

DRAFT



General Board Meeting Minutes
February 18, 2020 at 6:00pm
Pecan Baptist Church- 7178 Fall Creek Hwy., Granbury, TX 76049

In attendance:

Sarah Frink- **President**
Ken Sapp- **Assistant Secretary**
Jim Butler- **Secretary**
La Juan Allen- **Treasurer**
Kyle Strongin- **Vice President**
Dawn Kelly- **Property Management Group (PMG)**
Janná Perez- **Property Management Group (PMG)**

Guests: Greg & Brenda Bryan, Carol & Tom Simanik, Laura Paulsen, Loraia Knight, Samuel & Sheila Goodwin, Jon McCracken, Bill & Bernanette Perru, Ryan & Ashely Lynn, Alice & Richard Scibek, Sheila Blankenship, Dee Ann France, Mike & Shelly Connor, Thomas Valenta, Dwayne & Joann Adkins, David & CJ Fortson, David & Gail White, Jane Butler, Erick & Jo Quarles, Tyler Lybarger, Joel Nyman, Michael Barker, Larry Gill, Ken & Kathy Turpin, Brian & Sharon Miller, Bo & Renee Walker, and Chris Allen

Meeting began at 6:37pm.

Call To Order, Welcome, Establish Quorum:

- Sarah Frink called the meeting to order, board members introduced themselves to homeowners in attendance, and board quorum was met to proceed forward with the general board meeting.

Presentation- Board of Directors:

- ***Welcome and Housekeeping- (Sarah Frink)***
 - Please keep the area clean, consider a donation
 1. Please sign in
 2. We are neighbors with our own questions/concerns
 3. Please be courteous of others
 - Structure

1. Please hold questions to the end of each section or until open forum
- Goals
 1. Transparency
 2. Informational
 3. Positivity moving forward
 - **Before Turnover: (Sarah Frink)**
 - Concern about lack of financial transparency
 - Concern about potential CCR changes prior to turnover
 - Concern about the current management company (TXPOA)
 1. Cost of Services
 2. Lack of Community Website
 3. Financial Mismanagement
 4. Legalities (Non-compliance and ACC Fees)
 - Concern about Lease Homes
 - Concern about the election
 - Non-Compliance
 1. Board is required to have an annual meeting (Sec. 209.14(a))
 2. 2012 Texas Property Code Updates
 3. Sec. 209.005 Association Records (On file with Hood County)
 4. Adopt a records creation policy
 5. Create open records
 6. Adopt document retention policy
 7. Dec. 8.03 Insurance Bonds (no appropriate coverage)
 8. Dec. 8.04 No Annual Budget
 9. Dec. 8.05 Assessments were not collected
 - **Timeline of Events: (Sarah Frink)**
 - September 14, 2019-Developer Turnover
 - September 16, 2019-First Meeting of the Board
 - September 23, 2019-Organizational Session
 - September 25, 2019-Organizational Session
 - October 1, 2019- Board Review ACC Forms
 - October 12, 2019- First Open board meeting & Committees established
 - October 16, 2019- Management Company Interviews
 - October 21, 2019- Management Company Interviews & Organizational session
 - October 25, 2019- First ACC Meeting & Turnover inspection
 - October 27, 2019-Transitional Report sent to National Land Partners (NLP) & Organizational session
 - October 28, 2019- First Maintenance Committee Meeting
 - November 1, 2019- Contract with TXPOA terminated
 - November 9, 2019- Second Open board meeting, PMG hired, and policies implemented
 - November 15, 2019- Meeting with BHB (Engineers)
 - November 18, 2019- Meeting with National Land Partners (NLP)
 - November 20, 2019- Organizational session
 - November 22, 2019- NLP response to Transitional Report
 - November 27, 2019- First newsletter sent out
 - December 2, 2019- ACC forms drafted & Construction Guidelines written
 - December 3, 2019- Insurance bound
 - December 5, 2019- Landscapers consulted
 - December 11, 2019- Website is launched
 - December 15, 2019- Trash poll

