

Advisory Meeting Minutes  
October 17, 2017

**AC Attendees**

Larry Amick  
Dan Canan  
Lynne Flynn  
Jim Miles  
Michael Moore  
Larry Raasch  
Judy Spears

**CMS Attendees**

Brad Bryant  
John Doehrman  
Cathy Paschen  
Lesley Stoermer

There were approximately twenty homeowners in attendance.

MEETING CALLED TO ORDER

1:00 PM by Jim Miles, President

ADOPTION OF AGENDA

Agenda as presented  
Moved to accept by Mike More  
Seconded by Lynne Flynn  
The vote was unanimous

APPROVAL OF MINUTES

The minutes for the September 19, 2017, regular meeting  
Moved to accept by Lynne Flynn  
Seconded by Mike Moore  
The vote was unanimous

COMMENTS BY THE AC CHAIR

The Chair began with opening a discussion of the amendments to the Declaration filed by the HOA (Pulte). All homeowners received copies via email. The amendments covered the loan to pay for a portion of the Villa, changing "town" to "city", and the HOA taking over the responsibility of repairing the public front sidewalks.

## SIDEWALKS

CMS will establish a program to review the conditions of the sidewalks, perhaps twice a year, and then contract to have them leveled or replaced. However, if a homeowner should happen to cause damage to the sidewalk, it is the homeowner's responsibility to pay for any repairs.

Lynne was concerned about the source of the funding. Will the money come from the Reserve Fund or from the Operating Fund? So far, it is not in the 2018 budget, and, therefore, it will probably come from the Reserve Fund. There is, however, still time to amend the 2018 budget so that it would be an operating expense.

Larry Amick pointed out that homeowners who paid for the repair of the sidewalks that were repaired as directed by a letter from CMS should be reimbursed. It was felt that this will be done.

Larry also pointed out that the amendments were processed without communicating with either the Advisory Committee or with the homeowners. It is his opinion that this was unlawful.

The City of Fishers is working on requiring a three year performance bond.

Homeowners should send John Doehrman a list of sidewalks needing repair. There was discussion as to whether the sidewalk that is part of the driveway is also part of the public sidewalk. It was also pointed out that the apron is on city property.

Mike Reed brought up the fact that at the last meeting there was concern as to who is liable for damages. Inquiries are being made by CMS and they are looking into raising the limits on the Liability Insurance. It was mentioned that if someone is going to sue, they would name anybody and everybody they could.

It was asked if the Declaration covered the liability issue. Leslie was unsure.

## LOAN

Jim Miles started with background information. In the PUD, Pulte had promised one million dollars for another activities center because of the increase in homes from 1023 to 1223. When the center was finally being considered, the price of the center had grown to \$1,600,000. Pulte added a contribution of \$200,000 which left a balance of \$400,000. \$152,000 was to be funded with a loan which was to be repaid through the increased 1% resale fee which is starting on October 1, 2017. The \$248,000 was to be raised through a new sale fee of \$850 (sometimes listed as \$750) which would be credited to the HOA. \$245 would no longer go to the Reserve Fund but would go to pay back the loan.

The resale fee of 1% would continue after the loan was paid to increase the Reserve Fund. The increase from 1/3 of 1% would help make up for the lack of funds for two to three years since the Reserve Fund received no funds. Jim Miles reminded us that Dave Compton rejected a flat increase of \$1000. Originally, the Advisory Committee had requested that there never be a loan. It was denied. It is planned that the debt for the Villa will be repaid within ten years. The 1% amount could change once we are homeowner owned.

Based on recent history, with a 5% interest rate, it is hoped the loan connected to resale fees will be in two years and the new sale fees will pay off that loan within three years.

A copy of the Promissory Note will be posted on the website.

## TURNOVER

There is no legal limit as to when there will be a turnover to the homeowners. The developer (Pulte) retains control.

## LAWYER and AMENDMENTS

We have a lawyer that we contact three to four times a year. His name is Steve Earnhart. When he reviewed the amendments he felt that 7/1/15 was the effective date of some of the state statutes. After seven years, homeowners can help make decisions by voting. Of course, with two lawyers, you can have two divergent opinions. Larry Amick reviewed the statutes regarding the promissory note and felt that Britton Falls was covered. After June 30, 2009, the homeowners in Britton Falls should have a vote for such decisions.

