserves Fund balance has too much money in it and will be adjusted to avoid a potential tax exposure and the Emergency Fund has been impacted by the tree removal costs on Palm Lake Dr.

She concluded by noting there are currently 2 homeowners who are delinquent in their HOA obligations. With respect to one delinquent account, the HOA attorney is ready to file for foreclosure at a trial scheduled for July 19th. Resolution of this matter by remediation may still be possible and the status of this matter may become clearer on July 19th.

OLD BUSINESS

Ned Timmer thank those who took part in the survey and indicated the results had been emailed to the membership and is also posted on the PLHOA website. He felt the survey was helpful in securing homeowner inputs, identifying priorities and underscoring that “the board works for you.” Timmer asked the membership if they had any questions or comments based on the results. There were none.

Ned Timmer explained our governing documents have not been updated for some time and contain some conflicts with state law which has primacy and supersedes our documents. The conflicts will need to be addressed by document changes to be proposed at the 2020 annual meeting. Proposed changes will be distributed between 60 and 120 prior.

Ned Timmer next led a discussion on the HOA’s responsibility as referenced in the governing documents (Declarations 9.3.1) for the cleaning and maintaining of sidewalks and the maintaining, replacement and removal of trees in common areas. He distributed and explained several excerpts from our governing documents and the County Use Agreement that confirm HOA responsibility and which necessitate “a change in mindset” from the current HOA practice of placing responsibility with the Palm Lake homeowner (except for the outside trees). A number of attendees offered their perspectives on the implications of the HOA assuming this responsibility for common area sidewalks and trees with some feeling it would be a responsible and cost-effective program while other concerns were expressed on the potential costs and placement of liability. Questions were posed on whether the inside or outside trees would receive priority and on whether homeowners who had incurred tree maintenance or replacement expenses recently would be reimbursed.

A motion was then offered by Steve Maloney which stated “Effective July 13, 2019, the HOA shall assume responsibility for the annual cleaning and maintenance of the inside sidewalks, curbs and the maintenance, removal and replacement of all trees located in the road right of way (also known as Tract B).” Discussion on the motion followed.

A substitute motion was offered by Fred Lenz stating “Effective July 13, 2019 the HOA is responsible for the cleaning and maintenance of the inside sidewalks and the maintenance of all trees. However, the responsibility for tree replacement on their lot shall be on the homeowner.” Discussion on the motion followed but in the absence of a second to the motion, the substitute motion was tabled. Ned Timmer then called for a

vote on the Maloney motion. The vote was 18-0 in favor with 14 yays including 2 homes for each Lenz and Maikkula and 7 proxies cast in favor and 0 nays recorded. Mindful of the meeting now running overtime, Ned Timmer briefly mentioned several agenda items which will need to be deferred until the 2020 annual meeting. Among these were possible changes to the current policy on Palm Lake home rentals and lease-purchases, suggested changes in Palm Lake's colors and efforts by the board to obtain a neighborhood grant from Orange County.

At the request of Scott Ziegler, Mike Ketchum shared information on Orange County's Adopt-A-Tree program. Under the program, 2 trees per household are available to

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Orange County residents for planting on private property. Trees will next be available on September 21st at Dr. P. Phillips Community Park in Windermere.

The meeting was adjourned at 11:56 a.m.

Respectfully submitted,
Michael L. Ketchum, Secretary

Palm Lake Homeowners Association, Inc.

Treasurer's Summary for April 2019

Balance Sheet

Total Cash Balance at month end is \$122,918.64 - Savings Balance is \$110,585.68

General Reserve Funds total \$26,302.92

- Common Property Major Repairs - \$1 (*\$3,000 contribution to be made at year end*)
- Emergency Reserves - \$16,801.92
- Retention Pond Reserves - \$4,500
- Sidewalk Reserves - \$5,000

Road Reserve Fund total \$44,929.32

Profit & Loss Budget Performance

- Total Monthly Expenses were \$2,339.19
- Net Income at month end totaled -\$2,301.26

Transaction List

Summary of all invoices, payments, late fees/interest on delinquencies, transfers, deposits, and interest earned on savings balance. General journal entries made to put items in the correct account.