- December 26, 2019- New RCR map released from NLP
- January 9, 2020- ACC meeting
- January 10, 2020- Maintenance Committee meeting
- January 21, 2020- Finance Committee meeting
- January 23, 2020- Board training & Organizational session
- January 23, 2020- NLP response to request for modifications
- January 28, 2020- Finance committee meeting
- February 7, 2020- Maintenance committee meeting
- February 9, 2020- NLP response to start Heathington Ct.
- **NLP Timeline: (Sarah Frink)**
 - September 14: Turnover
 - October 27: Transitional report submitted to NLP
 - November 18: Meeting with NLP to discuss report
 1. Screens removed from oil reserve
 2. Rebuilt fence and install two gates at oil reserve
 3. Gave association \$1200 to repair Lydia once construction is complete
 4. French drains to reinforce both sides of Heathington Ct.
 5. Rocks and debris removed from common area
 6. Finish the nature trail
 7. Give the sprinkler piping to the association
 8. Install a hose bib at the Pavilion
 - January 23: Final response
 1. Monte Magness: "This is why we paid all the bills/invoices that were not our responsibility during the time period leading up to the turnover, so we would be able to give the association a large sum of money (over \$230,000) when we turned it over, so the association could do these kinds of things if they deemed necessary."
 - February 9: Heathington Ct. work is to be determined
- **TXPOA (Former Management Company): (Sarah Frink)**
 - Expensive
 2. Save \$20,000 per year in management fees by switching to PMG
 3. Additional \$15,000 in attorney fees
 - Financial Reports
 1. No customer accounts
 2. Lack of transparency on reports
 3. Did not pay bills (Late fees & disconnect fees)
 - Outdated filing system
 - No updated records with Hood County
 - Re-platting issues
 - Pricing on services
 1. Improper receipts/documentation
 2. Unauthorized ACC collection
 - Lack of appropriate website
- **TXPOA Timeline: (Sarah Frink)**
 - November 1: Given notice that contract would not be extended
 - November 9: Formal request for documents and receipts
 - November 25: TXPOA response
 - December 3: Response and second formal request for documents and receipts
 - December 6: TXPOA response
 - December 12: Documents released in boxes

- **Why have a management company? (Sarah Frink)**
 - Continuity
 - Services (Tax preparation, attorney/legal, finances, and regulation enforcement)
 - Protection of Investment (Self-management)
 - Customer service (Single point of contact)
- **Property Management Group (PMG): (Dawn Kelly)**
 - Maintain the books and accounts of the HOA (Prepare the annual budget, monthly financial reports for board members, mail out dues statement, and oversee collections)
 - Contractor scheduling and supervision
 - Communicate with homeowner and respond to their questions and concerns
 - Community inspections for violations
 - Prepare and mail out regular and annual meeting notices, agendas, and other necessary documents
 - Attend board meetings, special meetings, and the annual meeting
 - Ensure compliance with all laws and guide the Board of Directors in creation of policies and procedures
 - Correspond with association attorney on any issues or questions
 - Pay the bills of the HOA
 - Coordinate tax return filing and completion of 1099s
 - Facilitate ACC submissions
 - Maintain contact information for property owners
 - Homeowners can reach out to Dawn Kelly, property manager for PMG at dkelly@propertymanagementgroup.org or by phone at 817-337-1221. Another PMG email contact would be customerservice@propertymanagementgroup.org
- **What is the role of the POA? (Sarah Frink)**
 - Running the business (Contracts, Upkeep, and Financial business)
 - Help Coordinate
 - Follow the Rules
 - What does the association not do? (Disputes between neighbors and disputes between NLP)
- **Administration: (Sarah Frink)**
 - Contact information (Addresses, phone, and email)
 - Title Issues
 - Re-platting
 - Organizing ACC Documents (Enforcement impossible until organized)
 - Organization of Emails (ACC approvals, resident complaints/issues, and historical information)
 - Organization of Administration (Minutes, deeds, variances, & agendas)
 - Streamline of Processes (Purchase requests, request for proposals, decision modules (board))
 - Acquisition Lists (Inventory)
- **Fact or Fiction: (Sarah Frink)**
 - CC&R's are outdated
 1. Fact
 2. We are in process of red-lining and removing outdated, unclear, and unenforceable regulations
 3. Consolidate into one cohesive document
 4. These must be voted on by the community
 5. 2012 State updates are filed

