

**Watson Run HOA: Homeowner Meeting**

Date/Time: November 1, 2021, at 7:00PM via Zoom

Members: Dan Sweeney, Rob Peters, Vicki Michuck, Eugene Kieffer, Rich Friel

**Meeting Agenda**

**Item 1: President Dan Sweeney will welcome the community and introduce the other board members. WCPAM will explain the meeting format, how to vote, and how to submit questions. Important Info:**

Meeting Webpage: <http://www.watsonrunhoa.com/nov-1-2021-budget-meeting.html>

Survey Link: <https://www.surveymonkey.com/r/NQS9BSS>

10. Votes in the Association

Each Unit Owner shall be entitled to cast Votes in the affairs of the Association equal to the Allocated Interest assigned to his or her Unit. Cumulative and class voting shall not be permitted.

*Important Note: Since it is critical that every homeowner has their say regarding the Bylaw and Declaration changes, WCPAM and the Executive Board will contact homeowners that were unable to vote this evening for their input. Homeowners will not be contacted if they have already voted.*

**Item 2: Establish a Quorum to proceed with the meeting. There are 178 homeowners. Need 45 attending (in-person or by proxy) to hold the meeting.**

5.07 Quorum. A quorum is deemed present throughout a meeting of the Association if Owners together entitled to cast at least 25% of the votes in the Association are present in person or by proxy at the beginning of the meeting. If a meeting is adjourned pursuant to Section 5.06 above, the quorum at such second meeting shall be deemed present throughout any meeting of the Association if persons entitled to cast 15% of the votes in the Association are present in person or by proxy at the beginning of the meeting.

