

**DRAFT**

Ridings at Rehoboth Owners Association Meeting – Executive Session

**MINUTES**

**MEETING DATE**

September 4, 2018

**ATTENDANCE**

Present: Brian Bennett; Charlie Baker; Joanne Saltzberg; Greg Bennett; Frank Himpler; Alan Schoem (Parliamentarian); Sal Zisa; John Roecker; Jonathan Poole (Seascape)

**CALL TO ORDER**

17:55 by President Bennett.

**APPROVAL OF AGENDA**

Motion made by Joanne Saltzberg to approve the meeting agenda. Seconded by Charlie Baker. Motion carried unanimously.

**APPROVAL OF PAST MEETING MINUTES**

Motion made by Frank Himpler to accept the minutes from the 5/16/18; 5/24/18 and 7/9/18 Executive Session meetings. Seconded by Greg Bennett. Motion carried unanimously.

**OPEN ISSUES**

1. Frank coordinated the Board in a review of all open action items. See attachment for the current summary.
2. Brian stated that the field for the new Ocean Meadow development (formerly named Dellwood) has been partially cut down and that it was expected that the next step in construction, such as staking out the location of roads, etc. would start very soon. The development is still only approved for the original 101 units/homes.
3. The option to place the remaining balance of the \$50k check from Tidewater into a short term CD was discussed. There was general agreement on this option. Joanne will make a motion at the open Board meeting the following day (9/5) to do so.
4. County Bank account signatures has been converted to Joanne, Frank and Jonathan. These individuals are the only signatories. Accounts at Discover Bank still need to be similarly converted.
5. The funds for the first two quarters of 2018 have been deposited into the Reserve account. 3Q:18 is scheduled for the end of September and 4Q:18 for the end of December.
6. The merits of conducting an in-house versus an external review of the HOA's financial records and processes was discussed. There was consensus to fund a review of 2018 financial status by an outside independent firm in early 2019.
7. The enforcement actions regarding ARC standards was reviewed.
  - a. A motion was made by Brian, seconded by Greg, to tow the red Jeep which, after repeated warnings, habitually parks on the road near the intersection of Park Terrace and Reservoir Drive. There was unanimous agreement to proceed with this action.

- b. Trash receptacle storage violations for Homeowner 1 and Homeowner 2 were discussed. Homeowner 1's \$100 fine was waived as a remedy was quickly made. Nevertheless, this violation will count as the first, if additional violations follow. Homeowner 2's subsequent description for repeated non-compliance was determined to be insufficient, as alternate options to comply with current standards are available. This violation was moved to Step 2.
        - c. The Board discussed a homeowner's request to remove a member of the ARC Committee. After review of all the facts surrounding this matter, the Board unanimously agreed that there were no credible grounds to take such an action. Therefore, the Board denied this request.
8. The pool will remain open until 9/23, weather permitting.
9. The Annual Meeting is scheduled for November 17 at the Cheer Community Center, starting at 10:00. The rental contract has been signed. Catering has yet to be completed.
10. The election process for new Board members has begun. The Nomination Committee (Carol Brumley, Chair) has been formed. Two candidate forums will be held, tentatively for either Wednesday, 10/17 or Thursday, 10/18 and Saturday, 10/20 or 10/27 for Association members to meet the candidate and ask questions.
11. Sal reported that the propane pipe burial test digs determined that pipe depths varied from 18 to 23 inches. He stated that these results may have been site-specific and that other locations might have shown shallower pipe depths. DE regulations state a minimum of 24 inches.
  - a. The DE Attorney General (AG) has received three (3) complaints regarding the business practices of Schagrin Gas from Ridings residents. The AG has granted Schagrin an extension until 9/15 to provide a response to the first two complaints.
  - b. Alan reported that Propane Supplier 1 has indicated a preliminary interest to discuss under what conditions they might consider the possibility to purchase another company's residential propane storage and delivery system. A motion was made by Brian, seconded by Charlie, to allow Alan to disclose name of the Ridings community as the propane system in question. Board agreement was unanimous.
  - c. It was decided to delay and response to the most recent Schagrin letter until the AG had received a response from Schagrin Gas.
  - d. Charlie Baker will be the primary contact for the Schagrin Gas issue.
12. A draft policy for the collection of overdue homeowner dues, developed by Joanne, was reviewed. See draft attached.
  - a. **Action:** Board members to provide Joanne any further comments by Monday, 9/17, for incorporation into a second version of the Collections policy.
  - b. A motion was made by Charlie, seconded by Frank, to move the one homeowner account in arrears by over 1 year to the collections attorney (Patrick Scanlon, Milford, DE). Board agreement was unanimous. **Action:** Jonathan to forward to the one homeowner account in arrears by over 1 year to the collections attorney.
13. Sal recommended that all Board and ARC members obtain Ridings email addresses to keep community business communications separate from member's household emails.
14. The homeowner complaint related to the Fourth of July fireworks display conducted by a Ridings homeowner outside of their Ridings property was discussed. The Board does not condone, nor in any way support, the illegal discharge of fireworks. The Board has gone on record by sending correspondence to the homeowner who conducted the fireworks of the Board's position.

