

Coles Farm West Homeowners Association Inc

Annual Meeting Minutes

May 5, 2026

Quorum Established

Called Meeting to Order 6pm

Financial Overview and Budget Management

The HOA's 2025 financials reveal expenses totaling \$22,976.33 against income of \$17,205.68, leading to continued concerns about reserve depletion and budget overruns

- Expense Breakdown and Reserve Trends
 - Key costs included \$4,320 in management fees, \$5,250 for accounting and tax prep, and \$5,760 for ground maintenance.
 - Legal fees were under budget at \$924, but a \$4,500 retainer was paid for ongoing septic easement legal issues.
 - Over six years, the HOA has only saved about \$7,000 in reserves, signaling limited surplus despite occasional savings like in 2021.
 - The board was encouraged to maintain close awareness of financials and seek office consultation for detailed reports.

Budget Overruns and Increased Costs

- There is a pattern of increasing costs year-over-year, notably in off-site septic maintenance rising from occasional cuts to regular maintenance, driving up expenses.
- The board struggles to contain costs within the ratified budget, with examples like utility bills exceeding projections and lawn care expenses increasing due to more frequent service.
- Management explained that contracts with vendors become routine expenses legally binding the HOA, limiting flexibility despite budget overruns.
- The board's role in monitoring spending and approving increased dues was emphasized to avoid future deficits.

Financial Controls and Check Signing Procedures

- Checks are written by the management company and signed by the broker-in-charge, with no second signature required.
- The treasurer reviews contracts but does not sign checks directly, indicating limited financial segregation of duties.
- Management acts strictly at the board's direction, highlighting the importance of electing committed board members to oversee spending decisions.

Septic System Issues and Legal Challenges

Septic system problems, especially off-site easements, represent a major ongoing challenge affecting costs, legal liability, and HOA operations

- Legal and Access Issues with Off-Site Septics
 - The HOA is dealing with blocked septic easements and lack of access to some off-site septic areas, preventing inspections and repairs.
 - Individual homeowners are responsible for their septic systems, but the HOA faces fines if issues are not addressed timely.
 - The board is gathering repair estimates and considering a special meeting to inform homeowners and decide next steps.
 - Legal disputes focus on easement rights due to roads and septic lines crossing private property, complicating resolution.

Historical Development and Permit Complications

- The developer's bankruptcy and poor initial planning left the HOA with stormwater permits and easement issues it never officially acquired.
- Attempts to transfer stormwater permits failed due to needed repairs not being completed by the developer, exposing the HOA to potential liabilities and \$30,000 estimated repair costs.
- The HOA is negotiating with the Department of Transportation regarding road maintenance and permit transfers to improve infrastructure responsibility.

Homeowner Impact and Communication Efforts

- There will be a separate and dedicated septic line, septic tank, pump tank, electrical house panel, drain field and repair area for each Lot.
 - Each home is tied to its own specific septic system components
 - Systems are not shared between multiple homes
 - A failure can still be traced to a specific lot/system
- The 3 drip systems that are on one Bill only share that cost because they all needed to be dug up to be able to make an estimate for repairs. They're not tied to each other at all.
- The health department views the HOA as responsible for septic system compliance and can impose fines, increasing pressure on the board to act.
- The board has sent notices to affected homeowners and is working closely with the county and health authorities.
- Education efforts are ongoing as many homeowners remain unaware of their septic responsibilities or the HOA's legal exposure.

Lawn Care and Grounds Maintenance

Lawn care expenses and management quality have become points of contention, affecting costs and community satisfaction

Contract Award and Conflict of Interest Concerns

- The lawn care contract was submitted by Mr. Spalek before he joined the board, raising questions about conflict of interest and transparency.
- Mr. Spalek did not vote on the contract due to bylaws allowing only tie-breaking votes by the president, but presence during discussions created perceived conflicts.
- Board members defended him citing his vested interest in the community and quality of work, noting he matched competitor quotes despite slightly higher costs.
- The minutes lacked details on recusals, prompting calls for clearer documentation in future meetings.