Customer Balance Summary

Summary of accounts with outstanding or delinquent balances as of April 30, 2019. There are currently two (2) delinquent accounts, and (1) account on a payment plan ending June 30, 2019. Statements were issued for delinquent balances and legal counsel continues to pursue collection.

Palm Lake Homeowners Association, Inc.
Balance Sheet
As of April 30, 2019

	<u>Apr 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking at Bank of America -	12,332.96
Savings at Bank of America - Q	110,585.68
Total Checking/Savings	122,918.64
Accounts Receivable	
Accounts Receivable	-35.00
Total Accounts Receivable	-35.00
Other Current Assets	
Inventory Asset	134.64
Undeposited Funds	5,512.64
Total Other Current Assets	5,647.28
Total Current Assets	128,530.92
Other Assets	
Duke Energy Deposit	2,623.32
Orlando Utilities Deposit	120.18
Total Other Assets	2,743.50
TOTAL ASSETS	131,274.42
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
General Reserves	
Common Property Major Repairs	1.00
Emergency Reserves	16,801.92
Retention Pond Reserves	4,500.00
Sidewalk Reserve Fund	5,000.00
Total General Reserves	26,302.92
Road Reserve Fund	44,929.32
Total Other Current Liabilities	71,232.24
Total Current Liabilities	71,232.24
Total Liabilities	71,232.24
Equity	
Retained Earnings	3,846.35
Utilities Deposit	2,743.50
Net Income	53,452.33
Total Equity	60,042.18
TOTAL LIABILITIES & EQUITY	131,274.42

**Palm Lake Homeowners Association, Inc.
Profit & Loss Budget Performance**

April 2019

	Apr 19	Budget	Jan - Apr 19	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Annual Dues	0.00	0.00	61,875.00	61,050.00	61,050.00
Estoppel Payments	0.00	100.00	0.00	400.00	400.00
Homeowner Front Gate Clicker	35.00	35.00	35.00	70.00	105.00
Initiation Fees	0.00	1,400.00	1,400.00	5,600.00	5,600.00
Interest	2.93	2.10	10.75	8.40	25.20
Interest-Late Annual Dues	0.00	0.00	448.50	0.00	0.00
Late Fee Charge	0.00	0.00	3,552.73	0.00	0.00
Total Income	37.93	1,537.10	67,321.98	67,128.40	67,180.20
Gross Profit	37.93	1,537.10	67,321.98	67,128.40	67,180.20
Expense					
Corporate Annual Report Fee	0.00	0.00	61.25	61.25	61.25
Emergency Fund (all areas)	0.00	0.00	0.00	0.00	843.95
General Maintenance					
Common Property Major Repair	0.00	0.00	0.00	0.00	3,000.00
Fountain	0.00	0.00	0.00	100.00	400.00
Gate/ Program	0.00	0.00	1,398.88	400.00	2,000.00
Painting	0.00	0.00	0.00	150.00	150.00
Road Repairs	0.00	0.00	0.00	3,800.00	3,800.00
Sidewalk repair/replace	0.00	0.00	0.00	0.00	0.00
Sidewalk reserves	0.00	0.00	0.00	0.00	2,500.00
Wall & Lighting	0.00	0.00	600.00	1,250.00	3,000.00
Total General Maintenance	0.00	0.00	1,998.88	5,700.00	14,850.00
Insurance					
Common Property	0.00	0.00	0.00	0.00	0.00
Directors and Officers	0.00	0.00	0.00	0.00	841.00
Liability and common property	0.00	0.00	0.00	0.00	401.00
Other Insurance	0.00	0.00	0.00	0.00	0.00
Total Insurance	0.00	0.00	0.00	0.00	1,242.00
Lawn/landscaping maintenance					
Annual flowers	0.00	0.00	0.00	0.00	300.00
Irrigation & Well	0.00	300.00	1,025.00	600.00	1,250.00
Lawn Maintenance	1,000.00	1,000.00	4,000.00	4,000.00	12,000.00
Other Landscaping Maintenance	50.91	1,500.00	50.91	2,500.00	3,070.00
Pest Control & Fertilization	0.00	0.00	638.00	640.00	1,920.00
Retention Pond Fund	0.00	0.00	0.00	0.00	1,000.00
Retention Pond Maintenance	0.00	0.00	0.00	1,500.00	1,800.00
Tall tree and palm care	0.00	500.00	-590.00	3,500.00	3,500.00
Total Lawn/landscaping maintenance	1,050.91	3,300.00	5,123.91	12,740.00	24,840.00
Legal	0.00	0.00	0.00	2,500.00	3,500.00
Miscellaneous					
Hospitality & Decorations	48.54	50.00	48.54	100.00	250.00
Miscellaneous--Other	6.39	50.00	-13.39	100.00	370.00
Miscellaneous - Other	0.00		0.00		
Total Miscellaneous	54.93	100.00	35.15	200.00	620.00
Postage					
PO Box 311	0.00	0.00	0.00	0.00	46.00
Stamps	0.00	0.00	5.80	25.00	25.00
Total Postage	0.00	0.00	5.80	25.00	71.00
Professional Fees	0.00	0.00	1,000.00	1,000.00	1,000.00
Road Reserves	0.00	0.00	0.00	0.00	3,000.00
Taxes - Corporate	0.00	0.00	727.89	730.00	730.00
Telephone/Guardhouse					
Internet Support	0.00	0.00	300.00	330.00	330.00
Telephone/Guardhouse - Other	72.51	72.00	289.96	288.00	864.00
Total Telephone/Guardhouse	72.51	72.00	589.96	618.00	1,194.00
Utilities					
Crestgate Circle streetlights	877.99	950.00	3,184.21	3,800.00	11,400.00
Fountain/Guardhouse Water	95.85	94.00	383.30	376.00	1,128.00
Guardhouse Electric	49.86	100.00	294.73	518.00	1,300.00
Irrigation Pump	137.14	105.00	464.57	440.00	1,400.00
Total Utilities	1,160.84	1,249.00	4,326.81	5,134.00	15,228.00
Total Expense	2,339.19	4,721.00	13,869.65	28,708.25	67,180.20
Net Ordinary Income	-2,301.26	-3,183.90	53,452.33	38,420.15	0.00
Net Income	-2,301.26	-3,183.90	53,452.33	38,420.15	0.00

