

**Forest Trails Unit One Board Meeting
Minutes
November 23, 2024 10:00 AM
Heber-Overgaard Fire Station**

Board Members in Attendance

Shelley Moore, President

Steve Grumkoski, Treasurer
Jeff Kerr, Director (ACC Chair) - Via Telephone

Bruce Nester, Director
Chris Coleman, Secretary

Guests in attendance – Jerry Larsh (Lot 66)

Call to Order and Welcome

The meeting was called to order at 10:04 AM. The Board introduced themselves and welcomed attending guests.

Review & Approval of Minutes from August 24, 2024

Motion was made by Steve Grumkoski and seconded by Bruce Nester to approve the minutes. The minutes were unanimously approved by the board members.

Review & Approval of Minutes from Special Meeting, October 5, 2024

Motion was made by Steve Grumkoski and seconded by Jeff Kerr to approve the minutes. The minutes were approved by a 4-1 vote (Bruce Nester voted nay). Any discussion required on this matter will be addressed at an Executive Session.

New Business

- Butler Hanson CPA contract – After discussion and review of the materials submitted by the CPA firm a motion was made by Steve Grumkoski and seconded by Bruce Nester to move forward and approve Butler Hanson to conduct the 2024 fiscal year audit. The motion was unanimously approved.
- Advantage HOA & Accounting – Drew submitted to the Board a proposed 2025 Budget which includes showing a shortage based on what was spent in 2024. Due to this shortage is was recommended that the Board increase annual dues to cover ever increasing expenses. It was explained that current dues do not cover the expenses and that funds in savings should only be used to cover unexpected expenses. Steve Grumkoski suggested that the Board consider a 20% increase which is the maximum allowed increase per Arizona State Law. This increase would take due dues from \$40 to \$48 per year. He also suggested the increase to become effective with the January 2025 billing cycle. A motion to increase the dues as of January 2025 was made by Steve Grumkoski and seconded by Shelley Moore. The motion was approved by a 4-1 vote (Jeff Kerr voted nay).
- 2025 Budget – Further discussion regarding the proposed budget will be tabled to an Executive meeting in December. The date is to be determined.
- Special/Executive Meetings – These meetings will be held in situations when discussing information that should not be shared publicly in order to protect the privacy of our residents. There was lengthy discussion on what should be shared or not shared. Shelley Moore shared that this is exactly why the Board needs to obtain legal representation.

- Attorney/Legal Representative – It is believed that the HOA currently does not have an attorney on retainer or a legal representative. It is unclear as to when, why or how this transpired. The Board discussed this at length. Bruce Nester has volunteered to call and gather information as to rates for legal representation including the firms of Brown Law Group and Carpenter Hazelwood. Jerry Larsh suggested Bruce contact firms that specialize in HOA law and suggested Goodman Law Group. Drew of Advantage HOA & Accounting has offered the Board use of his company's legal counsel in the event that the Board would need to file a lien prior to obtaining our own counsel or representative.
- Architectural Committee Approval Form – Shelly Moore will update the approval form to match the CC&R's. Two Architectural Committee Members are able to sign the approval form. She will also try and make it a fillable form.
- Annual Reporting to Arizona Corporation Commission – It was discovered that this reporting has not been done for three years and the HOA is delinquent. The Commission still shows that Carpenter Hazelwood is the statutory agent. During discussion as to why the Board wasn't notified by Carpenter Hazelwood or why they didn't file the reports Jerry Larsh (former HOA Treasurer) informed the Board that it is the responsibility of the current Treasurer to submit these reports. Shelley Moore stated that Advantage HOA and Accounting can be designated as the Statutory Agent and submit all reports and monies on the Board's behalf. We will ask Drew if he can file the compliance matter concerning the Corporate Transparency Act.

OLD BUSINESS

- Greenbelt Cleanup – Greenbelt Cleanup – The Greenbelt cleanup and mistletoe removal projects have been completed to satisfaction by Mogollon Tree Service (MTS). In addition to MTS, we will research other bids for our future cleanup and maintenance efforts.
- Arrearages – Steve Grumkoski stated that collection efforts by Drew of Advantage HOA & Accounting seems to be working. Arrearages are down by 50% with 13 properties in arrears down from 27. Arrearages are down to \$1379.00 and range from \$15.00 to \$300.00 spread over the thirteen lot owners. Shelley Moore is instructing Drew of Advantage HOA & Accounting to add these arrearages to the upcoming annual billing for those still in arrears at that time. Steve Grumkoski will also be updating the HOA website showing the upcoming increase of the annual dues.
- Website SSL – Steve Grumkoski purchased the 3 year SSL (an internet security protocol) and then found out it wouldn't load. After a couple of failed attempts he contacted GoDaddy he was informed that the SSL purchased was no longer valid for the website and that the platform used would possibly be obsolete in 2025 or 2026. A new platform would cost around \$1200.00. Steve mentioned that we could purchase a 1 year SSL for around \$150.00 or we could leave alone until another solution was identified. As the HOA email is also tied to this platform the Board agreed to not spend money at this time and table until the next meeting in order to give Steve time to research other options and/or other web designers and costs.

- HOA Management Companies – Shelley Moore explained that Drew of Advantage HOA & Accounting is not a HOA management company. A true HOA management company handles all aspects for a HOA which usually includes financial management, administrative services, fine assessment, and compliance enforcement to name a few. Shelley and Bruce Nester and going to reach out to a few HOA management companies to gather information, including companies that currently manage other HOA's in Heber-Overgaard.
- Zoom – Steve Grumkoski researched Zoom and Microsoft Teams. Both services allow roughly a 40 minute meeting for free. Zoom costs about \$200 a year for unlimited meeting times. The Board discussed and at this time will not pursue using zoom for meetings. If needed will discuss at a later date.

Treasurer's Report

- Steve Grumkoski reported that there is \$14,294.38 in checking and \$22,262.26 in savings as of October 31, 2024. At that time there was also \$1,379.00 in arrears. That leaves an operating budget of \$37,935.64 (if the arrearages were paid). There is a \$78.00 postage charge that Steve is awaiting clarification on from Drew of Advantage HOA & Accounting. Steve voiced concern that nobody on the Board is a signer on our accounts. He feels the Treasurer should also be a signer on the account as best practice. Shelley Moore will contact Drew to see how to get Steve added to our accounts.

Architectural Committee Report

- Jeff Kerr stated that there are no new requests or projects at this time. He mentioned that construction on Lot 40 is moving along quite nicely.

Open Forum

- Jerry Larsh asked why we don't use the money in the checking account to cover expenses instead of increasing dues. It was his understanding that expenses should be paid from dues collected and in theory the account should almost zero out each year. Shelley Moore stated the reserve funds were for emergency or unexpected expenses and that currently the dues do not cover the expenses.
- Jerry also asked about an arrearage issue one of his neighbors was experiencing and wondered if the Board was able to correct the situation. Jerry was informed by Shelley that the Board could not discuss that information with him. Only with the Lot owner.

Adjournment

Bruce Nester motioned to move to an Executive meeting at 12:18 PM and was seconded by Shelley Moore. The general meeting adjourned at this time.