

Adam's Run Homeowners Association

Board Meeting Minutes
Local 783
7711 Beulah Church Road
Louisville, KY 40228
June 5, 2008

The regular Board meeting was called to order by President Roger Keranen at 7:04 PM.

Executive Board Members Roger Keranen (President) and Eric Hampton (Vice President) Jerry Miller (Secretary) Peggy Keranen (Treasurer) were present.

Attendance was taken. All five Board members, Roger Keranen (President), Eric Hampton (Vice President), Peggy Keranen, Gaston Varela, and Jerry Miller (Secretary) were present.

Motion to approve meeting minutes from March 13th, seconded and passed.

There were comments from the president about the possibility of the Sheriff's office collecting our association dues that was discussed at the last meeting. The Jefferson County Sheriff's office cannot collect our dues since we are not a taxing authority. We would have to have multiple HOAs join us and go to Frankfort to have our group declared a taxing authority in order for them to perform this function. This issue has not gone any further.

Reports of Standing Committees

Finance: Peggy Keranen

- The checking account balance as of today is \$24,594.79.
- I have not received our May statement, which will be our final statement, from National City yet. When I do receive it, I will post the reconciliation as usual.
- In April, the Board agreed to move our checking account from National City to Republic Bank, because they were offering an interest bearing checking account for HOAs. We received an interest payment of \$26.93 on May 9, 2008. Our statement period at Republic Bank goes from mid month to mid month, so I will do a reconciliation after mid June, when I get my next statement from Republic Bank. The first statement had our original deposit of \$25,000.00 plus \$200 in dues plus \$1465.08 to close the National City account and \$26.93 interest for a total of \$26,692.01. That was our balance on May 11, 2008 when our statement was closed for the month. Our next statement will close on June 11, 2008.
- We have 35 homeowners that still owe us some money. 1 lien was paid off and 3 liens were added since our last meeting. We have liens on 12 homes, 13 other homeowners have not paid their dues (one has filed for bankruptcy), 9 owe us less than \$10 (interest and certified mail), and 1 owes us more than \$10 but less than \$100. Your Board decided that we will put liens on any home that is for sale and the homeowner has not paid their dues this year.

Grounds: Gaston Varela

- We are still currently servicing bids on the fountains; many have been far too high in cost. We are getting bids from many more contractors and will most likely use at least two vendors to perform the work.
- An irrigation control box needs to be replaced on the center fountain
- Cleanup day is this Saturday June 7th. Please meet at the front entrance of the subdivision at 9:00AM. We intend on picking up trash along Beulah Church Road, and in some basin areas. Flowers may be planted in a couple of weeks after the irrigation control box is replaced.
- Large item trash pick up day is Wednesday June 18th for Industrial Disposal customers. Anyone can call ID at any time and schedule a large item to be picked up, but this one of our regularly scheduled neighborhood pickups.
- The cost for ID service should be \$12.36 per month, \$37.08 per billing cycle.
- There are currently two vacant homes with lawns that were not being mowed. The HOA has hired someone to cut these two.
- If anyone has concerns that need to be addressed by the Grounds committee, please send them to grounds@adamsrunhoa.org

Roger commented that he, Gaston, and Eric met to discuss the bids on masonry work to be done on the fountains. There have been many contacts made; many bids are too high and some do not want to take on a small job. There is a new quote that should come in on Friday and another should be coming Monday.

Eric noted that if anyone knows of a good mason that may want to bid on this work, please give someone on the Board the information.

The fountains have been pressure washed in each of the last two years, but the stains seeping into the pores of the concrete, it would not be enough to make them presentable. The fountains will not be painted white this time, white shows the stains too much. They will most likely be a shade of gray or blue with the pools a shade of blue. They will be painted with a marine grade epoxy that is made to withstand water over long periods of time.

Irrigation system has been called in to be opened. We have about a two weeks wait for this to happen. For this reason flowers will not be planted on clean up day. There may be a day scheduled after irrigation is on to plant flowers.

The control box for the front irrigation system needs to be replaced. Roger estimates that it will cost between \$320 & \$370 in repairs. Motion made to approve \$400 for repairs, seconded and passed.

The center fountain is a major suspect in our high water bills from year. There have been shut off valves installed in an attempt to isolate the center fountain. The Louisville Water Company may issue the HOA a credit up to \$1600 if we can offer proof that the leak is repaired.