Palm Lake Homeowners Association, Inc.

Transaction List by Date

April 2019

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount
Apr 19								
Deposit	04/01/2019			BKOFAMERI...	Savings at Bank of ...	M	Homeowner Fr...	35.00
General Journal	04/01/2019	4369		Adjustment to...	Cash - Bank of Ame...		Savings at Ba...	-1,446.25
Check	04/04/2019		Meredith Fitzgerald	Reimb. HOA ...	Checking at Bank of...	M	Hospitality & D...	-48.54
Check	04/04/2019		Ned Timmer	Reimbursement	Checking at Bank of...	M	-SPLIT-	-57.30
Check	04/05/2019		Son's Lawn Care	March 2019 S...	Checking at Bank of...	M	Lawn Mainten...	-1,000.00
Check	04/09/2019		CenturyLink	Bill Date 3-28...	Checking at Bank of...	M	Telephone/Gu...	-72.51
Check	04/10/2019		Duke Energy	Pump 2-22 to...	Checking at Bank of...	M	Irrigation Pump	-137.14
Check	04/10/2019		Duke Energy	2-22 to 3-26 2...	Checking at Bank of...	M	Guardhouse El...	-49.86
Check	04/25/2019		Orlando Utilities Co...	Bill Date 4-12...	Checking at Bank of...	M	Fountain/Guar...	-95.85
Check	04/25/2019		Joshua Poston	Tree Debris R...	Checking at Bank of...	M	Tall tree and p...	-250.00
Check	04/26/2019		Duke Energy	Streetlights 3-...	Checking at Bank of...	M	Crestgate Circl...	-877.99
Deposit	04/30/2019		Bank of America		Savings at Bank of ...	M	Interest	2.93
Invoice				April 2019	Accounts Receivable		Interest-Late A...	111.73
Invoice				April 2019	Accounts Receivable		Interest-Late A...	4.65
Credit Memo				Late Fee - 20...	Accounts Receivable		Late Fee Charge	-82.50
Apr 19								