

**Willow Lake  
Homeowners' Association  
Post Office Box 1897  
Millsboro, Delaware 19966**

**October 1<sup>st</sup>, 2015**

Dear Neighbor:

The HOA will hold the 2016 annual meeting on Saturday, November 7, 2015 at 10:00 AM at the Indian River Senior Center located at 214 Irons Ave. Millsboro, DE 19966 Registration will begin at 10:00 AM. The issues to be discussed at the meeting include the following:

- 2015 Financial Review
- 2016 Budget
- Nominations and Election of a Board Member

The board encourages at least one member of the household to attend the meeting. **We will be discussing, in depth, the reserve study and the necessity of increasing our HOA fees to come into compliance with future reserve requirements.** This is not an arbitrary increase. Rather, it is an investment in the future of our property values. Research has confirmed that in this post recession housing market, homebuyers and mortgage lenders are increasingly vigilant when investigating a community and its finances. Buyer's agents are requesting copies of reserve studies as well as financial projections for future community expenses. Mortgage companies want to ensure that they are lending money to buyers who are purchasing homes in a financially solvent community.

If you are unable to attend the meeting, please use the enclosed forms to sign and cast your vote on the budget and the open board position.

**Financial Status**

On September 30, 2015 the association had a total of \$58,489.59. There was \$18,389.07 in the checking account and the remainder in four certificates of deposit at PNC Bank. The enclosed proposed budget outlines our anticipated income and expenses for 2016 and summarizes our 2015 spending and reserve funds.

**Income and Expense**

The HOA has received \$14,625 in assessment payments. One resident has an unpaid assessment balance of \$375 plus legal fees of \$415.46 totaling \$790.46 (as of September 30). The expenses for 2015 are expected to be \$9,605.04\* and the reserve funds for the year are estimated at \$1,314.46. Those 2015 expenses are itemized on page four.

**Annual Assessment Payment**

The 2016 assessment for each lot is \$622.00. Due date for the assessment payment is January 31, 2016. Assessments received after that date will be subject to a late fee of 1.5% per month; the same penalty rate applied to county and school taxes. If you foresee a need to pay in installments, please communicate with any member of the

Board. Any information you provide will be kept confidential. We can extend payment through 1Q2016 (March 2016) if that is necessary for you.

The proposed budget for 2016 is included in this mailing. Please review it and if you do not intend to attend the annual meeting, please use the enclosed ballot or proxy form to indicate your voting preference.

\*Includes estimated expenses through December 31, 2015.

### **Board Position**

Robert Lamontagne will be rotating off the HOA board. We thank Robert for his hard work and community dedication. Beginning January 1, 2016 there will be an open board position. Presently, Frank Morris is the only resident who has expressed an interest in running for the board. Nominations for board membership can be made during the meeting prior to the vote.

### **General Issues**

We hope that you have found the quarterly newsletters helpful and informative. Listed is a brief review of issues and information mentioned in the newsletters as well as other useful community information.

- Common area plantings recovered nicely. No major replacement expense is anticipated.
- We have updated the community directory. Please make sure we have accurate contact information for you in case of emergency.
- The reserve study was commissioned and completed by the Whayland Group.
- Committees.....General committee guidelines are in place. There have been no volunteers for: Lake and Woods Committee, Architectural Review Committee or Common Area/Landscape Committee.
- Our snow removal contract will be signed very soon. Please place post markers or reflectors on your property line if snow is forecast. Plows have no point of reference on our narrow road unless they see markers.
- You are reminded that structural improvements to property must be approved by the board. E.g. docks/platforms at water line, porches, decks, additions etc.
- If you are leaving your home for an extended period, please have a trusted friend or neighbor check on your property. This is particularly important after severe cold or storms.

### **Member Issues and Concerns**

The annual meeting provides an overview of the state of the community and, more importantly, an opportunity for members to express their concerns about current issues and the future direction of the community. The Board encourages you to participate. If you do not plan to attend the meeting, feel free to contact any board member and share your suggestions and concerns. This year we are soliciting new business agenda topics in an effort to be more organized and to maximize everyone's time. Please contact Cheryl Mitchell if you have a topic to introduce/discuss under new business. We ask that you be thorough, but brief.