A question was asked from the audience as to whether we could pressure wash the front fountains and get them working and repair the center one after the bids are complete. We are trying to get them all done at once. If we wash the front, which are not in a bad state, we would have to drain, rewash, do masonry repairs and then paint them. This would cause us to pay for washing them twice, which we are trying to avoid. We have a few more quotes that should be in within a few days and we would like to wait on them. If there is a substantial delay we will explore the possibility of getting the front looking better with pressure washing.

Documents & Deeds: Roger Keranen Acting Deeds Chair

Roger has taken over for David Burton who resigned in April for personal reasons.

Last October, the Board established some overall goals to simplify the administration of running the HOA. Dues are primarily assessed to pay for street lights, common area lawn maintenance, and irrigation water use. Any surplus is called a reserve to be used for everything else like clean up days, street sign repair, fountain repair, and costs of restriction enforcement. The goal was keep dues at the current \$100 per year, or less if reserves are ample. Nationally, HOAs try to have a reserve of 20 to 40% of the estimated annual dues.

First, we made a requirement for owners to use their Internet access at home or work to register on the Discussion Forum so broad distribution of information could be made at no cost. A paper survey 3 years ago showed 99% of the home owners had Internet access at home or work.

Copies of communications are available for review at each Board meeting. Such registrations would permit polling so Board activities could be guided by larger numbers of owner opinions instead of 3-4 vocal individuals.

A poll was made to test the feasibility of reworking the varied CC&Rs into a common document. A high majority of responders said it should be a project. Statistically, if 84% of the poll said to proceed, there should be 84% YES votes on a referendum.

Weeks were spent composing a draft for publication to obtain approval. The Board met several times to compose a compromise document always trying to be the voice of a typical homeowner. The draft sought to make changes that would simplify the administrative burden of enforcing the present CC&Rs.

Simplification attempts:

1. Establish a fine system that seeks homeowner meetings to negotiate fixing a violation giving them up to 13 days to respond prior to any fines being assessed. Continued non-compliance would produce money owed and thus a possible lien on the property. This process would replace the only other recourse available which is to take our neighbors to Circuit Court. Across the nation, HOA Boards prevail almost 100% in CC&R violations leaving the losing homeowner with hundreds and possibly thousands owed for court costs. Possible game playing by homeowners delaying the fix until just up to case time would leave the Association spending attorney fees that could not be recovered without a judgment or another suit. Fines simplify the enforcement and permit violating homeowners to be treated with communication and courtesy while abating the problem in weeks, not months or quarters.
2. A common CC&R would drastically reduce the valid claims of “you are picking on me because you are not enforcing all the restrictions.” The Board is in a difficult position just as the prior Boards faced. There is not enough labor or money to enforce all the restrictions as written. Any attempts to “select which ones to enforce” will surely bring

claims that the Board is actually being selective and grossly unfair. For example there are two clauses that stand out as extremely time consuming and subsequent enforcement causing thousands of dollars to be spent up front:

- a. Habitual street parking – “habitual” is not defined but let’s say it is two days in a row. Enforcement would require a daily audit of the entire subdivision to document all street parkers and the length of time that vehicle is parked on the street...24x7x365. Violators would need to be sued. Of course, getting the car in the driveway for a day would start the clock once again. The simplification measure was to declare our streets and right of ways as Jefferson County property enforced by LMPD.
 - b. Pets – currently the restrictions require all pets to be kept on the owner’s lot at all times thus eliminating dog walking and poop enforcement issues. Clause 5.07 in the current restrictions requires that any conflict in local ordinances with Adams Run restrictions, the more restrictive shall apply. Following that clause, we have the right to get cars off the streets even though the streets belong to the County and we have the right to stop all dog walking on public property. The simplification measure was eliminating the ordinance conflict clause and let owners use public property hoping they will take care of droppings.
3. Each year someone on the Board has to publish dues invoices, follow up on returns, record and deposit money, issue 2 late notices and follow up on those, and ultimately place liens on non- responsive homeowners. This process takes dozens and even hundreds of hours with late paying homeowners not paying certified mail costs when they eventually do pay. The simplification measure was to treat our dues like County tax bills. Pay on time or face automatic percent increases per a schedule. Let the postmark date guide what is due. Non payers at the end of four months get a lien. No follow up is required except at the four month date.
 4. The current CC&Rs are 14 to 15 pages long with lots of references to developer and development activities. Adams Run is built out. Striking these elements produced a lean, 6 page CC&R to simplify reading and enforcement.
 5. The front sections of Adams Run are permitted above ground pools and basketball goals out front with the rest of the subdivision prohibited on both. While about 16% of the association has permission, the remaining 84% are prohibited and face going to court should they try to have the rights of the minority. The simplification measure was to allow basketball goals and pools with certain maintenance or safety requirements.