- Changing the Declaration/Bylaws
 1. Sec. 209.0041(h): A declaration may be amended only by a vote of 67 percent of the total votes allocated to property owners entitled to vote on the amendment of the declaration, in addition to any governmental approval required by law. (9.02 Declaration)
 2. Sec.211.004 Creation of Modification of Procedure to amend restrictions
 - (a) A property owners' association by a two-thirds vote of the associations governing body may submit a procedure for amending restrictions to a vote of the property owners in the subdivision or in the unit or parcel of the subdivision governed by the residents.
- Our Declaration
 1. 5.02 The association has adopted, or may adopt, whatever Bylaws it may choose to govern the organization and operation of the Association, provided that the same are not in conflict with the terms and provisions thereof. (Overruled by 209.0041(h) & seems to be confused with Chapter 204)
 2. 8.09 Power to Adopt Rules and Regulations. The Association shall have the power to make reasonable rules and regulations regarding the use of the common areas. The rules and regulations may be enforced in the same manner as any other provision of the Restrictions. (Still have to vote in Open Board Meeting)
- Board members want dues to increase
 1. Fiction
 2. Board members do not want a dues increase
 3. Currently on shoestring budget (only bills and safety items being approved)
 4. Will collect historical data
 5. Send to a projection company with other community estimates (Will tell what dues should be based on expenses, how often dues should be raised to account for inflation, and will give options to adjust to minimize dues (if applicable))
- Lawsuits: "The Association is going to get sued"
 1. Fiction...maybe?
 2. Updating the CCRs and following state law reduces risk
 3. Management company reduces risk
 4. Following the Declaration/Bylaws reduces risks
 5. Insurance reduces financial impact
 6. Suing the Association means suing yourself and your neighbors
 7. Board and Committee members have vested, financial interest in keeping property values high; neighborhood appealing
 8. Please continue to work with the Association/Management (Open board meetings, ask questions, and get involved)
- ACC Approvals expire after 6 months
 1. Fiction
 2. "CCR 3.10 Construction Time: Any construction of any Improvement shall be completed, as to the exterior, within six (6) months from the construction commencement date."
- Lusk Branch Ct. is unable to have construction traffic on it
 1. Fiction
 2. Lusk Branch Ct. engineered to Hood County roads standards
 3. Part of the original community design submitted to Hood County by NLP

4. Hood County waited until the majority of heavy development traffic was finished before refinishing Lusk Branch
- Gates can be removed
 1. Facts
 2. If the Association chose, the roads could be made into public roads
 3. The entire front gate entrance (and water feature) would be dismantled
 - How do you remove a Board Member?
 1. Need 67% of community vote
 2. Member commits a felony
 3. Member gets a DUI
- **Financial Update: (LaJuan Allen)**
 - The finance committee has been hard at work monitoring the HOA funds.
 1. Received financials from TXPOA and tried to balance-however unable to do that due to the way they handled financials.
 2. Paid 2019 year-end taxes and caught up on late utilities.
 3. Removed cash out of First United bank and opened account with Alliance bank.
 4. First United still open with limited funds as we prepare to close and move funds to a different account.
 5. Went through boxes provided by TXPOA that included emails, lot financials, and ACC documentation.
 6. Separated all utility accounts and provided information to new management company for all future payments (accounts changed names many times).
 7. Provided 12-month bank statements to new management company for 2020 tax preparation.
 8. Reviewing statement of each homeowners account to help with collections efforts.
 9. Verified that NLP paid half the bills and the HOA paid the other half (for the community), thereby leaving us (RCR) unable to have history of accounts for the previous year.
 10. Working with all committees to make sure finances are clear, invoices are paid on time, and funds are available to community projects.
 11. Current balance in Alliance account \$297,073 and current balance in First United account \$3,400.
 - **Architectural Control Committee: (Kyle Strongin)**
 - Kyle Strongin (liaison)- Organization, emails, & clarifications
 - Current ACC Members
 1. Wide ranging experience- including prior ACC membership and home building
 2. 30 applications since October 1st.
 - Changes in Submission
 1. PMG receives ACC request package and provides completion check, PMG forwards to ACC members for review, ACC members make decision and PMG sends final letter of approval/denial to homeowner
 2. CCRs are guide for decision process
 - ❖ Single family, 1800 square feet minimum, 2 car garage, easements/setbacks, 35-foot roof height, 60% masonry (brick, rock, stone, stucco), roofing materials (slate, stone, concrete tile, clay tile, metal, or composition shingles), propane tanks, drainage plans, "harmonious"