Sincerely,

Cheryl Mitchell

Brad Hudson

Robert Lamontagne

## Meeting Agenda

10:00 Registration

10:30 Welcome

10.35 Opening of Business Meeting

- Call to order
- Establish quorum
- President's Comments

Financial Review

- 2015 Assessments and Expenditures
- 2016 Proposed Budget

Speaker..... Bob Wheatley, The Whayland Group

New Business

- Committee chairs
- Members Concerns & Issues

Committee Reports

- Architectural Review
- Landscaping
- Lake/Woodland

Voting

- Proposed Budget
- Board Candidate

## 2015 FINANCIAL STATUS

### Account Balances (as of 9/28/15)

Checking (operating expense account) \$18,389.07

Total Reserve Funds - Certificate #0193 (3 mo)	\$4,598.67
#6867 (3 mo)	\$4,068.36
#9754 (6 mo)	\$12,480.85
#2798 (3 yr)	\$23,021.00

### 2015 Expenses (as of 9/28/15)

Budget Item	Budgeted	Amt per Lot @ 40 Lots	Current Expense to date
Insurance	\$1000	\$25	\$1113 (1/22/15 – 1/22/18)
Misc. Business Expenses	\$500	\$13	Pymt - 12/12/14 – \$1,107    2/6/15 - \$ 6 <b>\$255.16</b> Pymt – 12/31/15 (stamps) - \$9.80 2/21/15 – (envelopes) - \$3.49 6/24/15 – stamps/env) - \$69.20 8/1/15 – (PO Box/yr) - \$76.00 9/3/15 – copies/stamps/mailings - \$96.67
Taxes and Prep (2014)	\$250	\$7	<b>\$250</b> Tax Prep - \$150 State Franchise prep - \$75 State Franchise Tax - \$25
County Taxes (2015)	\$375	\$10	<b>\$349.76</b>
De Electric Coop	\$250	\$7	<b>\$241.66</b> Pymt – 12/15/14 - \$22.17    1/22/15 - \$22.66 3/4/15 - \$25.96    4/6/15 – \$22.66 4/17/15 - \$27.94    5/12/15 - \$24.26 6/11/15 - \$25.02    7/15/15 - \$25.42 8/7/15 - \$25.92    9/9/15 - \$19.65
Snow Removal (contract: 11/1/14 – 5/30/15)	\$1,000	\$25	<b>\$1592.50</b> Pymt - 1/29/15 - \$427.50    2/17/15 - \$270.00 2/26/15 - \$240.00    3/1/15 - \$200.00 3/5/15 - \$252.50    3/17/15 - \$202.50
Lake / Access Maint	\$500	\$13	<b>\$480</b> (Pymt's made with lawn care pymt)
Lawn Care/Common Area	\$5,000	\$125	<b>\$5,388</b> Pymt – 4/16/15 - \$1083    5/7/15 - \$975 6/11/15 - \$800    7/12/15 - \$830 8/12/15 - \$800    9/22/15 - \$735 8/23/15 (bag worm spraying) \$165.00

Legal Consultation	\$500	\$13	\$415.46
			Pymt – 6/10/15 - \$112.96 7/20/15 - \$137.50 9/15/15 -\$165.00
<b>Total</b>	<b>\$9,375</b>	<b>\$238</b>	<b>\$10,085.54</b>

**2015 Income – Expense Summary (as of 9/28/15)**

Assessments	\$14,625 (one outstanding assessment)
2015 Expenses	\$10,085.54 (see expense summary under unbudgeted line items)
2015 Estimated Reserve Allocation	see expense summary under unbudgeted line items

