

## Q&A for 2020-2021 FY Budget

3/18/2020

**Lot 335 Sylvia Devilbiss- 1-** I am very upset with proposal for an additional 2.00 increase in monthly fees. I think everyone is in a crunch at this time with everything happening with this virus. Some have been layed off some have taken hard hit on savings etc. You truly need to consider that when planning increases in monthly fees. I understand reserves has been an issue. At this time, we have 300,000 in reserves with 70,000 additional budgeted. In the past if we had major repairs such as roads we paid assessments. Not ideal maybe but it has worked. I own a home plus a vacation getaway. I purchased in WHP because fees were reasonable. You have increased fees 7.00 plus an additional 7.00 now additional 2.00 plus additional 50.00 for cable. Most of us will not be happy getting hit with all that at one time. Please reconsider.

The Board will take your points into consideration. We are also waiting on proposals from more cleaning companies. Our goal is to provide enough money to take care of our community. Our budget last year did not include funding for cleaning. We tried to build it in. Our Park Manager agrees we need professional cleaning services in order to keep bathhouses, laundry, areas in the office, and restrooms, in a sanitary condition and thoroughly disinfected. As you know, it is accessible by any owner and or their guests/renters. After seeking a few proposals, we learned we might need more money. This is a draft budget, and we will absolutely consider your points. We are still discussing options, and our manager will continue to seek proposals.

**Lot 335 Sylvia Devilbiss- 2-** I certainly don't claim to understand all about our budget, but I do question why we are not getting all information. I am thinking the last monthly report I see our actual reserve figure is October. I want to see what is in the reserves each month. I also would like to see you continue to provide us with a profit and loss sheet. Shouldn't our reserve fund increase substantially once our marina loan (money taken from our general funds) is paid off and that money is then once again deposited to our general fund instead of toward the marina fund? What is the current reserve amount? Why can't this hold us without an additional \$2.00 increase? I do disagree with your statement that there has been no increase for 8 years. No fee increase, but water and sewer increase and electric. Bottom line my monthly check HAS definitely increased however you split it up. Please reconsider this increase and provide us with all budget information.

Thank you

The Board apologizes for the statement, however the portion of your monthly assessment that has gone up is for items that are a pass-through expense, we take the money in and pay it back out. These costs have gone up indicative of an inflationary trend. Our dues should probably have approximated the inflationary increase as this money is expended in the operation of WHP. We are working with the Bakers to come up with a report format to share with the community. We appreciate you bringing this matter to our attention. (PLEASE SEE FINANCIALS POSTED 3/20/2020)

3/19/2020

**Lot 329 Brian Fenstermacher-** 1) Why do we need to budget \$3000 for bad debt? In FY ending 2019 we had \$0 bad debt. This past year through January 2020 we had \$300. I couldn't find any evidence of bad debt ever exceeding \$300. We usually budget \$500; which goes mostly unused. Most debt is collected by our lawyer. We put liens on properties and eventually we get paid. Delinquent Revenue is not the same as Bad Debt.

It was suggested that we budget 8k, with our ultimate goal being to build a fund equal to half of the bad debt. Our bad debt is very high and wasn't previously accounted for properly. The accounting that you were familiar with was inadequate and is being cleaned up to properly account for profit and loss.

**Lot 329 Brian Fenstermacher-** 2) I assume the Other Professional fee of \$8750 is for the Reserve Study. This is totally unnecessary. We don't need to spend that much money to tell us how much we need in reserves. We don't have to follow the recommendations of the Audit.

The Board ordered an audit that wasn't budgeted, and now you are suggesting we do not follow its recommendations. That kind of logic rings hollow, follows long standing failed accounting practices, and is confusing.

**Lot 329 Brian Fenstermacher-** 3) It is OK to use reserves for unexpected expenses. That is one of the things they for. The proposed budget appears to have enough money to cover unexpected expenses plus puts money in reserves. I don't feel you need to be so conservative.

Thank you for this observation but this Board would like to actually be able to fund the reserve as is budgeted, which has not happened in the past.

**Lot 196 Bill Hamilton-** 1. YTD P&L Financial Reports (NOT actually part of the proposed budget): Are Baker & Associates producing these reports now? **Yes**

**Lot 196 Bill Hamilton-** 2. Is it part of their contract to do so? Since December 2019, when Baker & Associates took over our accounting, there has only been one YTD P&L Report posted to the WHPCA web site (April 1, 2019 to January 20, 2020 YTD, posted on the WHPCA web site on 2/11/2020). Is there some compelling reason why the WHP monthly financial information is not being regularly reported to the WHPCA members? I would like to see this information regularly and frequently reported (i.e., monthly) so we can see for ourselves our Park's financial health. The information is fact - you can't spin it or change it. Please consider reimplementing regular financial reporting (like it used to be). The Narrative for 2020-2021 Budget updated 3/17/2020 document posted on the

Financials page of the WHPCA website states, in part, 'We are now in an era of transparency and accountability ...,' and regular and timely financial reporting should certainly be an integral part of that transparency and accountability. The process in the past was that the treasurer would consult with Ted, at the end of each month (beginning of the next month), address questions or concerns, then present financials to the Board. Once agreed upon by the BOD, the financials were shared with the community. This process has broken down. There is no reason other than that our Board has lost track of the process. We are working with the Bakers, and we are hoping to post financial reports soon.

**Lot 196 Bill Hamilton-** 3. Pool Management contract: budget line item is unchanged @ \$32K on both the 2/15 and 3/16 drafts. It was stated in the March newsletter that Billie Reynolds had saved WHP over \$10K by renegotiating the pool management contract. Since Billie started working on 2/3 and spent her first week sequestered with Janice, she couldn't possibly have had time to renegotiate the pool management contract by 2/15 - shouldn't this item reflect the \$10K savings in the 3/16 draft (compared with the 2/15 draft)? This matter actually ended up being a cost avoidance. 32k was the number plugged in for the pool contract. When we realized the problem, we shared it with Billie. She had informed us that the contract for 42k had not been sent to the pool company manager. This presented an opportunity for negotiation. Billie was able to negotiate a contract, with a different company, that fit within our mistaken budget.