The note may be okay. However, the loan may not stand because the amendment to the Declaration is not lawful. Larry felt that it is our duty to request withdrawal of the amendments and then bring the amendments before the homeowners. He passed out a copy of his proposed Resolution (see attached). It was proposed by Larry Amick, seconded by Lynne Flynn, and approved that the third paragraph be eliminated. During discussion, it was voted on 4 in favor, 2 against, and one abstaining, for the tabling of the resolution for possible rewording for a period of one month. Also, Larry felt that raising the resale fee could result in lawsuits for those who bought their homes prior to the change in the Declaration. How do we protect ourselves? We send the Resolution to the HOA (Pulte). It was moved by Mike Moore and seconded by Dan Canan that Larry read the Resolution into the minutes and to the attendees.

Larry Amick proposed a motion and was seconded by Lynne that the Legal Sub-committee request that the lawyer gives us a written opinion.

## JOHN DOEHRMAN

There are plans to add SIDEWALKS as a category on Caliber Web. About thirty homeowners responded to Brad DeReamer and John about sidewalks that need repair. John is contacting A-1 Leveling to get as many as possible re-leveled, but, since they do not do replacements, broken sidewalks will have to wait until next year. It is felt that liability can be reduced by repairing and replacing.

## LIFESTYLE

Since Cathy had to leave early, Brad Bryant presented her report. Access cards (fobs) will be distributed next week. They have 1200 key fobs and 800 cards. To start, each resident gets only one. The Crafts Fair will be tomorrow from four to eight. There were more than thirty vendors at the Marketplace event. There will be the Hoedown on the 28th.

## BRAD BRYANT

There is going to be an assessment of the building by Real Construction. He is also looking at the Certificates of Insurance. Bids are going to Pulte by November 1.

Bids to Pulte for re-leveling and re-coating the tennis courts are about \$45,000. Larry Amick requested that the leaders of the tennis clubs and the pickle ball club be consulted before proceeding.

CMS has not yet hired an additional maintenance person. They are thinking about getting a CMS employee from another community to work on a temporary basis. Jim Miles inquired about hiring through a temporary agency. CMS is not interested at this time since they have to agree to not hire anyone that they get because of the agency contract. CMS hopes to have someone hired by May.

It was agreed by all that the Villa acoustics are unacceptable. Premier does work on acoustics. Tony Watt is helping to research to try to find a solution. The company that helped the City of Fishers was contacted. They will look at photographs but would don't an on sight evaluation. CMS should have quotes in the next few weeks. CMS feels that for large events, the acoustics are okay. It is during the smaller events that there are too many echoes. For Wine Bingo, the problem was that the caller couldn't be heard.

Pond O is being evaluated. Rip rap will be put around the pond in order to hide the bare edge and to hide the edge of the liner. The ponds at 126th and Mondavi will have additional rip rap within the next few weeks.

#### LESLIE STOEFFLER

She is on two CAI committees to try to improve Indiana state law to be more favorable to HOAs. If we have any issues, we should let her know. One of the issues is 'fines'. Judy asked that if everyone on the AC could be a member, then everyone on the AC should be a member. John Doehrman will sign all members of the AC to be a member of the CAI.

BUILDING—no report

#### FINANCE

Larry Raasch introduced Jerry Lathrop as the new member to the Finance Subcommittee. He is a CPA who worked for Ernest & Young, J.P.Morgan, and did other estate planning.

The 2016 report is completed. There has been a verbal agreement that \$35,000 will be added to the Reserve Fund.

Larry has reviewed the 2017 report.

Larry Raasch said that he and Lee Clouse are in agreement and that part of the problem is the Cash versus Accrual Reporting.

RESERVE STUDY—no report

#### COMMUNICATIONS

Mike Moore said that the Wine Press is ready to come out. The main topic is the upcoming election.

#### GROUNDS

Larry Amick said that ponds and pickle ball courts are the main concern right now. He is preparing a comprehensive report for the new Chair of the Grounds Subcommittee so that the new Chair will not have to start without some background as he had to. We have a number of important issues which need to be resolved before transition.

The waterfall is not working at one hundred percent but all three pumps are working. It is though that the water source in the middle of the pond is in a cement box and may have become clogged with silt and algae. It needs to be inspected.

There is still leakage of some sort on the properties behind the waterfall on Merlot. Brad Bryant said that the waterfall was not the issue.

