

Harps Mill Woods Homeowners Association

POB 99081

Raleigh, NC 27624

<http://hmws.home.att.net>

2006-05-03

Current board members: Rob Smith rob_smith@merck.com 919-862-0671
Howard Perry express1@nc.rr.com 919-862-0708
Jon Lee jon@jonlee.us 919-878-0535

Hello Homeowners,

The pool is scheduled to open Saturday, May 20th. Thanks to several volunteers we were able to arrange a pig-pickin' to celebrate the pool opening this year. \$300 was allocated by the board and will go towards the pig, napkins, plates, and sodas. The volunteers will do the real work of cooking. If you are interested in volunteering please contact Rob Smith [rob_smith@merck.com or 919-862-0671] or Mark Jones [mjones7900@nc.rr.com or 919-871-6328]. The pig-pickin' will start at 3 o'clock.

There will be one item of business to handle this day. Elections to the board of directors must be held. To do this, we need a quorum [10% or twelve] of homeowners present to vote. There are two open board positions. Michael Arber and Lois Foster previously served in these positions. Unfortunately Lois has decided not to seek another term. Her wisdom and insight will be missed.

Even if you do not plan on participating in the pig-pickin' or swimming in the pool, please take a few minutes to attend the business meeting at the pool. Even though it shouldn't last more than 20-30 minutes, you might consider bringing a chair. Board members (past and present) will be there to answer questions and discuss the budget as well as handle the election. If you cannot attend, please use the included proxy form. The meeting will start at 2 o'clock.

Current nominees for the positions

Nominations can be made before the meeting by contacting a board member. Nominations will also be taken the day of the meeting. If you have questions or are interested, please contact a current board member.

Carole Springfield moved to 7801 Harps Mill Woods Run in March 2005. Having never lived somewhere with a homeowners association, Carole looks forward to learning what the association does for the neighborhood. She would bring a fresh perspective to the board.

Mark "MJ" Jones moved to 7956 Milltrace Run July 2001. Since this time MJ has volunteered to do many things such as check the chemicals at the pool, put the trash from the pool on the curb and other chores which would otherwise incur a cost for these services.

Michael Arber moved to 7928 Milltrace Run in June 2002. His term as a board member recently expired. Michael has been an active member of the board since he was first elected in February 2003. He was subsequently elected to the office of secretary/treasurer. He has held the position of secretary/treasurer since that time.

If you have any questions about these events or this letter, please contact Rob Smith or Jon Lee

Board of Directors,
Harps Mill Woods Homeowners Association

Attachments:

Letter to the Homeowners from Jon Lee, 2005 President

HMW Proxy voting form

Harps Mill Woods Financial Information

2006-05-03

A Letter from Jon Lee, 2005 President

Hello, Homeowners.

As a board member and homeowner, I am concerned that there were not enough people at the scheduled annual meeting in February to constitute a quorum. This meant board elections could not take place which has caused the board to do a lot of thinking regarding how we can communicate better. In recent years the board has sent emails and posted information on the web site. Many people do not think that is sufficient. Better communication is one of my goals for 2006 as a board member.

For those homeowners who have not been living in our neighborhood longer than a few years, you should be aware that we did have a professional management company, Charleston Management, who sent communication, collected the dues, etc. Obviously this came at a price - \$6,000 annually – or about \$53 per homeowner per year. 2004 began our first year without a professional management company. A significant amount of the responsibilities previously tended to by the management company were now firmly in the lap of the board – specifically the office of secretary/treasurer. Michael Arber has been in the capacity of secretary/treasurer for many years and fully embraced the change away from the management company. Between paying the bills, getting the mail, sending communications, and managing the web site, Michael is very busy. There has not been much turnover of board members even considering a board member term is three years. The current board of directors would enjoy seeing homeowners at meetings volunteering for committees or offering suggestions. Whilst we do have some maintenance contracted there are homeowners who do volunteer their time to help check pool chemicals, put the trash out, trim the bushes and other non-glamorous duties that help keep our neighborhood functioning.

One of many changes on my agenda for 2006 is the communications. After dispensing the management company, we have delivered two communications each year – one in May another in December. The letter in May is primarily about the pool opening but contains other information. The letter in December primarily announces the dues for the next year and the annual meeting. It is my belief the December letter is viewed as more of a bill for the dues than the announcement of the annual meeting. Therefore I want to separate these two announcements.