3. If submission is denied, decision goes to board for final vote.
- New ACC submission documents
 - ❖ New home submission and improvements submission
 - New ACC Construction Code of Conduct
 - ACC Regulatory Checks
 - New ACC Submission Review Website
 - Definition of Guidelines, "The Architectural Guidelines generally consist of a written document that set forth the various standards relating to building materials and construction specifications for improvements placed or constructed upon any Lot or Unit, and they are intended to serve as a guideline as to what the Architectural Committee has already determined what is in compliance with the applicable Restrictive Covenants and is harmonious with the community's architecture and appearance. There is no inherent authority of an ACC to promulgate Architectural Guidelines. If the Declaration applicable to a Subdivision or Condominium development does not expressly provide for such authority, then the ACC does not possess the authority Architectural Guidelines. It is also important to note that Architectural Guidelines are generally considered to be a dedicatory instrument under the Texas Uniform Condominium Act and Chapter 202 of the Texas Property Code and in order to be enforceable it must be recorded in the official public records of each County of which the development subject to such Architectural Guideline is located."
- **Maintenance Committee: (Greg Bryan)**
 - See something that needs maintenance or a mailbox installation? Go to the website at rollingcreekranch.org and follow link at bottom of RCR web page for form to notify maintenance committee of the need. Mailboxes are being installed as members move in. Please let us know move in dates. The Post Office specified location.
 - The contract for mowing and landscaping are still under review.
 - Road maintenance is expected to be a major expense. A long term estimate of needs is being developed.
 - Traffic control is a major concern and different ways to control traffic are being considered: bumps, rumble strips, stop signs, etc.
 - Signs for directions to pavilion, safety signs for the pond area, and construction hours are in progress.
 - Seating for the pavilion is needed. An estimate for benches is in progress. A work day will be planned for volunteers to construct them.
 - The trail provided by the developer around the ponds has been mowed. It has some difficult areas and is not for those with mobility issues. The maintenance committee welcomes low cost ideas on how to improve the trail.
 - Street signs moved back from the corners.
 - Stop signs being placed at the streets that tee into other streets.
 - Do Not Enter sign for the main entrance Exit gate.
 - **Insurance: (Ken Sapp)**
 - Insurance updated to provide: 1 million liability insurance with 5 million umbrella. Property insurance increased from aggregate limit of \$25K to specific coverage for entrance structures and recreation area. Workers compensation covers volunteers. The insurance premium is around \$6,000 per year and will go up as we gain more neighborhood houses.
 - **Social Committee: (Sarah Frink)**
 - Community calendar created on the website

- Pavilion Reservations not ready yet until pest control, trash services, and posted rules and signs are completed.
- There is not any money for this committee, so donations and volunteers are needed.
- Events: Easter egg hunt, summer picnic, and community garage sale. Committee will create flyer, post on website, and eblast to homeowners for all future events.
- Newsletter- at this time, it is skimpy, but will continue to improve with better communication process.
- **Moving Forward...Next 3-6 months:**
 - Board election in May
 - Working Groups (Easements and trash)
 - Communication
 4. Website (calendar and directory)
 5. Balance of email blasts
 6. Surveys
 - Financial Stability
 - Common Area Plans- requested homeowner ideas
- **To Do List:**
 - Admin
 1. CCR Updates (Long/Short Term Leasing, remove developer language, remove outdated rules (overruled by State), clarity easement maintenance protocols, and clarify landscaping protocols)
 2. Common Area Rules
 3. Traffic Rules/Fining Policy
 - Communication
 1. Newsletter
 2. Community Directory
 3. Website (ACC approvals in accounts)
 - Finance
 1. Projection for dues
 2. 2019 Taxes
 3. Budget
 4. Historical Data
 - Management
 1. Scan all documents to electronic record
 2. Enforcement
 3. Election
 - Maintenance
 1. Landscaping Contract
 2. Traffic Signs (Moving signs, stop sign installation, and speed limit sign)
 3. Common Area Improvement (Walking trail improvement)
 4. Berm Irrigation
 5. Rock Crack Seal

Approve Minutes from Prior Meeting:

- Jim Butler motioned to approve the November 9, 2019 meeting minutes, Ken Sapp seconded this motion, all in favor, and the motion passes.
- PMG will add the board approved November 9, 2019 meeting minutes to the POA website.

New Business:

- **Construction Guidelines-** Sarah Frink motioned to approve the Construction Code of Conduct guidelines, La Juan Allen seconded this motion, four in favor and one opposed, and the motion passes. PMG will send the guideline document to the county for recording and then this document will be a part of the POA records.*
- **Construction Hours-** Sarah Frink stated that in the Construction Code of Conduct guidelines, the new construction hours will be from 7:00am-5:00pm Monday – Saturday. Work will not be permitted on Sundays or federal holidays.