15. There exists Ridings common property adjacent to the two empty lots and the Tidewater wastewater treatment plant at the end of Ramble Road. A homeowner adjacent to this area has been in early discussions with Tidewater and Schagrin Gas about maintenance of all areas in this vicinity. **Action:** Sal Zisa and John Roecker will speak with the homeowner regarding discussions with Tidewater and Schagrin to maintain the Common Area near the homeowner's property.
16. The option to install bollards or other appropriate devices in front of Pond 5 will be incorporated into the project of the Landscaping Committee to obtain proposals for landscaping this area.
17. A draft 2019 budget is due by 10/17, 30 days prior to the Annual Meeting. Joanne will solicit input from the various Committees regarding funding needs in developing the draft budget. Joanne also plans to re-establish the Finance Committee after the first of the year. **Action:** Joanne will arrange a meeting with Committees to obtain their input on items for the 2019 Budget.
18. The Board resignation letter for Sal and John has been distributed to all homeowners.
19. **Action:** Charlie will construct a spreadsheet with pertinent Contractor information and services.
20. DelDOT is looking into the feasibility of providing a left turn lane into The Ridings from the eastbound lane of Beaver Dam.
21. The Board requested Seascope provide all Board members and AED-trained residents with 24 hour access to the Clubhouse. **Action:** Seascope provide all Board members and AED-trained residents with 24 hour access to the Clubhouse.
22. The Board will consider various options to maintain the integrity of the Association's roads, such as filling cracks and spot treatment of road depressions, and extend the projected useful life of the roads. Repaving of all Association's roads, as estimated by the Reserve Study, is in the range of \$1 million. **Action:** Board Members to identify areas of roads requiring repair. **Action:** Jonathan will arrange to have the road cracks sealed by the end of November. **Action:** Jonathan will arrange to have the weeds growing in, and along, the road treated (killed) in the Spring.
23. Accident repairs at the front entrance are nearly complete. Outstanding items include replacement of gate and flag pole lights. A gate in the side fence will also be installed to improve access to that area.
24. The Board formally defined Alan Schoem's position as "Parliamentarian". These duties were previously included in his prior title of "Advisor".

## **ADJOURNMENT**

20:35 by President Bennett.

## **ACTION ITEMS**

### **NEW**

1. **Action:** Board members to provide Joanne any further comments by Monday, 9/17, for incorporation into a second version of the Collections policy.
2. **Action:** Jonathan to forward the one homeowner account in arrears by over 1 year to the collections attorney.

3. **Action:** Sal Zisa and John Roecker will speak with the homeowner regarding discussions with Tidewater and Schagrin to maintain the Common Area near the homeowner's property.
4. **Action:** Joanne will arrange a meeting with Committees to obtain their input on items for the 2019 Budget.
5. **Action:** Charlie will construct a spreadsheet with pertinent Contractor information and services.
6. **Action:** Seascope provide all Board members and AED-trained residents with 24 hour access to the Clubhouse.
7. **Action:** Board Members to identify areas of roads requiring repair.
8. **Action:** Jonathan will arrange to have the road cracks sealed by the end of November.
9. **Action:** Jonathan will arrange to have the weeds growing in, and along, the road treated (killed) in the Spring.