DOCUMENTS—No report

## GOVERNMENT RELATIONS

Dan Canan stated that the City budget was passed. There will be a stoplight at 126th and Hoosier Road. At the end of November, they will break ground for the new elementary school at Cytheanne and Southeastern. There will be a non-profit sports center near Culver's with an entry from Southeastern Parkway. However, bonds have not yet been sold. Funding will determine the start of construction. The city will pay for some of the expenses so that it will be open to all of Fishers' residents. There will not be an ice rink.

It was asked if the vacated Marsh store could be transformed into indoor sorts complexes. The answer was no. They must remain a grocery store.

There will be two additional pickle ball courts built at Cytheanne Park.

The widening of the bridge on 136th will be a county project, but not any time soon as it is still in good condition. Florida Road will be improved after the proposed construction projects are completed.

The medical complex on 136th and Southeastern will have four buildings and be anchored by Central Indiana Orthopedics.

There will be roundabouts at 136th and Southeastern in 2018, 136th and Cyntheanne in 2019, and at 103rd and Florida.

LEGAL—no report

## ELECTIONS

There are four candidates for the three open positions. The elections will be held November 6th through the 10th. There will be a "Meet the Candidates" meeting on Tuesday, October 23rd. The candidates are Steve Wohrle, Scott Mertz, Sue Dickens, and Nick Krincish. There is one vote per household. Voting can be done on line or a paper ballot will be available at the desk.

## UNFINISHED BUSINESS

The fireplace glass doors will be cleaned October 23. The ladies' locker room will get new shower heads and faucets but not soap dispensers. It was discussed whether it was the dispenser or the contents that was the issue. There is both soap and soap with lotion. The men's locker room dispensers have unsatisfactory, foamy soap. Also, the shower heads need to be replaced.

Mike Moore inquired about the deficit. Pulte is going to reimburse \$110,000 but he asked that Pulte fund these amounts quarterly so that "we" can pay our bills on time. He also asked that an additional five (5) dollars be added to the Reserve Fund from the monthly dues.

Larry Amick reminded everyone that we have requested an audit and have yet to have a response. As far as we know, no has an audit been ordered.

NEW BUSINESS—none

HOMEOWNERS CONCERNS—none

## ADJOURNMENT

It was moved by Lynne Flynn and seconded by Mike Moore that the meeting be adjourned. Meeting was adjourned at 3:35 PM.

## **Britton Falls HOA**

### **Financial Commentary for June 30, 2017**

June 10, 2017

The Finance Sub-Committee received Financial Statements for the year-ended December 31, 2016 during February 2017. We received another set of statements for 2016 during June 2017. We received a "final" set of statements for 2016 during September 2017. The September statements issued were very similar to the ones during February. Since the September version was very similar to the February version, we will make no further comments on those statements except to say that the reserve fund was understated at December 31, 2016. Lee Clouse stated at our last Finance Sub-Committee that the correction would be made in 2017. I believe we are very close to agreeing on the amount of the correction.

Following is a summary of the income statement for the Britton Falls HOA for the six months ended June 30, 2017.

	Actual	Budget	Difference
Income	\$1,074,000	\$992,000	\$82,000
Developer Contribution	\$55,000	\$55,000	\$0
Total Revenue	\$1,129,000	\$1,047,000	\$82,000
Total Expenses	\$1,115,000	\$1,074,000	(\$41,000)
Net Operating (Loss)	\$14,000	(\$27,000)	\$41,000

The Finance Sub-Committee reviewed the June 30, 2017 financial statements with John Doehman and Lee Clouse on October 6, 2017.

Revenue for the HOA was \$82,000 over budget. \$81,000 of this was due to HOA dues from homeowners. HOA dues were over budget for two reasons. Some homeowners pay their dues in advance during the first quarter and new house sales were running ahead of budget.

Expenses for the HOA were \$41,000 over budget. Snow removal was under budget by \$56,000 due to an extremely mild winter that produced very little snow. Water was under budget by \$47,000. If these two items had been normal, we would have been \$144,000 over budget on expenses. \$122,000 of the \$144,000 over budget can be explained by the fact that we paid a Hittle bill in 2017 that should have been paid in 2016. That bill was not paid in 2016 because we did not have enough money in the bank to pay the bill.

Submitted by Larry Raasch and Jim Krak