Another item on my agenda is to streamline the finances. I firmly believe the finances of the association are stable. Perhaps we can work on the presentation of them. I have a few ideas regarding this but have been more focused on the election of board members. One strategy is that we need to look a bit further out than the next calendar year. Please review the figures for the previous five years and the 2006 budget. One goal for this year is to compile a forecast for five or possibly ten years. One immediate question to be answered: What is a reasonable reserve (savings account) balance? After the board elections we should have sufficient resources to devote to this matter.

Hopefully the board positions will be filled and we can spark enough interest to more evenly bear the load of the duties currently shared by a few. Regretfully, I will not be available on May 20th as my wife and I will be on vacation. When the board was discussing the scheduling of the meeting I felt it was better to have the meeting on the day of the pool opening without my attendance than to wait or attempt to find another day. I believe that is the most appropriate day, and the attendance will be greater on that day than any other in the foreseeable future. I will be available to answer questions before we leave May 12th. Please do not hesitate to contact me if you have any questions or concerns.

Regards,

Jon Lee

Harps Mill Woods Financial Information

Line		Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Budget 2006
0	Income						
1	Dues rate per lot [115 lots]	\$ 250.00	\$ 250.00	\$ 250.00	\$ 248.00	\$ 180.00	\$ 160.00
2	Total Dues	\$ 28,750.00	\$ 28,500.00	\$ 28,250.00	\$ 28,024.00	\$ 19,971.70	\$ 18,240.00
3	Fees	900.00	800.00	-	180.78	-	-
4	Special Assessments	-	3,990.00	-	-	-	-
5	Interest	-	-	200.76	274.66	428.00	428.00
6	Total income	\$ 29,650.00	\$ 33,290.00	\$ 28,450.76	\$ 28,479.44	\$ 20,399.70	\$ 18,668.00
7	Expenses						
8	Accounting	250.00	151.00	223.00	56.23	64.40	100.00
9	Financial Review	-	-	-	-	100.00	100.00
10	Electric	\$ 1,500.00	\$ 1,685.00	\$ 1,672.81	\$ 1,849.37	\$ 1,810.00	\$ 1,900.00
11	Water	120.00	542.00	250.27	289.97	416.62	400.00
12	Grounds contract	1,700.00	-	-	-	-	-
13	Grounds extra	1,050.00	1,000.00	-	1,735.22	600.55	1,000.00
14	Mulch	583.00	650.00	615.00	850.00	800.00	1,000.00
15	Flowers	-	200.00	435.00	-	-	-
16	General Improvements	-	-	105.13	-	-	-
17	General Maintenance	11.00	5.00	85.90	500.55	-	500.00
18	Ditch/Erosion/Path	-	-	-	3,781.60	-	-
19	Pool contract	4,400.00	5,565.00	6,551.19	6,789.64	7,119.99	7,200.00
20	Pool additional readings	-	-	-	1,190.00	1,190.00	1,200.00
21	Pool permits	235.00	235.00	235.00	235.00	235.00	235.00
22	Pool phone	563.00	375.00	457.30	610.75	868.40	600.00
23	Pool supplies, chemicals	2,605.00	1,012.00	682.99	673.79	897.93	900.00
24	Pool repairs	423.00	557.00	85.00	475.84	232.23	500.00
25	Pool paint	-	-	-	-	2,010.00	-
26	Pool keys, locks	65.00	79.00	(25.00)	69.56	104.33	100.00
27	Legal collections	1,061.00	487.00	707.18	128.75	196.00	200.00
28	Legal opinions	320.00	-	-	-	-	-
29	Management contract	6,000.00	6,000.00	3,675.00	-	-	-
30	Insurance	1,419.00	1,413.00	1,478.00	2,090.00	1,524.00	1,700.00
31	I-540	-	4,990.00	922.25	2,740.00	1,900.00	-
32	Printing	700.00	1,065.00	571.72	82.26	48.15	100.00
33	Postage	350.00	450.00	252.16	279.66	253.00	300.00
34	Social	400.00	500.00	480.01	745.31	623.42	700.00
35	Contingency	42.00	50.00	65.05	-	-	-
36	Total expenses	\$ 23,797.00	\$ 27,011.00	\$ 19,524.96	\$ 25,173.50	\$ 20,994.02	\$ 18,735.00
37							
38	Gain / (Loss)	\$ 5,853.00	\$ 6,279.00	\$ 8,925.80	\$ 3,305.94	\$ (594.32)	\$ (67.00)
39							
40	Change in Capital Reserves	\$ 1,000.00	\$ 6,585.00	\$ 6,000.00	\$ -	\$ -	\$ -
41							
42	End of Year Cash	\$ 4,702.00	\$ 24,064.90	\$ 31,343.26	\$ 28,304.68	\$ 27,720.26	