#### **ATTACHMENTS**

1. Meeting Agenda
2. New, Open and Completed Action Item Summary
3. Draft Collection policy for Overdue Homeowner Dues

Respectfully Submitted

Frank Himpler, Secretary - Ridings at Rehoboth Owners Association

## AGENDA

### THE RIDINGS AT REHOBOTH OWNERS ASSOCIATION BOARD OF DIRECTOR'S EXECUTIVE SESSION MEETING

Tuesday September 4, 2018

6:00 PM – 8:00 PM

Ridings Clubhouse

#### Order of Business

6:00pm – 6:15pm

- Welcome and Call to Order
- Approval of Meeting Agenda
  - Any additions to agenda
- Approval of the Minutes of the Executive Sessions May 16, 2018, May 24, 2018, and July 9, 2018 meetings

6:15pm – 7:30pm: Open Issues

- Update on Dellwood/Ocean Meadow
- \$50K from Tidewater. \$10K went to tree planting costs. What should be done with the remaining balance? Authorization to deposit funds into a short term CD?
- Account signatures add Frank and Joanne, delete Sal and John
- 2018 Reserve Funding
- Audit of HOA Books
- Enforcement of ARC Standards
  - Rationale for commercial vehicles
  - List of enforcement
    - Crowley and Gallagher cases
  - ARC Issues
    - Cuomo letter
- Pool closure
- Annual Meeting
  - Nomination/Election process
  - Candidate forums
  - Agenda Items
- Schagrin Gas Update
  - Pipe burial
  - AG Complaints
  - Investigate alternatives-Suburban Propane
  - Response to latest letter from Schagrin
  - Who will be the primary contact?
- Collection of Overdue Dues
  - Policy
  - Collection

- E-mail addresses for Board and ARC
- Fireworks Complaint
- Maintenance of Empty Lots on Ramble Road
  - Who's responsibility?
  - Mosquito Commission sprayed for free
  - Tidewater to repave parking area/road?
- Install bollards at end of Mall Center in front of pond?
- 2019 Budget
  - Finance Committee
- Transition Issues
  - Resignation letter sent out
  - John & Sal
  - Single point of contact for agencies/companies
    - Attorney
    - Schagrin
    - Tidewater
    - Dellwood/Ocean Meadow
    - Del Dot
- Left turn lane on Beaver Dam
- Maintenance of roads
  - 2 depressions on Ramble Road
  - Chink cracks on Ramble Road
  - Look for other areas where maintenance is needed
- Board and AED trained residents need 24 hour access to Clubhouse
- Accident repairs at Beaver Dam entrance
  - Gate lights needed
- Formalization of Alan's position
  - Parliamentarian

7:30pm – 8:00pm: New Business

8:00pm: Adjourn

**NOTE: MEETINGS OF THE RIDINGS AT REHOBOTH OA BOARD OF DIRECTORS ARE CONDUCTED UNDER PUBLISHED GUIDELINES OF ROBERT'S RULES OF ORDER, NEWLY PUBLISHED**

