

AC Attendees:

Judy Spears
Larry Amick
Lynne Flynn
Jim Miles
Larry Raasch
Mike Moore

Absent:

Dan Canan

CMS Present:

John Doehrman
Brad Bryant
Cathy Paschen
Lee Clouse

- I. Call to Order – Jim Miles called the meeting to order.
- II. Motion to adopt agenda by Judy Spears. Seconded; 6 votes yes.
- III. Approval of the Minutes of May 16, 2017 regular meeting. Motion to approve by Lynne Flynn. Seconded; 6 votes yes.
- IV. Villa Building Status – Cathy Paschen
 - a. Parking lot lights are being addressed with Pulte.
 - b. Cathy and Brad B will be meeting on 28 June with Garden Club; as many lots as possible will be squeezed into the space.
 - c. 200 folding chairs have been ordered for the villa from Central Restaurant Supply. To supply amenities in the villa, we were \$1600 below budget according to Brad B.
 - d. Lights are on at night; Brad B thought they are probably security lights for security purposes.
 - e. Lynne F asked about a refrigerator and a table for the kitchen; she stated that Dave Compton approved this. Cathy stated that she would check on the table.
 - f. A resident asked about defibrillators and exercise classes; AEDs are not required according to Brad B, and activities will be monitored via cameras.
 - g. One card access will exist for both the villa and the chateau. Activities in the villa will be group activities only. The leader of each activity will be responsible for securing the building at its conclusion.
- V. Comments from Community on the Villa
 - a. Brad DeReamer – reported that the ADA ramps do not meet code (75 of them within BF). This issue will be brought to the attention of Pulte and have been brought to the attention of the Fishers City Council.
 - i. \$200,000 is directed from Fishers to non-profit businesses; applications up to \$100,000 per nonprofit may be applied for by a nonprofit through a

501(c) (3) plan which would benefit Fishers. August 4 is the application deadline.

- b. Brad B reported that irrigation work orders are being completed for homes. Pond improvements are being worked on by ASAP. The waterfall is getting a new pump. Drinking fountain parts near the tennis courts are on order.
- c. Roger Briance, homeowner, asked about finishing the pond east of Del Webb Parkway near Shiraz Lane. The liner is protruding above the water line around the edges and the fountain, due to power not having been installed, has not been completed. Lee C stated that the liner and the fountain have not been completed by Pulte and are still in the development stage. Matt Lohmeyer is the Pulte contact for the pond development.
- d. Jerry Uraker, homeowner, asked about irrigation needs on his street.
- e. Scott Mertz asked about the irrigation heads in his yard. Brad B indicated that Hittle is working on a long list of repairs. Ballard Irrigation installs the irrigation system, and they then turn over the completed system to Pulte.
- f. Joyce Seck, homeowner, asked about the common area near her home on the corner of Shiraz and Del Webb regarding a large rock and uneven ground. She stated that the uneven ground creates a hazardous condition.
- g. According to Brad B, pond L should be completed regarding muskrat repair by the first week of July. The ponds are retention water ponds and are engineered as such. The ability to alter is not possible regarding general appearance due to the original design of the pond.
- h. Dave Whan asked about the longevity of pumps at the waterfalls. The third pump has been replaced recently; they have about an 8 year life span.

VI. Comments

- a. AC Chair – No Comment
- b. Property Manager – John Doehrman: see attached.
- c. Lifestyle Director – Cathy Paschen.
 - i. Twenty eight non-profit companies appeared at the chateau with 110 homeowners attending to learn about the possibilities of residents volunteering their time to these nonprofit companies.
 - ii. The grills need to be cleaned after use by residents.
- d. CMS Vice President – Lee Clouse
 - i. Brad Bryant's assistant for maintenance will begin in July; 835 homes are completed which illustrates the need for additional maintenance help.
- e. Comments from the Community for CMS
 - i. Pat Potts, homeowner, reported that some of her landscaping items did not survive the winter. Lee C stated that there is no warranty on landscaping items. A one year warranty only applied to plants purchased beyond the basic landscaping package. Hittle makes the decisions on plants.
 - ii. Fireplace glass should be cleaned in the chateau.
 - iii. Drones, according to Lee C, are not controlled by law at this time. If one should invade your privacy, call police.

