



Meeting Minutes of the Falling Waters HOA Board of Directors

Executive Meeting October 30, 2023

Officers Present: Morgan Brosch, Izabela Bebekoski, Lovie Davis, Mike Berta and Deb Mann. Legal Counsel, Nathan Vis-by phone. Financial Advisory Committee members, Craig Paden, and Nancy Ellis.

Morgan called the meeting to order at 6:00 p.m.

Nancy handed out the “pie chart” drawing from the July 20th Minutes showing all the categories representing our expenses. She also mentioned that our trash fee is part of the dues paid each year at \$240.00. This visual helps when trying to explain the budget. The two largest categories being the Management Fee as well as the Trash category. When the Trash category increases, it is due to more homeowners living in the subdivision and that is a good thing. She then explained that she acquired an Accounts Payable Report from the Management Company and gave it to the Financial Advisory Committee for review, and Craig worked with these numbers, until he finally came to this budget that they are presenting this evening. The other two members of the Financial Advisory Committee were not able to make it, Mary Lewis, and Dave Cullom.

Craig thoroughly explained his handout consisting of a three-page report. One being the current budget for 2023 and comparing it to a proposed budget for 2024, and the third page reflecting the “other income” comparing both estimates for 2024, to 2023. He explained how he arrived at these numbers, based on when he received the A/P report which was in July of 2023. The proposed 2024 budget includes an increase in dues to offset the costs of maintaining the roads and other items in the Community and create for future reserves.

Mike Berta requested that Craig or Nancy be the ones who will present the budget to the community at our meeting in November. They both agreed that they would after the board reviews and accepts the presented budget.

Craig mentioned the Reserve Study that was done at the request of the prior Board and what a great tool it is to have going into the future. Everyone needs to familiarize themselves with this study. Craig pointed out that with this year’s current budget, we will not be able to make the recommended contribution to start accumulating funds to provide us with future reserves. Lovie inquired again about the roads in the subdivision. There is a lot of confusion as to who

owns the roads. Mike Berta remarked that this is a topic that needs another meeting to delve into that.

Craig mentioned that the current dues of \$1,000 per year have been in effect for the past 3 years. Nancy proposed that we implement the obligation of a builder to pay his dues on a home rather than a lot, if the home is ready to be occupied, meaning that it has been granted an occupancy permit from the County, but has not sold. The proposed payment plan option was explained by Nancy, as well as the option of monthly payments with 1st American. However, all dues are still required to be paid by Jan 1. Residents can also take the option of making incremental payments for Feb. March, April, May, and June; however, the total amount of the dues must be paid by July 1st. This option will incur a fee for this convenience. Nancy strongly suggested that 1st American send out invoices to Homeowners and Lot owners and submitted examples. She also reiterated that we need to make sure that 1st American has their correct e-mailing address for all residents. Craig recalled prior practices of notifying the community of the agenda and the proposed budget 2-3 weeks before the November meeting. Craig will also provide the two possible budgets but then finalize the vote before the community at that meeting. We need to inquire of 1st American of new homeowners since the date the budget was prepared for a more accurate number of homes, and lots. Nancy and Craig volunteered to provide the Board with their continued help with any questions we may have. Nancy and Craig then left the meeting.

Nathan joined the meeting via phone call. Mike suggested that Nancy and Craig present the new budget since the Financial Advisory Committee worked on this for months and they understand it better than any of the rest of us. Mike also made a motion to continue to maintain the Financial Advisory Committee to work alongside with 1st. American and with Izabela. Izabela seconded the motion and pointed out that just as the ACC works with and advises the Board on New Construction matters, this committee would do the same. Vote taken; all in favor, none opposed, motion carried. Mike also suggested that as a board we agree to present the two budgets to the community and answer any questions from the residents in attendance and then vote on one of them in the presence of the community.

Mike also mentioned that he would like a representative from the Reserve Study to come to a meeting with the community to explain in detail the results of the study. This may be attempted but the likelihood of that happening for the November meeting is in question as they are located out of town.

The Board discussed various topics with Nathan, including regarding the presentation and approval of the budget, the maintenance of the roads, association dues, change of covenants, and proposal from developer.

It was further discussed with Nathan regarding Lot 129 and that the builder did not follow the process in place for submission of home plans. It was discovered that the application was sent

to 1st American to an incorrect e-mail address and sat there for a while, the developer claimed to have sent it according to policy, so now we are waiting for the plans to be submitted to the ACC. This process of application must be more strictly enforced. Even though Nathan requested that the builder stop working on this home, the builder continued with construction and refused to stop working on the home. Mike received the plans and forwarded them to the ACC right away.

Mike expressed concern that it was the same color as many of the homes in the immediate area. He will wait for the other members to respond before submitting it to the Board. Mike also spoke with Adam McAlpine regarding lot 128 and asked him to investigate the area regarding drainage issues and address the existing culvert. If this home is not constructed properly, it will create substantial issues for the surrounding homes. Mike would also like to investigate the asphalt roadway that exists in that area again affecting the drainage of water.

The Board also discussed with Nathan what course of action we should take regarding Lot 128.

Mike made the comment that the builders are not providing the necessary paperwork complete, therefore the delay in their process. He has told them many times to “just follow the process”.

Izabela asked Nathan if he could think of other HOA communities and how they obtain more monies for future needs. He had asked 1st American for a comparison of other communities and how they allot different fees. We have not heard anything yet. He will also pursue some more ideas.

Nathan offered us the use of his Survey Monkey to address the community regarding these covenant changes.

Mike asked Nathan one more question regarding the budget. He wondered if it were possible for the board not to increase the dues with this budget, but then later during the summer whether we could issue an increase. Nathan informed him that it would be considered a “Special Assessment” which would have to be voted on in a meeting with the community. Nathan suggested that if we do not want to increase by \$100.00, we can also do 3-5% cost of living increase.

Nathan left the meeting. We will meet again before the Nov. 21st meeting.