**Item 3: 2021 Budget vs. Actual Report until September 30, 2021**

CHECKING - \$107,400.53

SAVINGS - \$256,582.13

Watson Run HOA - 2021						
Account	9/1/2021 - 9/30/2021			1/1/2021 - 12/31/2021		
	Actual	Budget	Over Budget	Actual	Budget	Over Budget
<b>Income</b>						
Association Fee Income	\$35852.37	\$37113.00	-\$1260.63	\$301726.88	\$445356.00	-\$143629.12
BANK INTEREST	\$4.63	\$0.00	\$4.63	\$53.01	\$0.00	\$53.01
Convenience Fee	\$12.30	\$0.00	\$12.30	\$75.56	\$0.00	\$75.56
Interest Income	\$0.00	\$30.00	-\$30.00	\$0.00	\$360.00	-\$360.00
Other Income	\$0.00	\$0.00	\$0.00	\$5338.00	\$0.00	\$5338.00
Watson Run Water Income	\$0.00	\$0.00	\$0.00	\$10.95	\$0.00	\$10.95
<b>Total for Income</b>	<b>\$35869.30</b>	<b>\$37143.00</b>	<b>-\$1273.70</b>	<b>\$307204.40</b>	<b>\$445716.00</b>	<b>-\$138511.60</b>
<b>Expenses</b>						
Association Fees	\$0.00	\$0.00	\$0.00	\$4127.76	\$0.00	\$4127.76
Bank Fees	\$35.95	\$0.00	\$35.95	\$273.05	\$0.00	\$273.05
Legal and Professional Fees	\$0.00	\$1000.00	-\$1000.00	\$10354.70	\$12000.00	-\$1645.30
SWM	\$0.00	\$875.00	-\$875.00	\$0.00	\$10500.00	-\$10500.00
WR - Admin & Postage	\$350.00	\$100.00	\$250.00	\$933.57	\$1200.00	-\$266.43
WR - CH Cable	\$0.00	\$233.33	-\$233.33	\$2608.36	\$2800.00	-\$191.64
WR - CH Cleaning	\$0.00	\$666.67	-\$666.67	\$4102.20	\$8000.00	-\$3897.80
WR - CH Maint Supplies	\$0.00	\$0.00	\$0.00	\$463.96	\$0.00	\$463.96
WR - CH Propane	\$0.00	\$291.67	-\$291.67	\$4899.35	\$3500.00	\$1399.35
WR - CH Sprinkler System	\$0.00	\$0.00	\$0.00	\$1123.66	\$0.00	\$1123.66
WR - CH Water & Sewer	\$0.00	\$125.00	-\$125.00	\$240.00	\$1500.00	-\$1260.00
WR - General Maintenance	\$620.00	\$1314.00	-\$694.00	\$7918.47	\$15768.00	-\$7849.53
WR - Grounds & Maintenance	\$26948.00	\$15750.00	\$11198.00	\$106603.00	\$189000.00	-\$82397.00
WR - Landscape Special Projects	\$0.00	\$0.00	\$0.00	\$1048.49	\$0.00	\$1048.49
WR - Liability & Casualty Insurance	\$0.00	\$833.33	-\$833.33	\$9433.24	\$10000.00	-\$566.76
WR - Management Fees	\$3204.00	\$3204.00	\$0.00	\$28836.00	\$38448.00	-\$9612.00
WR - Replacement Reserve	\$0.00	\$3750.00	-\$3750.00	\$26750.00	\$45000.00	-\$18250.00
WR - Security Alarm Monitoring	\$1970.80	\$2083.33	-\$112.53	\$23792.98	\$25000.00	-\$1207.02
WR - Snow Removal	\$0.00	\$2916.67	-\$2916.67	\$36247.44	\$35000.00	\$1247.44
WR - Tax Return	\$0.00	\$0.00	\$0.00	\$600.00	\$500.00	\$100.00
WR - Trash Removal	\$2658.00	\$2500.00	\$158.00	\$27397.52	\$30000.00	-\$2602.48
WR- CH Electric	\$322.99	\$250.00	\$72.99	\$2500.84	\$3000.00	-\$499.16
WR- Electric Street Lights	\$220.39	\$375.00	-\$154.61	\$2295.14	\$4500.00	-\$2204.86
WR Pool	\$0.00	\$833.33	-\$833.33	\$8690.07	\$10000.00	-\$1309.93
<b>Total for Expenses</b>	<b>\$36330.13</b>	<b>\$37101.33</b>	<b>-\$771.20</b>	<b>\$311239.80</b>	<b>\$445716.00</b>	<b>-\$134476.20</b>
<b>Net Operating Income</b>	<b>-\$460.83</b>	<b>\$41.67</b>	<b>-\$502.50</b>	<b>-\$4035.40</b>	<b>\$0.00</b>	<b>-\$4035.40</b>

**Item 4: 2022 Budget Review**

**A. Governing Document Budget Process**

Section 9.5. Budget Adoption. Immediately after adoption of any proposed budget or approval of any non-budgeted capital expenditure in excess of \$2,500.00 for the Community, the Executive Board shall provide a copy or summary of the budget and notice of any such capital expenditure approved by the Executive Board to all the Unit Owners. Unless a majority of all Unit Owners vote to reject the budget or any such capital expenditure approved by the Executive Board, within thirty (30) days after the approval, the budget or capital expenditure is ratified. In the event the proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as a subsequent budget is adopted by the Executive Board, and such subsequent budget is not rejected in accordance with this Section 9.5 and Section 5303(b) of the Act.

**B. 2022 Budget Explanation & 2022 Budget Presentation**

The Executive Board (EB) unanimously approved the 2022 budget with a \$14.50/month increase at their September 30, 2021, meeting. The increase over 2021 dues results in a yearly increase of \$174.00. The EB wishes to point out that if the EB keeps the dues at \$208.50, residents would have been charged \$620.00 due to the actual 2022 costs for water and the mandatory home fire alarms. The actual cost of water to each resident for 2022 is going to be \$480.00 per year. The actual cost for home fire alarm monitoring is going to be \$140.00 per year for each resident. The EB was able to work those costs into the 2022 budget for a total overall increase of only \$174.00. Residents will not pay an extra fee for water or for their fire alarm. Starting January 2022, each resident will pay \$223.00 per month and that covers: water, trash, home fire alarm, landscaping, pool, clubhouse, and snow removal. The EB is notifying residents of these changes so they may review before the 2022 budget meeting.