- iv. Jerry Uraker reported concern about drivers in BF.
- v. George Ryva stated that when Hittle parks their trucks near the corner of 126th and Bardolino Dr that this provides a safety issue.
- vi. There are no sidewalks on Trebbiano Dr. Pulte will not put in sidewalks until the lot has been sold.

VII. Subcommittee and Ad Hoc Committee Reports

- a. Building – Lynne Flynn
 - i. The villa is looking good; the possibility of supplementing needed items may be necessary in the future.
- b. Finance – Larry Raasch: see financial commentary attached
 - i. With very little snow, Pulte has helped with shortages in the past. A shortage of \$273,000 will be made up by Pulte, according to Lee C. Larry R asked for the wording in the HUD document.
 - ii. Jim Kmac asked about \$200,000 worth of payments that we were forced to pay at one time which represents two years' worth of charges. Lee C thought it's probably a billing issue by Hittle.
 - iii. Larry R asked for an audit; though an audit is not required to comply with the by-laws.
 - iv. An audit is suggested in the future prior to the transition from Pulte HOA to the homeowners' controlled HOA.
 - v. Larry A distributed a written motion requesting an audit. Motion was passed unanimously by Advisory Committee. See attachment for copy of Motion.
- c. Reserve Study – awaiting information from Pulte.
- d. Legal – Jim Miles: see attachment
- e. Election – Mike Moore
 - i. Committee asking for a revision of the election calendar. Request made to solicit nominations when the committee is ready to receive nominations.
- f. Communication – Mike Moore
 - i. June and later issues of Wine Press will be discussed at an upcoming meeting of the Communication Committee.
- g. Grounds – Larry Amick
 - i. Location for garden plants that are to be recycled is being addressed
 - ii. Benches are being proposed for donations from individuals
 - iii. The purchase of bricks as a way to honor veterans by family donations has been discussed within this sub-committee.
 - iv. Recommendation for an engineering study of ponds to be completed soon; table motion made for monies to be set aside for pond study – unanimous approval of Advisory Committee members present.
 - v. Larry A distributed resolution on tennis/pickle ball courts. Motion made and seconded to make the statement a public record which states the problems with the tennis/pickle ball courts. Motion passed unanimously.

- h. Documents – Judy Spears: see attachment
- i. Government Relations – Dan Canan: see attached government advocacy report.

VIII. Unfinished Business - None

IX. New Business - None

X. Homeowner Concerns – no additional

XI. Adjourned @ 3:19

June Property Manager Report

1. **Garden Progress-** The Garden area has been turned over to the Garden Club for laying out the garden plots. Thank you for the help gardeners! More information to come.
2. **Muskrat and Fox Reporting-** We have not received any Muskrat reports recently, **but remember if you do see any report them to Brad or myself** . We have received reports of Fox sightings in the community, it is important to remember with fox sightings not to leave pets unattended outdoors. We have investigated using trappers for the fox reporting, the going rate is \$100.00 per day. We are contacting the DNR for additional information.
3. **Pool Area Sun Screening-** We have completed the solar film application in the indoor pool area and now are working to get a screen to cover the top windows facing Del Webb Parkway during classes or volleyball competitions .
4. **Pond Shoreline-** All damage and repairs that are related to the Muskrat activity are still planned for repair.
5. **Fishing-** Remember if you are fishing in our newly stocked ponds, all fish that is caught is “catch and release”. No fishing license is required to fish in the ponds at Britton Falls per the DNR.
6. **Irrigation-** With the hot and dry weather we have had the past week irrigation work orders and emails have been extremely busy. All submitted work orders and emails are being completed as quickly as possible. Please communicate any needed repairs via Caliber Web or email, to allow us the ability to follow up.
7. **Villa update-** I’m sure everyone has noticed the progress on the Villa; much hard work has been invested by the Management Team and the Advisory Committee to ensure the results are the desires of the Britton Falls Homeowners. Great progress!
8. **Solicitation/Strangers-** Here are a few reminders about soliciting in Britton Falls, and how you should follow up on any concerns you may have. All solicitors must have the permit to solicit visible at all times during their time on the property. They cannot stop at any home with a “No Soliciting” sticker posted visible to the solicitor. If a person’s sole purpose is to deliver flyers they do not need a permit and their actions are not restricted by our solicitation ordinance. Therefore they would be permitted to approach houses with a “No Solicitation” sticker to attach the flyer to the front door. The definition of solicitation refers to soliciting funds and/or selling commercial products, service or property... The people delivering the flyers would also be permitted to start a consensual conversation with someone if they found them outside or in a public setting. If you have any concerns with someone that is in the neighborhood contact the Fishers Police department at 317 773-1282 or use the Fishers Crime Watch app on your cell phone.

