



Hidden Lakes of St. Augustine Homeowners Association, Inc.  
PO Box 860013, St. Augustine, FL 32086

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Date of Notice: November 10, 2014

**Meeting announcement to all owners in the Hidden Lakes Community:**

**Subject:** General meeting of owners and HOA board  
**Date:** Thursday, November 13, 2014  
**Time:** ARB meeting starts 6:30pm, General Meeting starts 6:45pm  
**At:** **The Record Building**  
**One News Place**  
**St. Augustine, FL 32086**  
**(904) 829-6562**

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**AGENDA**

Approve minutes from August 28, 2014 Meeting

Opening statement

May Management Report and Q&A - Our property manager – Sheila Johnston  
Maintenance fee collections, C&R enforcement, quotes for projects,

Common Grounds

Pond access, the entranceway post, FPL lighting

ARB report

ARB Rule change Section 4.1 Approval Process, discussion and Board vote

Project Committee Report

Recommendations for the board to consider:

12 year budget presentation and Q&A

Road maintenance project for Fall 2015

Budget for 2014 – continue hold on new projects

New Business

Member voting process change

Closing

Next meeting: Thursday, January 22, 2015, 6:45pm at the Record Building.

# Hidden Lakes of St. Augustine 12 year Budget Projection

11/8/14

## **Disclaimers:**

This is a first draft made for demonstration purposes. The numbers used in the project section are estimates that are subject to further review and revision.

## **Purpose:**

This was a project committee assignment authorized by the board at the August 28<sup>th</sup> owners meeting. It is a committee recommendation for a Common Grounds asset, maintenance and replacement schedule (Reserve Study). The C&R as well as Florida Statute 720 require the board to keep the common grounds in good repair. This is the most important duty of the HOA Board.

## **Overview:**

The recommendation is in the form of a 12 year revenue and expense projection for the HOA. It is designed to allow various funding plans and shows the resulting balances after expenses, due to normal HOA operations as well as common grounds assets maintenance and repairs. The goal is to have sufficient funds for expenses and funding reserves while maintaining a safe balance to meet ongoing expenses – in short, to remain solvent.

The 12 year time frame was chosen in order to show enough time to go thru a 10 year project maintenance cycle that includes the largest project/expense – road micro-surfacing. It also gives a long enough timeframe to show how a reserve plan will work.

## **Spreadsheet:**

There are 4 main sections: Revenues, Expenses, Reserve fund balance, and Projects subject to reserve.

Due to the complexity of the subject, I'd like to schedule a meeting with 2 board members at a time at my home. This will be to demonstrate the spreadsheet and to answer any questions.

## **4 Main Sections**

### **Revenues:**

These are totals for the annual assessment fees, % increases and any special assessments as well as showing costs to each owner per year. These numbers are selected to insure that the HOA can handle both operating expenses and projects and remain solvent.

### **Projects subject to reserves:**

This is the project list that is based on replacement/repair costs of existing items, along with a time frame that is the life expectancy of each item. If a project lifespan is 10 years, you need to determine when it was installed or last repaired then add the expected lifespan to determine the next repair year. The whole repair cost is put into the corresponding year

### **Expenses:**

This section includes projected operating expenses, repair and project replacement costs. It shows the operating account balance each year after expected revenues are applied. It also shows the total cash balance of both the operating and reserve accounts separately per Statute 720. The goal is to maintain a minimum balance of \$30,000 in the operating account and enough money in the reserve account to fund upcoming projects and emergency repairs.

### **Reserve fund:**

Each year the reserve amount will be transferred from the operating account to the fund reserve. In this projection, \$10,220 is the amount and would start with the 2016 budget. Line 32 shows the reserve account balance each year. Notice that the balance starts at \$0, goes up to \$60,780 and then drops in year 2025 to \$0 again after the second road resurface project is completed.

Reserves are the preferred method of funding projects. This is a way to assure banks that common grounds will be cared for. Special Assessments are looked at by the banks that approve mortgages as a group that do not plan their revenue & expenses appropriately. This results in more difficulty getting a mortgage & lower property values.

The HOA is a corporation, and needs to be efficiently and effectively managed to ensure that the infrastructure and grounds are kept in good order. When the HOA is perceived as a well managed corporation, the Banks will willingly give mortgages and this will result in higher values.