Resident Q&A:

- One homeowner asked for more clarity on the maintenance of the easements.
 - 15-20 feet belongs to the POA, which sometimes contains the drainage ditch. Homeowners do not own up to their individual roads therefore the POA must maintain this area, which will be an added cost for the POA. This will have to be a future decision for the board to review because it will involve amending the CC&R's for the community.
- One homeowner asked where the TXPOA's audits were for the community.
 - TXPOA never completed a full audit, only balance sheets.
- The homeowner asked who filed past tax returns.
 - TXPOA filed past tax returns off of balance sheets and these tax returns were filed on time.
- The homeowner asked about the mailbox up front.
 - This is not a real POA mailbox, that the USPS carrier just started putting POA bills into the mailbox, that was later discovered by the board.
- The homeowner asked if the POA will begin filing liens on homeowners who have not paid their dues.
 - Eventually the POA will work with PMG and file liens on delinquent accounts, but right now the board must continue going through all of TXPOA's boxes of homeowner documents.
- One homeowner asked if it was possible that the POA work with google maps to obtain better quality plat maps of the community and each homeowner's property.
 - A homeowner could use his drone to possibly acquire better quality plat maps.
- One homeowner asked how the POA could better protect their invests from construction workers and trucks by charging builders a fee for future road damages.
 - The board has discussed charging builders one year of dues as a deposit to protect the POA roads, but with the newly adopted Construction Code of Conduct document, the board and PMG can issue violations and fines for construction issues.
- One homeowner stated that many builders are going to have a difficult time following the 5:00pm finish time on construction hours.
 - Sarah Frink stated that the board has reached out to several different HOA's in the Granbury area, and all follow these allotted construction hours. Builders can always request accommodations with PMG if more time is needed to finish a construction project on specific day(s).
- One homeowner inquired into how many lease lots there were in the community.
 - There are 28.
- The homeowner asked if anyone on the board was made aware of NLP's lease houses.
 - Mr. Sapp stated that he was on the board at the time, but he was not aware of NLP's lease houses. Mr. Sapp stated that it has been implied by several

- homeowners that he has been involved with J. Allen Homes, in which he stated he is not.
- At this point in the meeting an argument between the Homeowner and Mr. Sapp ensued.
 - One homeowner asked how many voting rights J. Allen Homes has.
 - They have 28 votes, one per lot.
 - One homeowner asked if online voting will be allowed this year for the annual meeting.
 - According to Texas Property Code 209, electronic voting will be allowed and electronic board meetings can be conducted too.
 - One homeowner asked Jim Butler how much face time meetings that the board has participated in.
 - Jim Butler stated that the October and November meetings were open board meetings, the board met a few times in November, and there was a December meeting. Mr. Butler stated that the board has met several times for organizational and executive meetings and all of the information discussed is documented and minutes are taken and available. Mr. Butler stated that no decisions were made out of open board meetings. Sarah Frink stated that any minutes can be requested by homeowners and that the board conducts much of their POA business by emails to be more time efficient.
 - One homeowner asked if NLP gave RCR \$230,000.
 - No, the \$230,000 he is referring to was community money funded by homeowner dues.
 - One homeowner thanked all of the board members for all of their hard work since each is a volunteer position for the community. This homeowner stated that the board has done a lot of work and spent countless hours to better the neighborhood.

Meeting adjourned at 8:44pm.

* Per an email received on February 20, 2020, Ken Sapp stated "I wish to have it recorded that the vote for construction hours be invalidated. The motion was made by the chair which is improper and no opportunity for discussion was provided before the vote. Both of these are violations of parliamentary procedure and are therefore invalid. In addition I request my concerns about the failure to establish community policies and guidelines be reflected in the minutes." (copied and pasted as received from Mr. Sapp's email)

A response was sent from Sarah Frink on February 20, 2020 that stated,

"The most commonly used parliamentary procedure is Robert's Rules of Order. While it is RARE that Governing documents of a Homeowners Association will OBLIGATE to conduct its meetings under Robert's Rules of Order, in reality, most homeowners associations tend to follow RRO or a VARIATION of such rules on an INFORMAL basis." (Cagle, 2017)

Since our Governing Documents do not mandate the formal use of Robert's rules, then we are not OBLIGATED to use them. Therefore, the vote stands."