Referendum results:

The Board’s attempt to “consider the voice of the average home owner” failed to produce a changed CC&R. 31% of the homeowners responded with a ballot vote. 74 (65%) said YES and 40 (35%) said NO. Although a high majority of responders wanted the draft to pass, the referendum failed to obtain the 75% YES vote required by the current CC&Rs.

Almost 70% of the homeowners abstained. Yet the current rules do not allow for abstentions. An unsubmitted vote cannot be counted as a YES nor can it be ignored with actual votes carrying the issue. This is the second referendum in two years to fail due to majority apathy when the referendums carried a high majority of agreement from voters. The other was to permit security signs where security systems have been installed (104 votes, 100 were YES and 4 were NO). For the purpose to share the comments of ballot responders, here is a summary of opinions provided in the comments sections

YES – (2) homeowners were concerned about a Board raising dues aggressively

NO

(7) No above ground pools

(5) Allow parking anywhere in the driveway

(4) No basketball goals

(3) No sheds - NOTE: sheds are allowed right now except for metal ones and must be approved prior.

(3) No changes at all

(3) Want more than 51% to carry a change

(3) No adding to dues without association approval

(2) No street parking

(2) Need more definition and examples of kinds of violations

(2) Need notification of a special assessment

(2) Eliminate the nuisance clause

Tell where late payment fees will go - NOTE: all fees go to the reserve of the HOA

No fines, rather go to arbitration

Allow security signs

Allow fences to come up front by ½ of house

Want a metal shed

Fine structure is excessive

Allow grass height to be 6-7 inches before there is a problem

Allow only one member of house to be on the Board

Allow appeals of violations to go to the whole association

An association member should have the right to override the Board

Have referendum voting on the Internet

The Board must communicate with 100% of owners on all issues, the Internet is not comprehensive enough

The Board must consult with the attorney for all changes

No foreclosure even on unpaid liens

Unfair to require on line registration

Add a clause regarding renters - NOTE: the CC&Rs currently affect the property owner only

What's next?

Since the referendum did not get enough YES votes, the Board had a lengthy discussion gaining opinions from Board members and the attending homeowners to create the following policy:

The Board will receive complaint documentation (a complaint form is on the Board Page on the website) from homeowners where the Deeds Chair will review them for action. CC&R

enforcement will be unique to a complaint.

Complaints that are valid according to the current CC&Rs will cause the violating homeowner to be informed of the violation and be asked what would be a reasonable date to fix the problem.

NOTE: although a complaint must be signed to be valid, at no time will the complainer's name be disclosed.

Should the violation not be fixed by the due date, the Board will start legal proceedings per the current CC&Rs.

Our new policy will be to EDUCATE, NEGOTIATE, and LITIGATE.

Communications / Web: Jerry Miller

- The neighborhood yard sale is scheduled for June 14, 2008. Neighborhood preview day is Friday June 13th. Michele Carden has graciously agreed to collect money for participants. See the discussion forum or contact me for details on how to contact Michele. secretary@adamsrunhoa.org. The money will be used to pay for the Courier-Journal ad announcing the event. Beth Gnadinger is also contacting the CJ to get a free ad placed in the neighborhoods section. This ad is on as space is available basis, but free with if we pay for the other ad.
- Neighborhood clean-up day is June 7th. Please meet at the front entrance 9:00AM.

Old Business

- The fountain repairs were updated in the grounds report.

New Business

- CC&R referendum results were announced in the Documents and Deeds report.

Next Board meeting date:

- August 7, 2008

Meeting adjourned at 9:10 PM

President: Roger Keranen _____

Secretary: Jerry Miller _____