**\*The Executive Board will take a 5-minute break to allow homeowners to submit budget questions.**

**\*The Executive Board will read budget questions that were submitted before and after the budget presentation.**

**Item 5: Review of the Voting Survey Questions**

**Watson Run Governing Document Changes & 2022 Budget Survey**

**Question Title**

1. Do you approve of the 2022 Watson Run Budget?

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

2. Do you approve of the changes to the Watson Run Bylaws?

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

3. Do you approve of changing the amount that is added to our Capital Reserve fund from all resale activities? Currently, when a home is sold, the buyer must pay \$500.00. We are looking to change it to the buyer having to pay six (6) months of dues. The reason is to try to adequately fund our capital reserve fund each year without having to raise dues on current residents.

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

4. Do you approve of the board changing the governing documents, so any excess monies left in the HOA budget are transferred to the HOA's capital reserve budget, instead of being sent back to homeowners? The reason for this change is to prevent the administrative burden placed on our accounting team if they must send small amounts of money back to homeowners. This change will also help the board and future boards potentially avoid doing special assessments when actual monies needed to run the HOA exceed the budgeted amounts.

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

5. For your responses to count, please write your full name and address in the box below. Only ONE vote per household.

**Item 6: Proposed Changes to the Bylaws Explanation – WCPAM will provide the background regarding bylaw changes and President Sweeney will review the Bylaw Changes the Board is proposing:**

**A. Education - Governing Document Process for Amendments to the Declaration:**

ARTICLE XVII

AMENDMENTS TO BYLAWS

Section 17.1. Amendments to Bylaws. The Bylaws may be amended only by the affirmative vote of Unit Owners having a majority of the votes in the Association, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose. Corrective amendments to the Bylaws may be effected in the same manner as amendments to the Declaration described in Section 16.6 hereof.

**Important Note: the governing documents have always allowed the Executive Board to remove a board member and/or for a board member to resign.**

4.07 Resignation and Removal. Any officer of the Association may resign at any time by written notice to the Executive Board. Any officer may be removed from office by vote of a majority of the directors at any meeting of the Executive Board. Any director who resigns or is removed as a director shall also be deemed to have resigned or been removed, ipso facto, from any office he may have held.

**\*The Executive Board will take a 5-minute break to allow homeowners to submit proposed Amendment questions.**

**\*The Executive Board will read Amendment questions that were submitted before and after the Amendment presentation.**

**Item 7: Proposed Changes to the Declaration – WCPAM will review the proposed changes to the Declaration:**

**B. Education – Governing Document Process for Amendments to the Declaration:**

ARTICLE XVI

AMENDMENTS TO DECLARATION

Section 16.1. Amendment Generally. Except in cases of amendments that may be executed by the Declarant in the exercise of its Special Declarant Rights, including those rights described in Articles XXI, XXII or XXIII of this Declaration, or by the Association pursuant to Section 16.6 hereof, or as otherwise permitted or required by other provisions of this Declaration or the Act, this Declaration, including the Plats and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated.

Section 16.2. Limitation of Challenges. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one year after the amendment is recorded.

Section 16.3. Recordation of Amendments. Every amendment to this Declaration shall be recorded in the county in which the Property is located and shall be effective only on recording. An amendment shall be indexed in the name of the Community in both the grantor and grantee index.

Section 16.4. Execution of Amendments. Amendments to this Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with this Declaration and the Act, shall be prepared, executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 16.7. Corrective Amendments. If any amendment is necessary in the judgment of the Executive Board to cure any ambiguity or to correct or supplement any provision of this Declaration, including the Plats and Plans, that is defective, missing or inconsistent with any other provisions contained therein or with the Act, or if such amendment is necessary to conform to the requirements of the Federal Housing Administration, Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or other agency or entity with national or regional standards for mortgage loans with respect to planned community projects, then at any time and from time to time the Executive Board may effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any Security Interest in all or any part of the Property, upon receipt by the Executive Board of an opinion from independent legal counsel to the effect that the proposed amendment is permitted by the terms of this Section 16.7.