**Lot 196 Bill Hamilton-** 4. Bank of America Rewards and Interest: these 2 revenue line items are missing from both the 2/15 and 3/16 drafts (Miscellaneous Revenues category). Are we no longer earning interest (or is interest carried as Miscellaneous Revenues Fees - Other?) and getting Bank of America Rewards? Those rewards were in the form of gift cards, and the credit card that the park had been using was opened under the personal responsibility of Ted. It has been decided to eliminate that practice, as it ends up being a complicated situation that leaves individuals somewhat liable, especially when the card needs to change hands. We are working to keep all spending strictly connected to our Association and its accounts.

**Lot 196 Bill Hamilton-** 5. General Comments on the 2020-2021 Budget: Certainly, nobody likes a price increase. That said, I agree it's necessary for WHP's financial health to increase the Homeowner Assessments to keep up with inflation, aging infrastructure, depreciation, etc., and I totally support the BOD's actions in doing so. Also, even though WHP's cable costs with Mediacom are very reasonable, the price has arbitrarily (i.e., much greater than inflation) increased for the past several years, so taking an active role to implement a multi-year agreement was a big win for WHP! Thank you!! My only other comments relate to the increase in Repairs in the budget: looking at the April 1, 2019 to January 20, 2020 P&L Report, both Repairs (up 50% over budget) and Maintenance Payroll, and using the P&L report to project 2020-2021 costs (9.5 Actual + 2.5 Estimated), the 2020-2021 Maintenance Payroll looks a bit low (Repairs look spot on), but not enough to bust a \$1.28M budget.

3/21/2020

**Lot 388 Bill Rinkers- Q1.** I see our legal fees have drastically increased. I assume this is due to the legal action necessary to bring WHP into compliance regarding illegal full time residency. My question, once this legal action is over, will we reassess our budgetary requirements and potentially reduce our monthly dues?

- A. Yes, hopefully future boards will be able to reduce monthly dues. However, a huge problem exists. We have budgeted very little (\$1,000 in 2019) for legal. WHP and our Declaration are being sued by Mr. Cropper and his clients. If the courts rule in favor of the Declaration and/or the law, and this is challenged further, this could continue to cost the community significant money, especially if the matter is taken to a higher court. The budgeted amount is sufficient to run our park, and to handle what we are aware of today. But YES, overall, a huge financial strain will be lifted from the community, once the matter is finally and completely resolved. If the small group ends their law suit there is potential for a decrease.

**Lot 388 Bill Rinkers- Q2.** Also, is there any possibility to counter sue those in the original lawsuit to recoup the money all homeowners have to pay to protect our investments and keep the park open for all? Thank you for your efforts, they are appreciated.

- A. We are advised by our attorney that there is no basis for our Association to recover fees in this kind of case.

**Lot 117 Jon Gilmore- Q1.** Will you please lower monthly fees during coronavirus challenged times when homeowners may face job layoffs etc.?

- A. See ARTICLE XI. Though lowering dues would be a compassionate action, the cost to maintain the operation of WHP remains intact as normal. People could stay home, and their energy bills would remain low. In a statement released on March 19, Ocean City Mayor Rick Meehan is asking visitors and residents of the seaside resort area to stay home.

**Lot 117 Jon Gilmore - Q2.** What authority allows WHP to put late fees of \$15.00 plus interest on delinquent accounts?

- A. See ARTICLE XI. If the assessment or charge is not paid when due, it shall bear a late charge and interest in the full amount as provided in the Declaration and/or Bylaws. The interest kicks in once turned over to collections.

**Lot 117 Jon Gilmore - Q3.** Why was the resale book's price increased from 100.00 to 150.00?

- A. Work, supplies, and time go into this.

**Lot 117 Jon Gilmore** - Q4. 8-year history shows we don't need: Why should WHP follow the Bureau of Labor Statistics Consumer Price Index?

- A. Inflation affects all aspects of park operations from salary, to stamps, from gas to gravel. CPI was provided as a reference to show that our increases are reasonable.

**Lot 117 Jon Gilmore** -Q5. What company is doing the Reserve Study - at what cost?

- A. We are reviewing proposals. We budgeted \$8,750.00 under other professional.

**Lot 117 Jon Gilmore** -Q6. What are (dollar amount) our reserve goals?

- A. \$72,924.00 (On the bottom right corner of the budget you received)

**Lot 117 Jon Gilmore** - Q7. Why has laundry revenue been (loss of revenue) revised down from 2,500.00 to 2,450.00?

- A. This year, we only made \$2,468.00

**Lot 117 Jon Gilmore** - Q8. Why has line item "Operations" gone up from 13,300.00 to 19,806.00?

- A. You are looking at last year's budget. It would be more helpful if you took our proposed budget and compared it with the recently posted year to date P&L, that is posted on-line, and shows our financial position as of the end of February 2020. We have spent \$16,372.00 so far this year, and we added meeting expenses for the upcoming year, in case we need to rent space. Postage, printing, and copying have gone up because of the demands on our park, questions, and legal communications that need to be shared.

**Lot 131 Sue Gajewski**- Q1. I'd like the BOD and Baker and Associates to provide to the members of the White Horse Park community a running tally of charges paid to Mr. Almand. I look forward to your quick response.

- A. Everything that has been paid to Mr. Almand, to date, is recorded on the p&l, which is posted on the website. The purpose of this Q&A is for the Board to hear concerns that it may take under advisement to ensure proper financial planning is intact for the 2020-2021 year. Based on litigation potential, you are correct if you are insinuating that we may not have enough in our plan.

**Lot 30 Shirley Skillman**- Q1. Since our draft budget proposes \$20,000 for legal fees and \$1,000, was used in the past, I would like to know the reason for such an increase.

- A. WHP is being sued, and our declaration is being challenged. Overall, a huge financial strain will be lifted from the community, once the matter is finally and completely resolved. If the small group ends their law suit there is potential for a decrease.

**Lot 30 Shirley Skillman - Q2.** I have heard that Melissa uses Mr. Ahlmand as if he is her personal attorney.

- A. One would have to wonder who would have said this to you.