	<b>Action Item</b>	<b>Owner</b>	<b>Date Issued</b>	<b>Date Due</b>	<b>Date Completed</b>
	<b>OPEN ACTION ITEMS</b>				
1	The Board will request our Risk Manager to investigate how the current liability insurance contract is structured and if this value is considered sufficient for the Ridings at Rehoboth Community.	Bruce Hackett	12/18/2017— 9/4/2018	2018	
2	Jonathan will provide the Board with a short summary of his weekly inspections, obtained while driving thru the Community.	J. Poole	12/18/2017		
3	Sal and Jonathan will select an additional bank to establish another Long Term Reserve account.	J. Saltzberg/F. Himpler	5/16/2018— 9/4/2018		
4	Sal will post the ARC applications received during 1Q:2018 on the community web site.	S. Zisa	5/16/2018		
5	Brian and Sal will develop a form for weekend/off-hours parking requests and post on the community web site.	B. Bennett/S. Zisa	5/16/2018		
6	Jonathan will review the Capital Reserve Study to determine if there are possible funds available for the purchase of a new exercise bike.	J. Poole J. Saltzberg	5/16/2018— 9/4/2018		
7	Jonathan will investigate if the recent clubhouse expansion will require modification of the Capital Reserve Study.	J. Poole J. Saltzberg	5/16/2018— 9/4/2018		
8	Seascape will make phone calls to all accounts delinquent by 2 or more quarters.	J. Poole	5/16/2018		
9	Sal will arrange a meeting with all committee chairs before the end of June.	S. Zisa B. Bennett	5/24/2018— 9/4/0818		
10	Jonathan to coordinate providing all Board members with 24 hour access, via security key cards, to the clubhouse.	J. Poole	5/24/2018		
11	Board members to provide Joanne any further comments by Monday, 9/17, for incorporation into a second version of the Collections policy.	HOA Board	9/4/2018	9/17/2018	
12	Jonathan to forward the one homeowner account in arrears by over 1 year to the collections attorney.	J. Poole	9/4/2018	10/1/2018	
13	Sal Zisa and John Roecker will speak with the homeowner regarding discussions with Tidewater and Schagrin to maintain the Common Area near the homeowner's property	S. Zisa/J. Roecker	9/4/2018	11/17/2018	
14	Joanne will arrange a meeting with Committees to obtain their input on items for the 2019 Budget	J. Saltzberg	9/4/2018	9/30/2018	
15	Charlie will construct a spreadsheet with pertinent Contractor information and services	C. Baker	9/4/2018	11/17/2018	
16	Seascape provide all Board members and AED-trained residents with 24 hour access to the Clubhouse.	J. Poole	9/4/2018	11/17/2018	
17	Board Members to identify areas of roads requiring repair.	HOA Board	9/4/2018	11/17/2018	
18	Jonathan will arrange to have the road cracks sealed by the end of November.	J. Poole	9/4/2018	11/31/2018	
19	Jonathan will arrange to have the weeds growing in, and along, the road treated (killed) in the Spring.	J. Poole	9/4/2018	3/15/2019	
	<b>COMPLETED ACTION ITEMS</b>				
1	Jonathan and Sal will provide a sign-up sheet in the clubhouse for those residents that want driveway plowing to be provided automatically during routine snow removal if Brothers is selected as the snow removal contractor.	S. Zisa /J. Poole	12/18/2017		1/1/2018
2	The responsibility for the prior action to change the current practice of an annual lump sum contribution to the Long Term Reserve to quarterly payments in 2018 will be transferred from Joanne and Sal to Jonathan and Joanne.	S. Zisa /J. Saltzberg J. Poole /J. Saltzberg	12/18/2017— 5/16/2018		Complete
3	Sal and Joanne will arrange to have all Board Meeting minutes and financial reports posted on the web site.	S. Zisa /J. Saltzberg	12/18/2017		Complete
4	The Architectural Committee will seek resident input for the Board to develop and adopt additional policies to help clarify the enforcement of the approved Architectural Standards.	B. Bennett	12/18/2017	2018	4/1/2018
5	SeaScape will provide email and written notice to the community of the new rules.	J. Poole	5/16/2018		6/15/2018
6	Alan will draft a letter to propane tank applicants for the Board to review.	A. Schoem	5/16/2018		5/17/2018
7	Sal will draft a letter to the community on the Board's steps to provide for an orderly transition of leadership.	S. Zisa	5/24/2018		8/1/2018

**Ridings at Rehoboth Owner's Association (OA)**  
**Collections Policy and Process**

**Introduction**

This policy is the set of rules and procedures used by the OA or its designees to ensure payment of overdue account receivables. This policy systemizes the steps taken to recover amounts due prior to litigation. This includes when a customer should be contacted, how they should be contacted, how disputes are resolved, when internal or external "collectors" are used to step-up collection efforts, and ultimately when and whether to file a lien against the property, turn the account over to litigation or write-off the debt.

**Policy**

This policy and process pertains to the collection of monies due and payable to the OA from its Members as authorized by Section 6.4 of the current ByLaws included below:

*Section 6.4    Collection of Assessments; Defaults*

*(a) Upon default by an Owner in the timely payment of any installment, the remaining total of the unpaid installment or installments of Assessments for that Assessment Year may be accelerated at the option of the Association after a 30 day cure period afforded the Owner, and if not cured within the 30 day cure period, the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner and his Mortgagee (if notice thereof has been given by the Association). Interest shall accrue on the amount of any Assessment or installment thereof which may remain due and owing from the 30<sup>th</sup> day following the due date thereof or interest shall accrue on the amount of an Assessment which may be due by way of acceleration, as aforesaid, from the 30<sup>th</sup> day following the date of the notice of acceleration. Interest shall be computed at the rate of ten percent (10%) per annum.*