9. **Pet Waste Stations**-We have added two new stations in the general area of the Villa as well as adding a second container to two other stations. I apologize for any inconvenience during the vendor change, we should see positive service advantages going forward.
10. **Trash Day Change**- Well I hope everyone remembered to put their trash out for pick up on Thursday, remember the first Thursday recycle day will be on the 29th of June.

Did you Know ?

Outdoor Pool is up to temp and ready for swimming!

Please Follow rules listed below!

Britton Falls Pool Rules

1. Lifeguards ARE provided for the indoor pool facility ONLY. However, all persons using the pools or pool areas do so at their own risk.
2. No person may use the pool or spa unless it is officially open and a life guard is present.
3. The pool manager or lifeguard on duty has the authority to enforce the rules and may remove any patron who violates them.
4. Smoking is not allowed anywhere in the facility or the outdoor or indoor pool or pool areas. The Community Board reserves the right to designate specific outdoor areas as non-smoking by posting appropriate signage. Refer to Section 7.4 page 9 of the Rules and Regulations.
5. ONLY employees are allowed in the staff rooms, filter room, mechanical room, storage room or offices.
6. A homeowner must accompany all children at all times during Children Hours. Homeowner and children must be together at the same pool or pool area. Children are defined as anyone less than 19 years of age.
7. NO diving allowed in the outdoor pool or indoor pool!
8. NO floatation devices allowed in the pool with the exception of approved safety devices attached around the waist or water wings.
9. Only swimsuits may be worn into the water. .
10. You must enter the pool areas thru the locker rooms. Showers must be taken before entering the water.
11. Persons having infectious diseases, open sores, bandages, cuts or recent vaccinations must not enter the pool area.
12. NO food or drink shall be permitted in the immediate area of the swimming pool, or the deck surrounding the pool.(Plastic water bottles are allowed)
13. NO glass containers or other breakable objects are allowed in the pool area.
14. Absolutely no running, rough play, spitting, dunking or use of foul language will be tolerated in or around the facility.
15. Please be considerate of other residents when inviting guests to use the amenities. A maximum of 8 guests per family at any one time is allowed in the pool. The home owner must be present with all guests at all times. The homeowner and guest must be together at the same pool or pool area.
16. NO animal of any kind are allowed in the pool area. (Except Service Animals).
17. Spa is restricted to adults 19 or older.
18. No more than 10 persons are allowed in the spa at one time.
19. Persons should not remain in the Spa for more than 15 minutes per hour. Longer exposure may be dangerous.
20. The lifeguards will vacate the pool any time that thunder is heard for a period of 30 minutes directly following.
21. The lifeguards will vacate the pool any time that lightening is spotted in the area or seen for a period of 1 hour directly following

22. All of the above rules apply to the Spa.
23. Small Children will be required to wear a swim diaper no exceptions
24. No changing diapers at pool side

Legal Subcommittee Report – June 20, 2017

The Legal Subcommittee (Jim Miles, Larry Amick and Dan Canan) met with our attorney, Steven Earnhart, at 2:00 pm on May 24, 2017 at Casler's Restaurant. The following items were discussed:

1. The home with the cedar addition. Pulte attorneys are in discussions with the homeowner.
2. The Chateau engineering study. Lee is providing monthly progress reports to the AC. He still needs approvals from Pulte on a few items.
3. The tennis court issue. Steven recommends we send a letter to the HOA BoD concerning the tennis courts. We need to act before any statutes on limitations expire.
4. The covenant changes. Pulte's proposed changes are OK. Raising the resale fee from 1/3 of 1% to 1% does not present any problems.
5. The loan documents. Steven suggests we have a stated mechanism to repay the loan. In other words, how will the HOA pay off the loan? I passed that information to Dave Compton.
6. The Design Guidelines. They can be changed by the BoD.
7. The financial reports. Steve asks that we send him the information generated by our Finance Chair, Larry Raasch. This was completed.

DOCUMENTS COMMITTEE REPORT FOR JUNE

The Documents Committee is continuing to rewrite the Design Guidelines with the intention to make it include more items and to make it "user friendly". We are concentrating on the Landscape area right now although we have had many discussions regarding the architectural guidelines.