**Lot 30 Shirley Skillman- Q3.** Therefore, I would like to see the detailed bills for Mr. Ahlmand since this Board has been in their positions.

- A. Melissa was elected and then appointed as Acting President of the Board of Directors for White Horse Park Community Association. The contact person, with Mr. Almand, has historically been the person serving as President for the WHP BOD. The Board relies on Mr. Almand for advice to protect and work in the best interest of the association.

**Lot 30 Shirley Skillman- Q4.** There are other increases in this budget that I question. Such as the Park Manager's salary being raised from \$42,500 to \$50,000. Who approved that? It seems ridiculous since an accounting firm has been hired to do the financials.

- A. The Board approved the Managers salary. Now that we have professional accountants managing the funds for our multi-million-dollar investment, our Park Manager is able to focus on the management of our park.

**Lot 30 Shirley Skillman- Q5.** So the Park Manager has less responsibilities, so why give a \$7500 raise?

- A. The park manager is a professional experienced property manager and has more responsibilities than previous managers. The park manager is focused on operations and management not accounting.

**Lot 30 Shirley Skillman- Q6.** Where does the \$18,000 for housekeeping come from? 2 years ago it was \$4,000.

- A. The past Board eliminated it. When it was 4k, we understand that the work wasn't done efficiently or effectively. Many problems were associated with that arrangement. We are now in the midst of a health crisis. We own in a vacation community, where people visit from all over, and board and management agree that it is our responsibility to keep our community clean and sanitary.

**Lot 30 Shirley Skillman- Q7.** Why is it costing \$14,000 to do the same thing? What is with this Board raising everything? All of this raises our dues. So we are having to pay \$175 instead of \$135. \$40 more a month. \$480 a year.

- A. This has been a misnomer for years. The monthly payment is made up of two parts- Monthly Assessment (dues) + Utilities (water/sewer, cable, and electric). The utilities are variable and controlled by individual utilities. We signed a 3 year contract with cable to keep the cost steady. The \$175 includes a cable payment of \$25.00 per month. You have the option to pay cable up front, as you always have. If you do, it is \$300.00 due by April 1, and your dues would be \$150- which is actually \$15 higher. It really should only be \$7 higher, because the payment, starting January 1 was supposed to be

\$143.00 per month. There was a miscalculation by our previous manager that threw our numbers off.

**Lot 30 Shirley Skillman-** Q8. Did it ever dawn on you all that this creates a hardship for a lot of homeowners? Other than to harass and stress us out, what do you do for us??

- A. We are doing our best to preserve our beautiful community in the midst of a costly litigation that is a tremendous strain on our association.

3/22/20

**Lot 117 Sandy Morgan-** 9. Will the BOD please drop the proposed spending on a Reserve Study? (the topic's controversialness and high financial impact is too extreme to be decided on without face-2-face contact and homeowner opportunity to debate). The Reserve Study was recommended by our auditor. It is seen to be valuable in that it will give us a road map for planning and saving. We own the infrastructure of our community-our electric-our roads-our water system-and it is our responsibility to take care of it. In an open meeting, there isn't an opportunity to debate. Each lot would get one turn to voice concerns [as time allows]. The Board would then take those concerns into consideration when approving the budget. [Your turn would be over, as Jon has already spoken].

The Board is responsible for taking concerns under advisement prior to budget approval. Thank you for sharing your concern with the BOD. More information, from our auditor, will follow.

**Lot 117 Sandy Morgan-**10. Will the BOD share how a homeowner can attend the phone conference meeting on March 30<sup>th</sup>? The open portion is now, and we are responding to questions and concerns. At this time, it is planned for Board Members to be present on the call, after hearing the discussion from the community [through the Q&A].

**Lot 117 Sandy Morgan-**11. Will the BOD please record the phone conference for all interested homeowners to review? There will be minutes posted on the website. Please understand that, in the midst of the health crisis present, and each individual Board Member's availability, we are doing our best to serve our community.

**Lot 117 Jon Gilmore-**12. Thank for commenting on all of my(recorded)Budget Questions.

Thanks for recognizing our efforts.

**Lot 117 Jon Gilmore-** 13. Homeowners have been informed that a Reserve Study is the recommendation from the company that did our WHP Audit Report. When reviewing the WHP

Audit Report and BOD Cover Letter 2019[1], I could not find the recommendation. My question is: Q: Please show where that recommendation was made. **Please see the email to Melissa at the end of the round of responses for 3/23/20.**

Note: Reviewing the Audit Report, I was able to find a false statement, " [pdf page #1] "Out of an effort to dispel rumors, the Board will also take this opportunity to state that the Bakers are no a property management company. "

Which brings me to my next question:

**Lot 117 Jon Gilmore- 14.** [This question speaks to a level of trust that is needed between homeowner and BOD, to feel confident that homeowner money is being used and accounted for wisely and appropriately.]

Q: Why hasn't the BOD publicly admitted to making a false statement to the Association and when informed, refused to act appropriately in ways to fix that issue? **The Bakers are not our property management company. They are providing accounting services to our community. We hired a professional property manager to manage our park.**

**Lot 117 Jon Gilmore- 15.** Q: Is it appropriate for a board member to make this statement to a homeowner; "That kind of logic rings hollow, follows long standing failed accounting practices, and is confusing." ? **As you can read, throughout the audit report, the previous accounting practices were not efficient or adequate.**

**Lot 117 Jon Gilmore 16.** Q: Who made that statement? **The Board voted to hire Baker and Associates, our vote was 4-1, because we recognized the need for professional accounting services. All Board members have the opportunity to speak/respond/disagree/agree before Q & A is shared. This document is on behalf of the BOD.**

**Lot 117 Jon Gilmore 17-** I see:

Building repairs at 3,444.00, went over budget by 2,544.00 [new budget shows 5,000.00]  
What caused Building repair cost to be so high and what is expected to happen in 2020/2021 to increase last years budget by 4,100.00? **Fire protection services, HVAC (Bathroom and Clubhouse), Kitchen fire extinguisher inspection.**