Service Frequency and Cost Increases

- Lawn care transitioned from infrequent, as-needed cuts to regular, twice-monthly maintenance to manage overgrowth and septic area damage.
- Costs rose accordingly, explaining the jump from previous years' \$500 per cut fees to over \$4,000 annually.

- Previous contractor Frank Allen often underbilled for work done, masking true costs and causing budget surprises after switching vendors.
- Mr. Spalek also provides some pro bono services like maintaining a future right-of-way, partially offsetting increases.

Transparency and Documentation Requests

- Board members requested formal quotes and invoices for lawn care and pod spraying services to ensure accountability.
- Mr. Spalek confirmed charging about \$300 for spraying pods twice yearly with additional manual labor for tree removal.
- Communication delays around document sharing caused frustration, highlighting the need for timely and clear financial reporting.
- Ongoing efforts to obtain multiple vendor quotes aim to keep lawn care competitive and cost-effective.

Governance, Board Elections, and Decision-Making

The meeting concluded with discussions on board elections, governance transparency, and the need for active homeowner participation

Board Composition and Election Process

- There are three board vacancies to fill, with current nominees including the vice president, Deborah, and Roland for member-at-large.
- If fewer than four candidates run, the positions will be filled by default, stressing the volunteer nature and community responsibility of board roles.
- New board members will inherit ongoing challenges like septic management and financial restructuring.
- Homeowners were encouraged to participate actively to ensure good governance and effective oversight.

2026-2027 Board of Directors

- Sebastian Spalek
- Stephanie Blake
- Cesar Macias
- Deborah Farrell
- Roland Brown

Decision Authority and Budget Oversight

- Management clarified that spending beyond ratified budgets requires board approval, and the board must oversee contract expenditures and budget adherence.
- The board has discretion to adjust dues to cover overruns but must balance financial sustainability with homeowner affordability.
- Questions arose about how overspending is communicated and managed within the board, highlighting the need for improved financial controls.
- The importance of electing directors who can provide strong fiscal oversight was emphasized by management.

Conflict of Interest and Meeting Transparency

- Debate over the president's dual role as vendor and board member pointed to gaps in conflict of interest policies and meeting minute details.
- The board acknowledged no formal prohibitions exist against vendors serving on the board if disclosed and voted on by homeowners.
- Calls for clearer documentation of recusals and votes aim to strengthen trust and procedural clarity.
- A motion to move past the issue was accepted to focus on substantive HOA matters.

Infrastructure and Community Maintenance Challenges

The HOA faces ongoing issues with infrastructure like roads, stormwater systems, and community safety that require strategic planning and funding

Stormwater Permit and Drainage Maintenance

- The HOA attempted to take over stormwater permits but declined due to costly required repairs, estimated at \$30,000, and unclear liability.
- Overgrown vegetation and poor drainage cause standing water and mosquito problems, with maintenance responsibility currently unclear.
- Homeowners are uncertain about their obligations to keep easements and drainage areas clear, creating community friction.
- The board is working toward transferring permits to the HOA to centralize maintenance but faces legal and financial hurdles.

Road Access and Easement Complications

- The original development lacked proper paved roads to septic areas; existing rock roads cross private properties creating difficult easement issues.
- Legal disputes focus on defining access rights as roads go through private lots, complicating maintenance and access for repairs.
- The HOA is negotiating with various parties including the Department of Transportation to clarify responsibility and improve infrastructure.
- Residents report damage caused by unauthorized vehicle use on easements, adding repair costs and liability concerns.

Parking, Signage, and Safety Enforcement

- The HOA installed “vehicles will be towed” signs to address illegally parked or unlicensed vehicles, aiming to improve neighborhood aesthetics and safety.
- Signs were also placed near septic areas to restrict unauthorized access and prevent damage to sensitive infrastructure.
- Homeowners generally support enforcement efforts but recognize limits of HOA authority in some areas.
- These efforts reflect a broader push to maintain property values and community standards amid longstanding infrastructure challenges.

Meeting Adjourned: 7pm