*(b)        The Association may file of record a Notice of Lien created by an Assessment or such other or further document as may be deemed necessary to confirm the establishment of such lien. The Association may take whatever action as may be lawfully allowable to collect or cause the collection of an Assessment including an award of counsel fees and court costs in addition to the amount of the Assessment and interest that may be due. The Association may notify any and all mortgagees of an Owner's default.*

*(c)        No Owner may relieve himself from the responsibility for the payment of Assessments by abandoning or otherwise relinquishing his use of the Common Areas.*



In order to collect the monies due in accordance with these bylaws the OA states and affirms that:

1. Every OA member is required to pay assessments and related fees established by the Board of Directors in accordance with the governing documents for trash collection and to maintain common property.
2. The OA or its designees will make every reasonable effort to collect monies due in full and work with Members to prevent outside collection and legal action being taken.
3. The OA or its designees will bill timely for monies due and consider payments made within 30 days of the due date on time.
4. If payments are not made during the 30 day period in #2 above, the OA will assess interest at the rate established in the bylaws. One interest or penalty waiver per Member will be allowed.
5. When an account is more than 90 days past due it will be sent to an outside collection agency for a 90 day fulfillment period.
6. At 180 days past the due date, a lien will be filed against the property and the mortgage company will be notified of the action and a determination of further action will be made.
7. The OA may permit payment plans in extreme extenuating circumstances. Payment plans will be voided if the Member does not make the established payments timely and the account will revert to regular collection procedures.
8. Litigation policy TBD (See boilerplate language below for further description. Highlighted language may be all this OA needs to have included in policy.)

### **COLLECTION PROCESS**

1. 30 days **prior** to accounts being due invoices will be sent to Members.
2. 31 days after due date, send out a second bill with a 10 day grace period and make a phone call reminding the customer of the due date, and the balance due.
3. 60 days after the due date send a more forceful letter reminding the Member of the overdue balance, the terms under which the payment was extended, and the service charges that are accruing. Advise that in 30 days account will be handed over to an outside collection agency.

4. 90 days after the due date send a letter notifying the Member that the account has been turned over to an outside collections agency – turn the account over to a collections agency.
5. 90 days (180 days past due) after the account has been turned over to an outside collections agency, a lien will be filed against the Member.
6. Further determination will be made whether to 1) write off the debt; or 2) move from collections to litigation. At this point, send a letter to the client notifying them of the appropriate action.

The final step in a collection policy is the litigation policy. That is, when do you call in the lawyers, and which accounts are worth taking to court? Clearly, commencing litigation is going to strain the relationship between your business and your customer, so this is likely not an option if you wish to continue a business relationship. Although, if it has gotten to the point where the debt is past-due for a long enough period of time, that you are considering litigation, that ship has likely already sailed. Also, litigation is expensive. You want to be sure the debt is worth it before going down that road.

Another factor to consider, and one that may play a part in determining the value of outstanding debt worth litigating, is what security you have in place to ensure payment. While the security of mechanics liens, UCC liens, personal guarantees, joint-check agreements, etc. all provide incentive for the customer to pay prior to getting to this point, they also all work to make the debt less risky in a litigation context. It is much easier, and therefore usually cheaper, to recover a secured debt than it is to recover an unsecured debt through the litigation process.

### **Sample Litigation Policy:**

If the outstanding debt is greater than \$ \_\_\_\_\_, always turn over to litigation when the debt becomes \_\_\_\_\_ days past due. (Note that when secured by a mechanics lien, the date by which legal proceedings must be initiated before the lien expires is set by statute).

If the outstanding debt is between \$ \_\_\_\_\_, and \$ \_\_\_\_\_, send to litigation if the debt is secured by a mechanics lien, a UCC lien, a personal guarantee, a joint-check agreement, or any other security.

If the outstanding debt is between \$ \_\_\_\_\_, and \$ \_\_\_\_\_, send to litigation if the debt is secured by a mechanics lien, or a UCC lien only.

If the debt is \$ \_\_\_\_\_, or below, write-off debt and release the client.