In order to set-up reserves, a majority vote of owners is needed. Any change in funding or distribution of reserves must be approved by an owner vote as well. Once reserves are started, they will continue indefinitely unless changed by an owners vote.

### **Recommendations**

1. That the Road micro surface project be scheduled for the fall of 2015.

2. That the owners are required to pay a one-time \$153.00 special assessment in July of 2015 to complete funding for the Road project.
3. That the annual maintenance fee be increased by 5% (\$15.90 per owner) for the 2015 budget so we can begin funding reserves in 2016 and have sufficient funds to complete the sidewalk project in the fall of 2016.
4. That the board authorizes a special meeting of owners in February, 2015 to implement reserves starting in the 2016 budget. We can issue Limited Proxies 2 weeks in advance to reach our quorum of 20%.

Paul Hayward

Project Committee



## ARB Agenda

There will be an ARB meeting on November 13th at the St. Augustine Record Building at 6:30 PM. We will be reviewing a submitted application regarding painting the entrance was signs, the complaint regarding the structure that was not constructed according to assurances made to the ARB and also to review proposed changes to the ARB document section 4.1. That is attached and if approved by the committee will be reviewed for approval by the HOA Board. Please let me know if you are unable to attend.

- L. Upon approval by the ARB, and following inspection, the application will receive final approval.
- M. If the application is denied by the ARB, the member may appeal to the HOA Board of Directors for reconsideration. The Board will consider the member's appeal and render its decision within 30 days of its filing with the Board. The decision of the Board shall be final.

**Old ARB section 4.1 - 9/17/09**

ARTICLE IV  
APPROVAL PROCESS

4.1 Approval Process

All approvals are subject to proper County permitting, if any, and inspection by members of the ARB prior to completion. Applications must first be submitted to the ARB and approval received before being submitted to the County for any permits needed. The ARB shall have 30 days to grant or deny approval.

Upon approval by the ARB, and following inspection, the application will be considered "Final Approval". Only members in good standing may submit ARB applications.

If the application is denied by the ARB, the member may appeal to the HOA Board of Directors for reconsideration. The Board will consider the member's appeal and render its decision within 30 days of its filing with the Board. The decision of the Board shall be final.

## **NEW ARB section 4.1 - 11/10/14**

### 4.1 Approval Process

- A. Only HOA members in good standing may submit an application.
- B. The plan will be evaluated by the ARB as to visual and acoustical privacy, harmony of design and location in relation to surrounding structures, etc.
- C. All applications must be complete including required signatures. Drawings, materials list, samples of building materials and/or paint chips, or other pertinent information in order to be considered submitted.
- D. If a structure is involved the dimensions of the structure as well the amount visible to neighbors must be included. For example if the structure is going to be placed on blocks the height of the blocks plus the structure must be included. Please indicate any plantings that will be used to mitigate visibility to neighbors.
- E. An application will not be considered unless it is complete including required signatures. The 30 day consideration period will not start until a complete application is received.
- F. Two complete signed copies of the application with all supporting documentation must be submitted.
- G. The ARB shall have 30 days to grant or deny approval.
- H. It is the responsibility of the homeowner to determine if County permitting approval is required. County permitting approval will require a copy of the approved ARB submittal.
- I. A visit by ARB committee members may be required before your application is considered.
- J. Projects must be started within 30 days of application approval and completed within 60 days.
- K. After the project is completed ARB committee members will visit the project to insure the project was constructed as approved. If necessary changes may be required.



**Hidden Lakes of St Augustine HOA  
Board Meeting  
11/13/2014**

**Board Members**

Ross Arrowood  
Judy Ashley  
Norwood Clark  
Paul Hayward - President  
Barbara Lankford  
Jim Lorentson – Vice President  
Malcolm Robertson

Bob Nawrocki – Secretary

Homeowners – 8

Ms Lankford moved for approval of the minutes of August 28, 2014, Mr. Arrowood seconded. The minutes were approved on a voice vote.

**President's Message**

I want to thank you all for attending.

This is our 8<sup>th</sup> and final meeting of the year. We will not hold a meeting in December. I spoke with Karen Brannon at the Record and she assured me that we will have the 4<sup>th</sup> Thursday each month in 2015. So, our next meeting will be January 22<sup>nd</sup>. We will be following the normal format of committee reports with open discussions as needed.