**C. Current Capital Reserve Language & Proposed Change to the Capital Reserve Fund:**

Section 9.13. Capital Reserve Fund. Commencing upon the First Settlement and thereafter at the closing with respect to each Initial Third Party Purchaser, the Association shall collect from each such purchaser of a Residential Unit the sum of Five Hundred Dollars (\$500.00), which amount shall be deposited and held in a separate account and used by the Association to establish a capital reserve account. No amount paid hereunder shall be considered an advance payment of regular Common Expense assessments. No Unit Owner is entitled to a refund of these monies from the Association upon the subsequent conveyance of his or her Unit or otherwise.

**Proposed Language Change: Do you approve of changing the amount that is added to our Capital Reserve fund from all resale activities? Currently, when a home is sold, the buyer must pay \$500.00. We are looking to change it to the buyer having to pay six (6) months of dues. The reason is to try to adequately fund our capital reserve fund each year without having to raise dues on current residents.**

**D. Current Surplus Funds Language & Proposed Change to the Surplus Language:**

Section 9.14. Surplus Funds. Any excess amounts accumulated from Common Expense assessments, Limited Common Expense assessments or reserves, together with any income related thereto, which exceed the amounts required for each, shall be credited to each Unit in accordance with Section 5313 of the Act and shall be applied to subsequent assessments against each such Unit until exhausted.

**Proposed Language Change: Do you approve of the board changing the governing documents, so any excess monies left in the HOA budget are transferred to the HOA's capital reserve budget, instead of being sent back to homeowners? The reason for this change is to prevent the administrative burden placed on our accounting team if they must send small amounts of money back to homeowners. This change will also help the board and future boards potentially avoid doing special assessments when actual monies needed to run the HOA exceed the budgeted amounts.**

**\*The Executive Board will take a 5-minute break to allow homeowners to submit proposed Declaration questions.**

**\*The Executive Board will read Declaration questions that were submitted before and during the Declaration presentation.**

**Item 8: Homeowner Submitted Questions & Comments as of October 31st**

- A. Could you please send a copy of the current budget for 2021 to all residents so they are able to compare line items from this year and the current proposed budget for 2022. Thank you
- B. Snow Removal: Our community is approximately 15 years old, and we are still paying independently for our snow removal of our streets. Isn't it about time the township take responsibility for plowing our streets as they do for all the other residential developments that surround Watson Run and throughout the township? The residents of WR pay township taxes just like other township residents however WR is taxed without equal representation for snow removal services. This behavior by the township must stop. Clearly, our snow removal budget would be reduced and still provide sidewalk and driveway removal by an independent contractor.
- C. Under Article 7 to reject a budget would need a vote of two-thirds of the residents in the community. Why not use the same qualifications as Article 5 and reject a budget by a simple majority (50% plus one) of the residents in the community? When reviewing the proposed 2022 budget it would be helpful to see the actual 2021 expenditures.
- D. The 2022 budget makes sense. I totally agree. GOOD JOB
- E. Homeowner seeks explanation of western boundary issue.
- F. Please provide a Berks Update

**Item 9: Final Review of the Survey**

**Watson Run Governing Document Changes & 2022 Budget Survey**

**Question Title**

1. Do you approve of the 2022 Watson Run Budget?

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

2. Do you approve of the changes to the Watson Run Bylaws?

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

3. Do you approve of changing the amount that is added to our Capital Reserve fund from all resale activities? Currently, when a home is sold, the buyer must pay \$500.00. We are looking to change it to the buyer having to pay six (6) months of dues. The reason is to try to adequately fund our capital reserve fund each year without having to raise dues on current residents.

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

4. Do you approve of the board changing the governing documents, so any excess monies left in the HOA budget are transferred to the HOA's capital reserve budget, instead of being sent back to homeowners? The reason for this change is to prevent the administrative burden placed on our accounting team if they must send small amounts of money back to homeowners. This change will also help the board and future boards potentially avoid doing special assessments when actual monies needed to run the HOA exceed the budgeted amounts.

- Yes, I Approve
- No, I Do Not Approve

**Question Title**

5. For your responses to count, please write your full name and address in the box below. Only ONE vote per household.

---

**Item 10: Survey Results**

**Item 11: Adjournment**