With regard to the Architectural guidelines, Anne Mertz of our committee invited Leah McGrath, Deputy Mayor of Fishers, and Todd Suchy, Building Commissioner of Fishers, to join us for a meeting. We were very pleased that they were able to attend. They were able to answer many of our questions regarding the city's procedures including how they proceed when a house has suffered cosmetic or structural damage.

We were interested in what the city would do so that we would not include anything that would be contrary to the city's policies nor include anything that would be unnecessary because of the city's established procedures.

I want to again thank the committee members for their dedication to this task. Their commitment to work as a group and to spending so many hours on this project is appreciated.

Britton Falls Government Advocacy Report

- **New elementary school on Cyntheanne Road** – construction is expected to start soon on a new elementary school that will hold up to 700 students and is slated to open in fall 2019. The building will be located on Cyntheanne Road across from Hamilton Southeastern Intermediate/Junior High School.
- **Zoning at 126th and Brooks School Road (itown Church and Gray Eagle Golf Course)** - Many of the residents where their home site joins the golf course seemed concerned about the long-term viability of the course after they sell off the 27 acres for the construction of the new church. The Fishers plan commission made a positive recommendation at their June meeting however because of the vocal concern of the residents, itown has requested that the council continue consideration which means that the ordinance was not addressed at the June meeting.
- **Allocation of new Alcohol Permit** – House Bill 1386 was passed during the 2016 legislative session allocated four new alcohol permits to the City of Fishers to encourage growth in the downtown area. Another Broken Egg Café which is planning to locate at 9 Municipal Drive was awarded one of the permits at the June City Council Meeting for their new restaurant.

MOTION REQUESTING ATTORNEY LETTER TO HOA BOARD OF DIRECTORS REQUESTING FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE BY-LAWS AND REQUEST FOR INDEPENDENT AUDIT

The Britton Falls Advisory Committee hereby respectfully requests that our attorney draft and send a letter to the Britton Falls HOA Board of Directors requiring said entity to provide the Advisory Committee updated and complete financial statements for Britton Falls prepared in accordance with the by-laws. Due to several serious deficiencies in financial reports forwarded to the Advisory Committee, we, the AC, also respectfully request that the Britton Falls HOA Board of Directors, acting in its fiduciary capacity to protect the best interests of Britton Falls homeowners, institute an independent unqualified opinion audit of the financial records and statements of the Britton Falls HOA to insure compliance with all applicable legal, financial, and ethical requirements, including, but not limited to: proper funding of the homeowners Reserve Account, proper payment of the developer contribution, proper accounting of cash balance/overdraft, proper accounting of historical alleged cumulative losses, preparing financial statements in accordance with generally accepted accounting principles, including balance sheet, income and expense statement, and statement of changes in financial position, all to be prepared by an independent public accountant.

Britton Falls Advisory Committee Resolution on Tennis/Pickleball Courts

Upon the advice of counsel, the Britton Falls Advisory Committee hereby formally puts on legal notice the Britton Falls HOA Board of Directors, and requests said Board initiate all necessary and appropriate action to hold accountable those responsible for the defective design and construction of the Britton Falls tennis/pickleball courts. The recent independent engineering study of the Chateau, conducted as part of the Reserve Study, included a finding that said courts were improperly constructed ab initio (from the beginning) with insufficient slope to properly drain.

The Britton Falls Advisory Committee hereby respectfully requests that the Britton Falls HOA Board of Directors, exercising its fiduciary duty to the homeowners of Britton Falls, require the developer, Pulte Corporation, to fix, repair, and remediate said defects revealed by said study, and to do so without one penny of the funds used to do so deriving from HOA dues paid by homeowners, nor from HOA funds, nor homeowners Reserve Funds in any way.

A copy of this Resolution is to be served on the HOA Board of Directors, collectively and individually, immediately after passage, so that no legitimate claim of passage of any statute of limitations can be made. The HOA Board of Directors is further advised that failure to properly act on this matter in the best interests of Britton Falls homeowners may subject said Directors, individually and/or collectively, to potential legal liability.

Britton Falls HOA
 Financial Commentary for December 31, 2016
 June 14, 2017

Following is a brief summary of the “Final” income statement for the Britton Falls HOA for the year ended December 31, 2016.

