

Winter Newsletter

Bliss Farm

December 2009

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DELINQUENCY ISSUES – ASSOCIATION DUES

The most recent billing statement sent to Bliss Farm association members certainly generated the response expected by the board. Increasing the dues is something the board of directors did not want to do, but there really is no other choice. Our receivables (overdue condo association fees) are now over \$20,000. The issue we have to address is that despite a drop in our income, our expenses either remain unchanged or actually increase. All community associations determine the amount of their monthly fees based on expenses which must be funded. Most associations go further and include in their monthly fees an additional amount to cover anticipated uncollected dues. We have never done this; our monthly condo fees have always been determined based on our expected short term operating expenses and long-term capital improvements (such as septic system replacement, major road work, etc). This year, with the increase in operating expenses and the high receivables, we were unable to contribute any money to our long-term requirements. Our fees, not allowing for unpaid fees, have always been sufficient; as we have never had the receivables problems we are having at this time.

Increasing the monthly association dues is the last resort; we have tried several other things to collect these overdue amounts:

1. The board initiates contact with individual unit owners once they become 3 months behind in payment of their monthly dues.
2. The next step is a letter from our attorney; now we have this additional expense to involve legal counsel.
3. Then, we file a lien on the property; this also costs money and produces results only when the property is sold or refinanced.
4. We also cease trash pickup at the property in question.
5. Next, we bring suit in small claims court; again, another additional expense to the association. The problem here is that we often don't get a court hearing for several months. Even when the court issues a repayment order, people still default.
6. Then we have to bring them back to court for contempt of court, and of course this produces more legal and court fees.
7. Finally (a new additional measure we are just starting to use), we shut off access to the associations septic systems. There is additional expense here as well, as it costs \$1600 to install a shut off valve.
8. So, as you can see, we have utilized several techniques attempting to collect these overdue monies. These efforts do not come without a cost to the association, in both time from the Board to write letters and appear in court, and money to our lawyer to prepare liens and other court documentation. Even with this additional effort, our receivables continue to climb, to the highest amount we have seen.
9. This issue was discussed at the association's annual meeting held last fall. Of those in attendance, everyone was unanimous in voting for a small increase in monthly fees. The alternative is the strong likelihood of an assessment to all members at some point in the near future, if these overdue amounts remained uncollectible.

ELECTION RESULTS

We have received feedback from some members questioning why new nominees were not included on the ballot. The reason for this is simple – there were no other nominees. This has been a problem for the last several years. The current board of directors has been re-elected year after year by default. We would love to show new names on the ballot; most of the current board members have been serving for over 10 years and would like nothing better than to have someone new take over for them. We are open to suggestions on how we can generate more interest in serving on the board, and how to increase member participation in managing this community. But we have to deal with the facts as they are:

1. It has been several years since someone has come forward willing to serve on the board.
2. Of the 64 unit owners in this association, less than 10 attend the annual meeting (and half of the ten are current board members)
3. When we hold elections each fall, less than 20% of unit owners return their ballots.
4. Each spring, when we have the annual clean up, only a handful of unit owners show up, and it's usually the same ones year after year.

The solution is obvious, more members need to take an active interest in managing this community in which we ALL reside; even if it means showing up at the one annual meeting we have every fall to vote on important items such as operating budgets, association fees, and how to improve our receivable problems.