**Lot 117 Jon Gilmore 18-** I see:

Grounds repairs at 7,864.00, went over budget by 4,264.00 [new budget shows 10,000.00]  
What caused Grounds repairs costs to be so high and what is expected to happen in 2020/2021 to require a significant (more than double) increase in the amount budgeted for Grounds repairs? **Boatyard, Marina, Weeds (\$4,500), Topsoil (\$3,000)**

**Lot 117 Jon Gilmore 19-** I see:

Electrical repairs at 7,237.00 went over budget by 3,637.00 [new budget shows 8,000.00]  
What caused Electrical repairs to be so high and what is expected to happen in 2020/2021 to require a significant (more than double), increase in the amount budgeted for Electrical?  
**Pedestal, Camera, Street Lights, Power outage (\$1500) Pool**

**Lot 117 Jon Gilmore 20-** I see:

Marina expenses at 6,386.00 went over budget by 5,386.00 [new budget shows 2,525.00] What caused Marina Expenses to be so (extremely) high and what is expected to happen in 2020/2021 to require a significant (more than double) increase in the amount budgeted for Marina expenses? Dock Boxes (\$4,500). Many boards need to be replaced. Requires special boards due to moisture and salt.

We have much to maintain. Again, this proves that, as previous manager claimed, he was operating the park on a shoe-string budget. We tried to plan responsibly by considering expenses from the past year and considering increase in cost/service. A solid budget is based on current activity and expectations based on information available.

**Lot 117 Jon Gilmore 21-** I see:

Delinquencies at 25698.00 looks very high - why is that? Has the office and Mr Almand been processing these delinquent accounts? That is because people aren't paying their bills. The water/sewer miscalculation is responsible for approximately \$900.00 of the debt. Over \$16k is due to foreclosures. Yes, our attorney works for our community. Fortunately, we now have a consistent process in place to account for and pursue money owed to our community.

March 23, 2020

**Lot 60 Susan Naplachowski- 1.** May I please have a copy of the Monthly financial Reports for Dec 2019 thru March 2020. We included the YTD P&L, and the monthly report for February, on the website.

**Lot 60 Susan Naplachowski- 2.** I would like the information to reflect the same as the report from Nov 2019 and all previous reports since 2009. This is the style that the board has agreed upon at this point in time.

**Lot 60 Sue Naplachowski-3.** Please if you are going to change the Monthly Financial Reports please explain what Banks we are using for operations What Banks we are using for reserves and the different accounts. Please also post the interest rate on our reserve funds. Thank you for these suggestions. We will take these into consideration. Interest income is listed on the P&L.

**Lot 60 Sue Naplachowski-4** I reviewed the Media Com cable. The bill for people in the park is \$288.75 per year. This is what we should be charged. The BOD is assuming a lot with my money and others monies. I will pay my bill of \$288.75 and not a penny more. That is what my bill is from Media com. We are not sure where your numbers came from. The monthly amount is actually \$24.103225. We also cover the office and the clubhouse. Historically, the Board has rounded up to an even number. As with any windfall, from cable or other, it would be used to fund other shortfalls, including this

year's budget deficit.

**Lot 60 Susan Naplachowski-5** The Feb and March Newsletter have the dues going up \$5.00. Now you are requesting \$7.00 this late in the game, when not all people know about your change and no given reason why you changed it?

So what is the dues, I say \$102.00 since its been published twice.

Thanks **The budgets that have been shared were in draft form. There was an explanation. The dues were increased because we realized we needed more money to fund janitorial services (as addressed in previous questions, in budget communications posted on the website, and emailed/mailed out to owners). The due are \$104.00 at this time, and the final decision will come after the Board approves the Budget during it's conference on 3/30/20 after considering community input.**

### **COMMENT ON BUDGET PLANNING FROM THE PERSPECTIVE OF OUR BOARD AND UNDER THE ADVISEMENT OF BOB BAKER:**

**While not an exact science, budgets are developed based on overall projected expenses and actual results may vary. The goal is to have dues/fees match those as closely as possible over time while allowing for a contribution to savings for major repairs/replacements.**

Reserve Study reasoning provided by our auditor on 3/23/2020. Shared with permission, from our auditor, Matthew Chance, CPA...



**Matthew P. Chance, CPA**

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Hi Melissa,

As previously discussed, it is good practice to maintain an accurate Future Major Repairs & Replacements schedule. The information to prepare this schedule is generally obtained from a reserve study, which is often performed by a qualified source such as an engineer. The reserve study can potentially be performed by a non-engineer that has adequate prior experience in a field that would make them a reliable source of information. As an accountant, that would not be my area of expertise.

As mentioned, the purpose of the reserve study is to be able to prepare an accurate and adequate Major Repairs & Replacements schedule. The purpose of the Major Repairs & Replacements schedule is to provide the board of directors and management with relevant information to effectively plan for future major repairs and replacements. In order to know how much needs to be assessed each year to cover the current operating expenses and simultaneously build and ensure the reserve is adequate to cover future expenditures by the time it is needed, the Association must have a comprehensive understanding of the current and future needs. Special assessments can also be incorporated along the way, but without proper planning and accumulation of a reserve, then everything would need to be funded by special assessment and could become unbearable or unsustainable to unit owners.

An accurate Future Major Repairs & Replacements schedule (whether through an official reserve study or not) is the prudent and thing for the board to do and is part of the board's due diligence. In addition, Generally Accepted Accounting Principles requires a Future Repairs & Replacements schedule to be included with the financial statements as Required Supplementary Information. Please let me know if you have any further questions.

Thanks,

Matt

3/24/2020

### **Proposed Fees Beginning 4/1/2020**

<b>Monthly Dues</b>	<b>\$104</b>
<b>Monthly Utilities:</b>	
<b>Water and Sewer</b>	<b>\$46</b>
<b>Cable</b>	<b>\$25</b>
<b>Total</b>	<b>\$175</b>

#### **Lot 329 Brian Fenstermacher –**

Q4) Equipment Expenses: Why do we need to budget \$6,796 for equipment purchases? This appears to be the exact amount spent this past year. Are you planning more cameras for the boat yard? Are you planning another new computer and phone? Last year \$3,551 was spent for the camera in the boat yard and \$1,016 was a new computer and phone. Removing the \$3,551 and \$1,016, we only spent \$2,229. Maybe a more appropriate budget amount would be \$2,500.