	Actual	Budget	Difference
Income	\$1,820,000	\$1,791,000	\$29,000
Developer Contribution	\$133,000	\$131,000	\$2,000
Total Revenue	\$1,953,000	\$1,922,000	\$31,000
Total Expenses	\$2,226,000	\$1,922,000	(\$304,000)
Net Operating (Loss)	(\$273,000)	(\$0)	(\$273,000)

The Finance Committee received the “Final Financial Statements” for the year-ended December 31, 2016 on June 14, 2017. Unfortunately, I feel the statements still have several problems that should have been corrected.

- Legal Reserve
 - The legal reserve was based on 760 houses sold and closed at year end 2016. I can substantiate at least 789 houses were sold and closed at year end 2016. This is a shortage of 29 homes. The legal reserve should have been increased by \$245 for each additional house that was sold and closed plus \$100 should go to operations for each additional house sold and closed. This would be 29 houses at \$245 or \$7,100 added to the legal reserve. There should also have been another \$2,900 added to operating income for the 29 houses. I think the \$245 capital contribution amount will be made up in future periods but cannot be sure since Pulte has changed the capital contribution it charges new homeowners without changing the covenants. They increased the capital contribution from \$345 to \$750 as of January 1, 2017. We do not know how this is being handled in the new year or what effect it might have on the \$345 that should go to the HOA since the covenants have not been amended to reflect this change in the capital contribution.

- The understatement of houses sold and closed is an ongoing problem that has occurred nearly every month starting in 2009. A portion of the HOA dues we pay each month are added to the reserve. This amounted to \$10 per month per house through 2010 and \$11 per month since then. The amount that should have been put into the reserve due to the understatement of houses sold or closed each month will never be made up without some adjustment to the current financial statements.
- The legal reserve on the balance sheet shows a balance of \$436,000. Disregarding the items mentioned above, the legal reserve should be increased by the amount of legal reserve income and expense in the income statement. This would increase the legal reserve to \$485,000 or an increase of \$49,000.
- Another problem with the legal reserve balance appears to be from resale houses. The legal reserve is to receive 1/3 of 1% of the resale price of each house resold after the initial purchase from Pulte. This practice was started in 2012.
- While it is difficult to isolate which individual income items were credited to the reserve, it is possible to calculate the total income that should go to the reserve based on the number of new houses sold or closed each month plus the dollar value of the resale houses sold or closed each year.
- We do have a deficiency in the amount of income credited to the reserve.
- Developer Contribution
 - Pulte has underpaid the amount they owe to the HOA this year. A net operating loss of \$273,000 means they underpaid the HOA by that amount.
- Cash Balance
 - The balance sheet we were given shows an operating account overdraft of \$105,000. I doubt very much that this number is correct. I don't believe the bank would let us overdraw our account by that much.
- Historical Financial Statements
 - The income statements we have been provided for the nine years ended December 31, 2015 show a cumulative loss of \$442,000. We know this number is not correct or the HOA would be broke. The HOA appears to be solvent. What is the correct number? I don't know. Due to the timing of receiving the 2016 year-end financial statements, I did not have time to update the cumulative financial statements for 2016 but I believe it would be safe to add the 2016 operating loss of \$273,000 to the \$442,000 cumulative loss above to total a cumulative operating loss of \$715,000 through 2016.
 - The Britton Falls by-laws require that annual financial statements be prepared using the following criteria:
 - The financial statements shall be prepared in accordance with generally accepted accounting principles.
 - This would require several changes but the main ones needed would be to record accounts payable and accounts receivable on the balance sheet and the related income and expenses on the income statement.
 - The financial statements shall consist of:
 - A Balance Sheet as of the end of the year.

- The balance sheet we received in not prepared in accordance with generally accepted accounting principles.
 - An Income and Expense statement for the fiscal year.
 - The income and expense statement we received is not prepared in accordance with generally accepted accounting principles.
 - A statement of changes in financial position for the fiscal year.
 - We have not received this statement since 2009.
 - The statements will be prepared by an independent public accountant.
 - I don't believe our financial statements have ever been prepared by an independent public accountant.
- We have never had financial statements that have met the required criteria.
- Is it time for an audit?
 - I believe it is.
 - I'm asking the legal subcommittee to ask our attorney to send a letter to the Britton Falls HOA Board of Directors requesting the Board of Directors have financial statements prepared in accordance with the by-laws.

Submitted by
Larry Raasch