Unfortunately, Sheila Johnston was not able to attend so I will read from her report. We can record any questions and email the answers when available. We ask you to keep your questions related to the subject matter at hand until we reach the new business portion of the meeting.

Project committee recommendation

Just a reminder, the committee does not make decisions. It does make recommendations to the HOA Board. The Board may approve, modify or disapprove these recommendations at the HOA's public meetings with public discussion.

This is a 2<sup>nd</sup> draft of a 12-year budget and funding recommendation for road and common grounds repair and replacement. The long-term view is needed in order to allow the option of a reserve plan to fund the projects. This will be covered in detail during the segment. Today, we will only review the process. The first opportunity for a vote will be at the January 22<sup>nd</sup> meeting.

The Hearing Committee

The Hearing Committee and violation fine protocol was started by a vote at the August Meeting. The committee members work with Sheila Johnston of May Management, who does the inspections. They are independent of the board as proscribed by state law. We

will ask Sheila for a general update on the process.

#### ARB Rule Change

The ARB committee has proposed a change to Section 4.1 to include on-site inspections to improve compliance with the original approved plan. This is a common practice among HOA's. The rule change will require a board vote for approval.

Mr. Clark took exception to the fact that Ms. Johnston did not attend the meeting. Mr. Hayward replied that he just found out about her absence.

The Violations Hearing Committee had an introductory meeting but no official meetings.

There was a question whether everyone had gotten the violations document? A comment was made that the Board should be sure that everyone has received a copy of the document. Non-resident owners need to receive copies. Mr. Robertson asked whether sending out an email constitute a notice. Mr. Hayward said it does and if he has no email address he sends it via snail mail. Mr. Clark commended the Violations Hearing Committee for their hard work.

Mr. Hayward requested Sheila Johnston mail out everything that has been done for the last six months to all HOA members. A financial report as of September 30, 2014 be sent to the Board.

#### **Common Grounds Report**

The HOA contracted with a new pond maintenance company. Previously on 3 of the 5 ponds were fully treated, now all ponds will be treated. Access to all ponds was created.

Entrance post was reworked

Overgrown trees hide some streetlights; FPL will trim the trees to provide more light.

Entrance sprinklers will be cut back to once a week and the rain gauge fixed.

Mr. Lorenston's wife will be asked to suggest new flowers for the front entrance. Barbara Lankford volunteered to assist in planting the flowers.

Mr. Clark asked whether carp were added to the pond, this will not be done until January or February.

#### **ARB**

The ARB Chair presented changes to section 4.1. After discussion the changes were withdrawn for further revision

Change section 1.8 to add after the word concrete only *or other material approved by the ARB*. Mr. Robertson moved approving changes to section 1.8 of the ARB document, Mr. Arrowood seconded.

## Votes

Arrowood – Yes  
Ashley – Yes  
Clark – Yes  
Hayward – Yes  
Lankford – Yes  
Lorentson - Yes  
Robertson – Yes

Motion passes

## **Project Committee**

All future projects put on hold

The committee developed a 12 year budget, Board members will be briefed on the budget in one on one meetings.

The committee recommends that a special assessment process be used to raise the money required to redo the roads. The funding problems are a legacy of past developers who did not establish an HOA and provided adequate funding.

In the future should have owners vote on major projects, possibly taking an owners vote to set up reserves in the future.

It was moved and seconded that information regarding the financial issues be placed on the HOA Website

## Votes

Arrowood – Yes  
Ashley – Yes  
Clark – Yes  
Hayward – Yes  
Lankford – Yes  
Lorentson - Yes  
Robertson – Yes

Motion passes

Any suggestions on how to get information to the owners across, Mr. Arrowood suggests sign pointing out financial issues being discussed at the next meeting.

Mr. Robertson said that the members need to be aware of the revenue issue. Hates the word assessment but the Board of Directors has an obligation to do the right thing and set up reserves so this doesn't happen in the future.

Mr. Robertson moved that the Project Committee write up a one-page recommendation; attach county report and simple numbers and ballots. To be presented at the next Board meeting Mr. Clark seconded.

#### Votes

Arrowood – Yes  
Ashley – Yes  
Clark – Yes  
Hayward – Yes  
Lankford – Yes  
Lorentson - Yes  
Robertson – Yes

Motion passes

#### **New Business**

There will be a vote to change the bylaws at the next meeting.

Meeting adjourned 8:40 PM.