- A. Expenses come up, and our goal is to be prepared. There is a water heater, bathhouse 2, for example, that needs to be replaced. We also have a Kubota that is anticipating either service or possible replacement. Every year things come up. Our goal is to have enough money in the operating fund to be able to cover expenses and fund our reserve. Leaving the same amount in this line simplified the process.

Q5) Grounds Expenses: Last year we spent \$7,864. I believe \$3,000 of this was a payment to Raynes for previous year storm drain work that was held back until they cleaned the stones out of the ditch. We shouldn't have this expense this coming year. Removing that we only spent \$4,864. Why does the new budget need to be \$10,000? \$5,000 is probably adequate.

- A. Doug will be inspecting storm drains, and making sure there aren't any obstructions. There is tree trimming, weed costs, and possible snow removal costs, and there may be landscaping as part of the plan is to work to manage the swales a bit better. Again, we want to ensure that we have enough money to take care of our community.

Q6) Electrical expense: Last year through February we spent \$7,237. Last year \$950 of these expenses was to wire the pool camera and \$745 was for the boat yard camera. I hadn't heard

of plans to add more cameras. Deducting these, we only had \$5,542 of electrical expenses last year. Why are you budgeting \$8,000? \$6,000 is probably adequate.

- A. Several owners have had problems with pedestals that have been neglected. There are several tasks that will be evaluated regarding the electricity in our community. Again, we need to make sure things are maintained well and up to code. This is a project that hasn't been efficiently or effectively addressed. Folks from last year still have issues that haven't been addressed. We have paid owners for damage in their units because of neglected electrical problems. Again, care in our community is top priority.

Q7) Building: We spent \$3,444 through February. In the year ending March 2018 we spent \$2,101. Why are you budgeting \$5,000? \$4,000 is probably adequate.

- A. With all due respect, this is a 1.28-million-dollar budget. We spent over 5k this year. What makes 4k adequate when you consider all of the buildings, in our community, that need to be maintained?

Q8) Using my suggestions for items 1-4 would reduce the budget by \$12,296.

Q9) Marina Expense-Non-repairs: What are we planning to purchase for the marina for \$2,525?

- A. Under the previous Board, which you chaired, it was agreed all dock boxes should be property of WHP which required un-budgeted funding. Replacing boards in the deck and dock is one project. We hope to add cleats in each slip is another.

Q10) Pool contract: \$32,000 seems like a very round number. Since you have now signed the contract, could you put the exact figure in the budget and state that figure here?

- A. Our contract is 31,400.00. We also have to pay for a permit, and there will be chemical expenses and such, so again, we are carefully covered.

#### **Lot 192 Maria Warburton-**

Q1) I propose that a Zoom meeting or similar be used for the budget discussion and approval. There are many different variations and platforms that can be used. Zoom has a town hall format where over 200 people can sign in to watch. Not all can be active participants but can provide comment by chat or email.

- B. The subject of technology has been discussed. Finding a proper method has been a challenge. We want to make our meetings available to all. We can't choose a method that will satisfy only a portion of the community. Zoom is good, but it has limitations, and those without computers or smartphones are left out. Thank you for your thoughts. For now, we came up with this plan because it offers 465 folks the opportunity to participate, as a community meeting would. Continue thinking out of the box for our meetings. Pray this pandemic lets us have meetings somewhere soon without health harm potential for our members.

Q2) I realize these are tough times but many businesses and organization are figuring out ways to connect remotely and I feel it is vital for the Board to do so.

A. We are doing our best, with the time and resources that we have.

Q3) The congregation of which I am president has moved to online Sunday services, meetings, book club discussions, etc. It is not difficult to set up nor is it very expensive.

A. Thank you for sharing this information

Q4) I have questions about the budget to be sent later this week as I am still working and have not had time to look closely yet.

A. We are receiving questions through tomorrow. Sometimes people can't make Board meetings. You can always send your questions to us at a later date, they just won't be included in the Q&A. We tried to give people ample time to share their thoughts with us. We gave each lot more than one turn, and we are doing our best to respond to questions as clearly as we can.

Q5) One question I have is if there will be a stay on the charge of late fees as many people have lost jobs or gone part time and have much less month to month income. A slew of foreclosures will only lead to further devaluation of all of our properties.

A. People will be expected to pay their dues. It is possible that we will consider waiting the \$15 late fee on a case by case basis if people reach out to us with extenuating circumstances.

3/25/2020

**LOT 117 Jon Gilmore- 22)- Main focus:**

\*Permission to join 3/30/2020 Conference Call Meeting

\*Electronic Meetings

\*BOD Violations of WHP Declarations, By-Laws, and Roberts Rule of Order

A. To answer this in its entirety, there will be no special treatments or special members allowed in BOD discussions or meetings UNLESS we can find a way for ALL members. The BOD has looked during the budget compilation at the idea of streaming etc. That would require the presence of the BOD on the spot. Due to the current virus pandemic, members are in agreement that this is not a good idea. The BOD would love to have a meeting, BUT we must comply with common sense, Dr. Fuci, the Governors Edicts...

Q23) \*I am allowed and do request to attend the conference call meeting on 3/30/2020, at 7:00pm to approve the new budget. Please share details on how I can sit in. See: WHP By-Law Page #9; Article VI;Section 6.

A. (see above)

Q24) \*I am allowed and do request to attend the conference call meeting on 3/30/2020, at 7:00pm to approve the new budget. Please share details on how I can sit in. See: (page 13); WHP Declarations VIII; 8.3(a)

A. (see above)

Q25) \*I am allowed and do request to attend the conference call meeting on 3/30/2020, at 7:00pm to approve the new budget. Please share details on how I can sit in. See: WHP Declarations (pages 13-14);VIII;Section 8.5

A. (see above)

Q26) The BOD is in violation:

\*I have not received my USPS mailed notice for the (non-special) Budget approval meeting. Please review WHP By-laws Article V; **Meetings of Members** Section 6.