**2015 Non-budgeted Line Items**

Budget Item	Budgeted	Amt per Lot @ 40 Lots	Current Expense to date
Reserve Study	\$0	\$0	\$2000 Pymt – 5/5/15 - \$1000 7/30/15 - \$1000
General	\$0	\$0	\$35.00 Pymt – 5/28/15 – (flag) - \$35.00

**2015 Income – Expense Summary INCLUDING non-budgeted line items (as of 9/28/15)**

Assessments	\$14,625 (one outstanding assessment)
2015 Expenses	\$12,120.54 - estimated remaining bills: Delaware Electric – 3 mos x \$25 = \$75 Lawn Care - \$865 Legal - \$250
	\$13,310.54 (includes estimated remaining bills)
2015 Estimated Reserve Allocation	\$1,314.46

## 2016 Operating Budget

(increased by 10% for some line items)

<b>Budget Item</b>	<b>Budgeted</b>	<b>Amt per Lot @ 40 Lots</b>
Insurance	\$484	\$12 (\$484/yr x 3 years = \$1492 for years 2018-2020)
Misc. Business Expenses	\$550	\$14
Taxes and Prep	\$275	\$7
County Taxes	\$375	\$10
DE Electric Coop	\$312	\$8
Snow Removal	\$1,000	\$25
Lake / Access Maint	\$700	\$18
Lawn Care/Common Area Maint	\$6,000	\$150
<u>Legal Consultation</u>	<u>\$500</u>	<u>\$13</u>
 2016 Est. Operating Exp.	 \$10,196	 \$287

Annual Assessment:	\$622/yr/lot (see below)	
	Operating budget - \$10,196/yr	\$287/lot (determined by annual operating costs)
	Reserve allocation - \$13,394/yr	\$334.86/lot (5 year average)
	Total - \$23,590/yr	\$621.86 (rounded to \$622/lot/yr)
2016 Estimated Assessment Revenue	\$23,590	
2016 Estimated Expenses	\$10,196	
2016 Estimated Reserve	\$13,394	



## Proxy Form

Please give your completed proxy form to the member you select to vote for you at the annual meeting. If you prefer, mail your completed proxy form to the **Willow Lake Homeowner's Association, PO Box 1897, Millsboro, DE. 19966** and mail the completed form so that it arrives no later than **Friday, November 6, 2015**.

I/We wish to delegate \_\_\_\_\_  
Printed Name

of lot # \_\_\_\_\_ to vote on behalf of my / our lot in all votes at the 2016 HOA Annual meeting that will be held on November 7, 2015.

\_\_\_\_\_  
Printed Name Date

\_\_\_\_\_  
Signature Lot #



### Assessment Invoice

This year's HOA annual assessment is \$622. Kindly remit the full amount by check or money order payable to the Willow Lake HOA, Post Office Box 1897 Millsboro, DE 19966. Full payment is due by **January 31 2016**. Please include your lot number in the memo section on your check or money order. If you prefer to pay your assessment in installments, please contact a board member to arrange a payment schedule.

Please help us update the community directory by completing the information below and forwarding it with your payment.

Thank you  
Willow Lake HOA Board

Name \_\_\_\_\_

Name \_\_\_\_\_

Lot # \_\_\_\_\_

**Please update any changes to your contact information:**

Home address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Current Phone Number \_\_\_\_\_

Current Email address (es): \_\_\_\_\_

## Frank Morris Mini-biography

Born in Wilmington, raised in Dover, I've lived and worked in or near Delaware for most of my life. Moving to Willow Lake makes Sussex County the 3<sup>rd</sup> county in Delaware in which I've officially established residence.

I graduated with a degree in chemistry from the University of Delaware and worked for 35 years in the pharmaceutical industry as an Analytical Chemist in mass spectrometry.

Officially retired as of last August, I plan to pursue my interests in surf fishing, golf and home renovations as long as I am physically able.

Ginny and I are very happy with our choice to live in Willow Lake and have made many new friends in this community. We would like to see Willow Lake maintained properly now and in the future in order to preserve property values and the overall look and feel of the community which attracted us here in the first place.