

## Post Meeting Information

Many questions were generated at the 5/18/2014 Special Meeting, so the Trustees worked to get some answers for you quickly:

**NEIGHBORHOOD IMPROVEMENT DISTRICT** - Good news! Dana called the County yet again and a new person had just taken over (today, if you can believe it!) and he was much more helpful than those who have spoken with us in the past. The procedures for a NID project are basically the same as what was told to us except that he CAN put together a quote before meeting with us. The process would take at least a year. He said we can guesstimate the cost of widening the road using \$1.75 per linear foot. *Perhaps* that means to overlay 1.4 miles with 2" x 20' that would be 7392 ft x 1.75 x 20' wide = \$258,720, not including any road base that has to be made for widening 1.1 miles of it, but we are NOT sure if that is what he meant. However, we will let him tell us himself on

**Tuesday, June 17th, 7:00 p.m. in the Schnucks Wentzville Community Room!**

Please note that we need a quick fix on Culvert#2 ASAP anyway, so this should not affect the Special Assessment vote on the ballot.

**SUBDIVISION LOANS** - Robin called Bank of Old Monroe's Branch Manager Sandy and asked what it takes to get a subdivision loan: Application by trustees, a large enough amount (\$100,000 is enough), collateral. Qualifying collateral could be "2nd deed of trust" on our homes, unsold lots, community-owned property, or possible proof that we have voted to collect the money and can prove that we have good payment history from our owners. Interest rates might be in the 5.95% to 6.5% range.

**OUTSTANDING BCA BALANCES** - 5 lots are past due for a total of \$2970.46. 2 are ineligible to vote. Prepaid accounts = \$2993.05.

**GARNISHMENTS** - Per a conversation with an attorney he speaks with weekly for business related issues, Henry was able to get an opinion pro bono regarding collection of homeowner debt. *This is not an official legal opinion (since it was free).*

A) The preferred and usual method by attorneys to collect on home owner debt is thru the lien process on their homes. The current cost to file a lien is about \$25 in St. Charles Co. and is billed to the home owner past due (currently what we do). Most mortgages have a clause that if a home owner obtains a lien on their home, the mortgage is technically in default. The bank can call the loan at any time, if a lien has been placed on the property. This would be a bigger problem for the homeowner than garnishment would.

B) Wage garnishments to collect the debt are highly unusual, as the lien is the preferable road to go down. Problems with a garnishment include the lengthy process of getting a judgment to get a citation hearing, which would require going to court. After that, if successful, a garnishment order is made and then a judge needs to sign it. Once signed, then finding out who the employer is to serve the papers. In this process, the HOA would pay the legal fees up front before ever collecting any money, if successful in getting the judgment! The typical cost the attorney quoted was a minimum cost of \$1,500, of which the association would have at risk. The cost would be a minimum of \$2,000, if the home owner is self-employed where everything is the same, except a bank lien on funds is enforced instead of sending to an employer. He said self-employed ones are much more difficult to enforce and usually turn out badly. Garnishments usually extend over a period of time, depending on the homeowner's circumstances, so the collection of the debt could go for months.

At the Annual Meeting, we can discuss some other collection encouragement options: We can move up the billing cycle to collect before the quarter (we used to collect at the beginning of a YEAR). We can also file liens sooner than we do now and even notify their bank of the lien because it puts them in default on their mortgage. \*\*\* We also found out that the Association (but not hired collectors) ARE exempt from FDCPA so is allowed to disclose the names of overdue owners to our members. Therefore, the list of overdue home owners will be updated just before the Annual Meeting in case anyone asks for it. \*\*\*

**MEASURES IN CONFLICT WITH A C.C.R.** - Robert's Rules of Order Revised, by General Henry M. Robert, 1915 Version, Public Domain *Part I.- Rules of Order, Article. II. General Classification of Motions* states the following:

"No motion is in order that conflicts with the constitution, by-laws, or standing rules or resolutions of the assembly, and if such a motion is adopted it is null and void. Before introducing such a motion it is necessary to amend the constitution or by-laws, or amend or rescind the conflicting standing rule or resolution."

*St. Charles County Subdivision Trustee Handbook, Page 8* - "Subdivision trust indentures are legally binding recorded documents recognized by the State of Missouri and recorded with the St. Charles County Recorder of Deeds."

**WATER TESTING** - If anyone would like to become our Certified Operator, DNR water certification training is 6-8 days (not sure if that includes exam) : 6 Day Water Distribution Certification Class 1405452 Branson MDNR-SWRO Jacques Martineau 417-891-4300 06/04/2014 06/18/2014 DW - 41.5 hours. Robin has vouchers from the DNR for the training and there are some closer classes.