A. This is in reference to "MEETINGS OF MEMBERS" also known as the annual meeting, not a Board of Directors Meeting. Section 6 refers to the annual meeting

*"...not less than thirty (30) days nor more than sixty (60) days before the date of the meeting, by mail, to each member entitled to vote at such meeting. The notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Association, with postage prepaid..."*

*"Section 1. Any meeting of the members of the Association shall be held in Worcester County, in the state of Maryland, at such place therein as may be stated in the reasonable notice of such meeting, and shall be open to all members."*

Also see WHP Declarations (pages 13-14);VIII; Section 8.5(see above)

Q27) \*The Board's announcement of 3/30/2020, conference call meeting at 7:00pm to approve the WHP Budget for the 2020-2021 fiscal year is in violation of WHP Declarations (pages 13-14);VIII

A. basically, states that owners are members. Membership. Section 8.5. The by-laws shall govern the affairs of the association including designation of officers, time, place, and notice of meetings and the rights, duties, privileges, and obligations of the membership.

Q28) And in violation of WHP By-law, Page #6; Article V; **MEETINGS OF MEMBERS** Section 1 and Section 6.

A. This is in reference to "**MEETINGS OF MEMBERS**" also known as the annual meeting, not Board of Directors meeting. Section 6 refers to the annual meeting "...not less than...(see next page)

## **By-Laws**

### **Article V**

#### **Meetings of Members**

**Section 1. Any meeting of the members of the Association shall be held in Worcester County, in the State of Maryland, at such place therein as may be stated in the reasonable notice of such meeting, and shall be open to all members.**

**Section 6. Written notice of the place, date, and hour of the meeting, and in the case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than thirty (30) days nor more than sixty (60) days before the date of the meeting, by mail, to each member entitled to vote at such meeting. The notice shall be deemed to have been delivered when deposited in the United States Mail, addressed to the member at his or her address as it appears on the records of the Association, with postage prepaid; or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.**

#### **Declarations**

##### **VIII. White Horse Park Community**

###### **Association, Inc.**

**8.5 To the extent not provided herein, the Articles and By-laws shall govern the affairs of the Association, including the designation and election of officers, time, place, and notice of meetings and rights, duties, privileges, and obligations of membership. In the event of any conflict between provisions of the Articles or By-laws and this Declaration, the provisions of this Declaration shall prevail.**

[Point: Homeowners were informed of the Conference Call on 3/17/2020 for a 3/30/2020 meeting. Notice must be given in advance by not less than 30 days.

Ref. <https://www.whpca.org/files/133922223.pdf> (see above)

Q29) Note: WHP is not an HOA, therefore our Declarations, By-laws, Rules and Regulations govern WHP. Until our governing documents change, electronic meetings are not covered and therefore should not be permitted.

A. (see above)

Q30) Note: I believe the BOD's incessant use of Conference Call meetings and recent online Q&A associated with the new budget approval is in clear violation of Roberts Rule of Order:

A. (see above)

Q31) See: Rules for Electronic Meetings drafted by the authors of Robert's Rules of Order Newly Revised (RONR) to address various scenarios. - <https://sites.google.com/site/enapunit/electronic-meetings-under-ronr-11th-edition>

A. (see above)

Q32) A group that holds such alternative meetings does not lose its character as a deliberative assembly (see pp. 1-2) so long as the meetings provide, at a minimum, conditions of opportunity for simultaneous aural communication among all participating members equivalent to those of meetings held in one room or area. Under such conditions, an electronic meeting that is properly authorized in the bylaws is treated as though it were a meeting at which all the members who are participating are actually present. [P. 97, ll. 22-30.]

A. (see above)

Q33) The word "aural" is the spoiler in that description. Most of us probably would agree that communications in our chat room are pretty much simultaneous (allowing for a slight delay between a member's typing and the posting of the typed text), but they certainly are not "aural." But just in case there might be any doubt, the discussion of types of deliberative assemblies includes the caveat:

A. (see above)

Q34) It is important to understand that, regardless of the technology used, the opportunity for simultaneous aural communication is essential to the deliberative character of the meeting. Therefore, a group that attempts to conduct the deliberative process in writing (such as by postal mail, e-mail, "chat rooms," or fax) which is not recommended does not constitute a deliberative assembly. Any such effort may achieve a consultative character, but it is foreign to the deliberative process as understood under parliamentary law. [P. 98, ll. 11-19.]

A. (see above)

...so far as RONR is concerned, eNAP is not, and cannot be, a deliberative assembly, regardless of how we may view ourselves.

A. We have consulted our attorney. This is uncharted territory. Our process is considered reasonable, and it is okay to proceed as we are because we are in the midst of a pandemic. FYI- The ONLY purpose of the Board's meeting will be

to approve the Budget, which has been available to folks since February. The rest of the topics, from the March Meeting, are on hold until further notice.

Q35) Appalling!

You need to abide by WHP rules and law.

Mr Almand has a paper trail track record of giving bad advice and wasting WHP money. He is a disgrace to the law of our land.

I want to attend the meeting regardless of your shallow and desperate points. You must abide by WHP rules and law.

You [Melissa] are acting as a lone wolf - I await a written response from Norm Ross, Ed Scheiner, Barbara Price and Tim Mummert on my denied request.

A. Please understand that our effort is to provide access to 465 folks in a cost-free manner-in the midst of a pandemic. Our board is working tirelessly to take care of our community, hear concerns, and respond to questions. **We will keep the community informed of any changes to our proposed process.**

In defense of our attorney, he isn't saying that the process is in line with law and governing documents. Under 'normal' circumstances, budget approval would not occur this way. Our fiscal year begins 4/1/2020, and it is in the best interest of our community to get the budget approved. That is our intention. Working to serve. Our attorney sees this and approves our efforts in the midst of the health crisis.

One may wonder why you would have submitted a plethora of questions if you didn't support or agree with the process.

