

**SCHOA Board Meeting  
February 26, 2014  
Willis Tucker Park**

The meeting opened at 7:00 pm, and was called to order at 7:03 pm.

**Board members Present:** Denae Bastian, Shelley Logan, and Michelle Haneberg

**Homeowners in attendance:** Sanda Ewalt, Chris Birchman, John Logan, Ken Reimers, Ric Newgard, Geoffrey Whittaker, Ernie & Kathy Belousek, Jed Brady, Nancy Guthrie, Bob Roush, Sam Grant, Lori Witucki, Penni Johnson, Hugh Brody, Karen Frost, Tricia Cooke, Colleen & Tom Ferrari, Ken Krause, Holly McGinley, Sheryl Bullard, and Jason Melton.

Denae Bastian introduced the board members and let homeowners know they were welcome to ask questions and share comments during the meeting.

**Motion** made by Shelley Logan to approve the meeting minutes from January 29<sup>th</sup>, December 16<sup>th</sup>, and December 10<sup>th</sup>. The motion was seconded, the minutes were discussed, and the motion was approved by all three directors.

Palette Management has not yet transferred the website over to us. Once it is available, we can post meeting notices and meeting minutes on the website again. The board has a goal to get meeting minutes out to homeowners as quickly as possible.

**Announcement:** Denae Bastian announced that an executive session was held prior to the meeting to discuss late fees and payment plans for individuals.

**Motion** made by Michelle Haneberg to waive the late fees and accept payment plans for those who were discussed in the executive session. The motion was seconded and passed unanimously.

**Update on 2014 Annual Assessment Collection:** Shelley Logan reported on collection of dues. Two-thirds of homeowners have paid either partially or in full. Reminders will be emailed and mailed out to remaining homeowners. The Aynax billing system was explained. The cost to the Association is \$9.95 per month and is very secure. No homeowner banking information goes through the Aynax system.

**The total amount of annual assessments received to date = \$49,655.45**

**Discussion of Current Late Fee Policy (established November 2011):**

Homeowners and board members discussed the current late fee schedule and agreed that adding monthly \$25 administrative fees, particularly when people were making a good-faith effort to pay, seems unreasonable. Instead, the board should try to work directly with homeowners who are not paying. Homeowners also felt that the board should use good judgment when homeowners have extenuating circumstances and request a payment plan. A written policy with changes will be proposed at the March board meeting.

**Announcement:** Carrie Keaton has volunteered to take notes at the monthly board meetings, but was ill this evening. Nancy Guthrie agreed to take the notes for this meeting. If any other homeowners would like to help with this, please let us know.

**Announcement:** Penni Johnson will be our volunteer webmaster.

**Motion** made by Shelley Logan to engage a new webhost if Palette does not release the old one to us by March 15. The motion was seconded and passed unanimously.

**Announcement:** Denae Bastian announced that the board is seeking referrals for a CPA to do an audit for the association for 2013. State law requires us to have an audit annually unless 67% of the votes cast at a meeting of the association at which a quorum is present vote to waive that requirement.

**Discussion:** Legal expenses for 2013 were discussed.

2013	Budgeted Legal Expenses	\$4,552
	Actual Legal Expenses	<u>12,207</u>
	Amount Over Budget	<\$7,655>

Legal fees incurred in December were \$6,675.50. December's bill was not paid out of last year's dues and must come from this year's operating expenses. Reserves cannot be used for this expense. A no-interest payment plan has been worked out with former counsel.

**Motion** made by Denae Bastian that we engage legal counsel as needed for The Falls. The motion was seconded. The board would like to consider hiring two attorneys, one for the more complicated issues and one, less expensive, for the simple, straightforward issues such as liens. The motion passed unanimously.

**Motion** made by Shelley Logan for a limited waiver of the board's attorney-client privilege on legal opinions that may help answer homeowners' questions and or concerns. The motion was seconded. The board would like homeowners to be able to see the opinions written by attorneys that are paid for with HOA dues. The waiver is limited as individual homeowner privacy needs to be respected. Information shared would only address general matters not specific to individual homeowners. The motion passed unanimously.

With the attorney-client privilege waived, Michelle Haneberg gave an example of information that could now be shared with homeowners. She shared the statement below from the HOA's most recent law firm, Barker Martin, written in August 2013.

**Excerpt from email dated August 16, 2013:** *"If the board had replaced the fences before speaking to us and that decision was challenged, we could have definitely developed arguments to defend such a decision."*

**Motion** made by Shelley Logan to terminate the month-to-month contract with Nature's Way Landscaping. It was seconded and passed unanimously. A 30 day notice will be emailed and sent certified mail to Nature's Way on February 27, 2014.

**Discussion:** Seven new landscaping bids were reviewed. Three companies were interviewed in person. Range of bids presented.

**Motion** made by Shelley Logan to hire Archey's Landscape LLC as our landscape maintenance company on a one-year contract for \$3,000 per month plus tax. The motion was seconded. The new contract will save approximately \$10,000 per year and does not obligate us beyond one year. Mr. Archey does Comcast Arena and does work for at least 4 homeowners in The Falls. The bid for Nature's Way, even with a 3 year contract, was more expensive than Archey's Landscape. The motion passed unanimously.

**Motion** made by Shelley Logan to hire Archey's Landscape to do some additional work beyond the contract for \$4,600. It was seconded. This work would be a deep clean and beautification of our largest asset - the common areas. The motion passed unanimously.

**Motion** made by Michelle Haneberg to ask David Archey to adjust his bid on the extra work if Nature's Way completes any of the work currently included in his bid. The motion passed unanimously.

**Motion** made by Michelle Haneberg to begin fixing the irrigation system using reserve funds not to exceed \$5000.00. It was seconded. Bob Roush shared maps and gave us detailed information as to the status of our system and what it may take to get it up and running. There was a consensus in the room that the system should be fixed a portion at a time. Michelle has been in contact with Silver Lake Water District and ABC, the backflow testing company. The motion passed unanimously.

**Discussion:** The top three priorities from homeowners so far have been:

- Fix the fence
- Improve landscaping
- Improve communication

Homeowners are encouraged to email their top three priorities to the board.

**Motion** made by Denae Bastian to have an executive session prior to the next board meeting to discuss private matters relating to individual homeowners. It was seconded and passed unanimously.

**The next meeting will be on March 26, 2014 at Willis Tucker Park at 7 pm.**

Meeting adjourned at 9:00 pm.

Approved as to form: \_\_\_\_\_  
Date

\_\_\_\_\_  
Shelley Logan, Secretary