**Submitted by property owner-** Please note, due to the current situation of not being able to check our property regularly, we ask the BOD to keep our identity anonymous, but feel free to share the comments made. Also, please note, we fully support the BOD in all that you are doing to maintain, preserve, and bring our park into compliance and restoration... to once again be the "Happy Place" that we invested in. Wow, we just finished going through the Q&A of the new budget, we are exhausted! We are so grateful for the wonderful and committed job that the current Board of Directors is doing to protect and operate our community and investment. The decisions to initially do the audit, hiring professionals to staff the office, accounting and the appropriate separations thereof, is smart business. Understanding of how government works, reading carefully all documents that have been posted, letters of explanations, and references and disclosures, has reaffirmed our confidence in our leaders. We all would love to pay less for everything, but cheaper being "penny wise pound foolish" is only a creation for huge expenses down the road. The Board's proposals and projections seem solid, rather than basing our financial responsibilities on guesses, assumption, or dealing with it when it happens approaches. We feel that the current board members are dedicated, honest, reliable and above all, professional in the process and decisions being made. Thank You all again, for all of your thoroughness, transparency, diligence and hard work!!

Thank you so much for recognizing that our work is to preserve and protect our WHP vacation community for all 465 owners.

**Lot 196 Bill Hamilton-** I vote to accept the 2020-2021 draft budget, including any considerations promised by the BOD in response to WHP owners' input submitted.

- A. Thank you for communicating your concerns to us and for offering your acceptance. We do promise to consider everyone's input. We are doing our best to ensure we have what we need.

**Lot 60 Sue Naplachowski-** Q1) Please explain under Operation Expenses; Meetings \$2,000.00 This is a new entry and what is the \$2,000.00 going to be used for. What meetings are you talking about?

- A. WHP Board Meetings and our Annual Meeting. As you may recall, our last Board Meeting exceeded capacity in the clubhouse. As you may realize now, having money to fund technology and resources could be helpful.

Q2) What did we pay into total reserves for Fiscal Year 2019-2020?

- A. The year is not over. As of the documents posted on the website, the net contribution is \$1,512.00, and we gained \$2,005.00 in interest.

Q3) reserves monthly for 2020-2021?

- A. As seen on the bottom of the second page of the budget, \$5 per month is to go into the general operating reserve.

**Lot 60 Sue Naplachowski** Q4) Has the Marina paid back the Operations Budget? If so would not this be an extra amount of money in operations budget for this year 2020-2021?

- A. The total net of Marina Income, less marina expense shows at the bottom second page of the budget, how much is going into the Marina Fund. All profit from the marina goes to the marina fund.

Q5) When reviewing the Profit/Loss Budget April 01 2019 through January 20,2020, It appears the BOD budgeted \$1,016,786 for expenses. Our expenses for this time was \$964,868.00. That is a surplus of \$51,918.00.

- A. Ted stopped depositing funds into the reserve months ago. As noted above, our net reserve is only \$1,500, and we have another month of this fiscal year that hasn't been noted yet. The favorable \$51,918.00 that you quoted in January became an unfavorable \$57,512 in February.

Q6) Why did the BOD raise the dues in Jan 2020 by \$7.00 when WHP had a surplus in revenues of \$51,918.00 in January of 2020?

- A. (see above)

Operations Expenses

Q7) Since we have an Accounting Co. doing our books what is the \$3000.00 for dues and subscriptions allocated for. I hope not Quick Books since our Manager has no access to Quick Books except to view it.

A. We have always owned the licenses. We have always had 3.

Q8) Meetings: This is a new entry. What will the \$2000.00 go towards? I hope not a cappuccino machine for the few meetings we do have.

A. We may need to rent space, and as you may have realized, it might be helpful to have funding for technology. With the litigation in process, homeowner involvement has increased, and it is this Board's priority to be able to accommodate owners of 465 lots. You may recall, we exceeded capacity at the clubhouse for the September 2019 Board Meeting.

Pay Roll

Q9) Park Manager for 2019-2020 was budgeted for \$34,258.00, why are we budgeting \$50,000.00 for 2020-2021?

A. Ted was budgeted to make \$42,500.00 in the 2019-2020 budget.

Q10) Why such a large cushion for Park Manager. How much are we paying the current Park Manager?

A. We are including enough money in the budget to be able to provide cost of living raises for employees, and potential for earned bonuses based on performance. (Prior Boards gave bonuses as gifts).

Q11) Payroll Administrative Assistant; \$34,000.00; Is hiring an assistant for 40 hrs. at a week at a rate of 15-16.00 per hour. Is this the BOD's plans?

A. Our plan is to have a manager and an assistant. Accounting was replaced by the Bakers. We plan to have two people in the office instead of 3.

Q12) The BOD raised the Unemployment by \$1,200.00. We only used \$201.00 from last year's budget. Since there is a raise in unemployment is the BOD planning to fire some workers??

A. We budgeted 4k. You are looking at the January p&l, and you are not considering costs for February and March.

Q13) Is the BOD trying to set up money in the payroll Budget to hire a Management Company??

A. Despite rumors, that is not the Board's plan at this time.

Pool Repairs and Supply.

Q14) Do we know when the Pool pump was last replaced? \$81.00 for pool repairs sounds low.

A. Good question. We budgeted \$1200 for electrical.

Q15) Does the pool contract include all pool supplies? Chlorine, Sand/ Test Kits, Certifications etc.

A. The contract excludes these things as prior contracts have. Chemicals have been categorized under supply accounts.

Under Supplies Expense;

Q16) What does Electric Assigned to area: \$1200.00 mean? What does that electric cover?

A. Light bulbs and pool lighting.

Reserves and Banks

Q17) What is the amount of our Reserve Interest for 2019-2020?

A. See the financial summary posted on the website. \$2005.00. It will be updated at the end of the fiscal year.

Q18) What Bank is our Reserves in??

A. Farmers Bank of Williards.

Q19) Whose names are on WHP Bank Accounts for Budget Yr. 2020-2021?

A. WHP Treasurer and Acting President

Q20) What Banks are our money in and what Interest rate are they collecting. Farmers Bank of Williards with interest shown on the P&L and Summary.

Q21) Whose names are on our money in the Operations funds?

A. WHP Treasurer, Park Manager, and Accountants. (These are some of the controls recommended by our auditor. It is not advised to have the same person writing checks and overseeing all accounts)

Q22) What does Total Cash on Hand mean on the Financial Summary for March 19 2020? Who are the names on the signature cards of this total cash on hand?

A. These are totals adding operations and reserve lines.

Q23) BOD

Did you do the Math??

I've never seen the BOD round up the cable Bill.

Please Do the math.

### **Lot 60 Sue Naplachowski**

Made a mistake in my number for division

I was wrong

It should be \$134850.00 divided by 465 and that equals

290.00 for cable

The 288.75 was dividing by 467 not 465

So 290.00 is what we owe for cable

A. Yes. We rounded 0.83 per month higher, in order to offer an even monthly payment option of \$25.00 per lot. There are other matters, with cable service, that need to be paid throughout the year, so it will be good financial planning to have extra funding to help cover any service (to our community, NOT INDIVIDUAL) needs.

## Lot 192 Maria Warburton-

Q1) Has the BOD looked in Zoom or similar platform so that owners can be part of the meeting? Other can either actively participate or simply view the proceedings? This should be the case for any business meetings not just the one to discuss the budget.

A. With a meeting budget, we may be able to consider an option like this. It is hard to find something that will accommodate 465 for a reasonable price. (FYI- Board's have operated as we are operating without as much transparent communication as we try to provide. Prior to this board most decisions were made not simultaneously and over e-mail with separate calls to people who did not participate in the email exchanges. There were also closed-door meetings in the clubhouse prior to every open Board meeting. We are working to change the culture and learn the proper role and function of the Board of Directors, and we appreciate your input and suggestions and promise to take them into consideration for the future.)

Q2) Why another increase in fees after an increase of over 15% in dues already this year? Many people are experiencing financial hardship right now. This is not the time for another increase. The current increase are very hard to handle for many people.

A. As you will see in the narrative, and in responses to all questions in the Q&A, the money is needed to care for our community.

Q3) Why did the BOD choose to round up the cost of cable rather than charge the actual amount? Where is this extra money taken from homeowners?

A. Historically, the Board has rounded up to an even number. As with any windfall, from cable or other, it would be used to fund other shortfalls, including this year's budget deficit. We recognize that the

Q4) What is included in professional expenses? It seems like a high amount budgeted for this line item.

A. Reserve Study, accounting services, and legal fees.

Q5) Was a second opinion gotten after Almand recommended that the park join the lawsuit with the county? Just as most people get a second opinion before doing surgery, I feel an official second opinion, at a minimum, should have been gotten before handing over \$50,000+ of our money. I think (and in discussion with attorneys I know) that there was no need for the park to join in this lawsuit.

A. If we didn't intervene, our declarations may have been discarded, and we may have been left voiceless. This no longer matters as the full-time group is now suing the park in an attempt to take away the BOD's right to enforce the residency declaration. Our attorney has been trusted by Boards before us. He is a strong advocate for our community, and it was clear to the Board that it was our responsibility to act as he advised.

Q6) Why is a study of our reserve needed at this time?

B. See commentary from the auditor provided earlier in this document.

Q7) At a cost of over \$8,000? Isn't the marina about to be paid off soon? That difference should allow for the reserve to build up quite quickly. Perhaps money can then be taken from the reserve to fund a study if still deemed necessary rather than add it to the operations budget.

Q8) Why is such a high amount budgeted for meetings?

A. Technology and location fees as it is our priority to hold meetings in a space that will accommodate all owners.

**180 Linda Underwood-**

Q1,) I see that 3 years of over payment for cable by homeowners for 465 units equal \$13,950. Payment to Mr. Almand to represent the Park in court at \$30 per unit X 465 units is also \$13,950. The cable was raised an extra \$10 per unit per year over what Mediacom charged. Is the extra cable fee going to pay Mr Almand? Or just a coincidence that they are the same amount. Just curious.

A. Let's hope this thing is over before we hit 3 years. You are completely wrong and information about cable billing will be in the Q&A. It takes a creative mind to come up with such a conspiracy.

B. ***Please join us in celebrating this Board's pro-active nature. By securing a 3-year contract with Mediacom, we sheltered our community from a 45% increase in cable cost (indicated on our most recent cable bill). Be thankful that our treasurer, Ed Scheiner, posed this suggestion and pursued the offer.***

***One of the challenges that we have faced, over the years, with Mediacom pricing, is that they no longer view our community as seasonal, because a significant portion of units exhibit consistent usage on a yearly basis. We used to be eligible for 'seasonal' rates. Now, we must partake in a 12 month tenant package. (Some of you may start to see this on your Wifi billing). Again,***

## ***seasonal folks are impacted by violations of the Residency Declaration 3.1.***

**117 Jon Gilmore- Q36)** From the budget Q&A [topic = cable billing]: "Historically, the Board has rounded up to an even number". Please shared details to support this statement or retract it publicly. I can't believe how long it took to get the BOD to correct a lie (Baker's not a management company), made many months ago. What was so difficult?

A. Payments have always been an even number. Water sewer, to give an example, is always evened out and included. It is also proactive planning to have a fund to cover unforeseen service expenses to the park.

**Q 37)** Next: Please share a record of Meetings missed by Barbara Price. If she is unable to attend for health related issues or not, she must attend a consecutive required amount of meetings. Please share with Barbara, in some instances, there is no shame in resigning from the Board. Family first.

A. Barbara is an incredible woman and she is working hard to serve our community at this time in her life. Gosh, in the letter from the attorney that you hired, [that our park attorney was paid to respond to], when you were trying to remove Melissa from her position as Acting President, one of the suggestions made, on yours and Sandy's behalf, was for Barb to be President. You have experienced quite a shift in perspective. Also, FYI- Article VI Section 10 is what you are referring to. Check it out. *The Board may terminate by a majority vote of the remaining directors.* There is nothing for you here.

from someone who knows what's best for all WHP property owners ALL? That is a strong opinion of yours.

**On Behalf of the Board of Directors, we thank you for the opportunity to serve our beautiful White Horse Park. We are excited to see what is in store for all of us. We are looking forward to an end to the turmoil. We will consider everyone's feedback and points, and we hope to approve the FY2020-2021 budget on 3/30/2020.**

**Our park attorney will provide a letter that should help to clear up any doubt about the Board's use of his services. The Board assures you that we have relied on the park attorney for advice concerning the litigation that we are enduring by the full-time residents, and about matters pertaining to preserving and protecting our community while hoping to achieve civility.**