



General Board Meeting Minutes

August 2, 2021 at 6:30pm

Please join the meeting from your computer, tablet or smartphone

<https://global.gotomeeting.com/join/611763221>

Call In: United States: [+1 \(571\) 317-3122](tel:+15713173122)

Access Code: 611-763-221

In attendance:

Sarah Frink- **President**

Jim Butler- **Vice President**

Kyle Strongin- **Vice President**

Gregory Bryan- **Secretary**

Dawn Kelly- **Property Management Group (PMG)**

Attendees: Renee and Bo Walker, Laurie Hamic, Lori Case, Matt Strongin, Ryan and Ashley Lynn, Jill Victoria, Derek and David Thacker, Jill Esposito, John Chenz, Suzanne Gill, Kenneth Sapp, Mike Connor, Ken Watson, Randy and Connie Rankin

Call to Order, Welcome, Establish Quorum (Sarah Frink): Welcome and thank you for logging into our meeting today. The focus of this meeting is mostly give out information so our community can have an informed discussion in regards to financial planning. What we are NOT doing this evening is making financial decisions, passing budgets, allocating funds. This is purely informational.

- I. Approve Minutes from prior Meeting- Greg Bryan motioned to approve the prior meeting minutes, Jim Butler seconded this motion, all in favor, and the motion passes.

- II. Updates/Announcements

- a. New laws – Please see the attached document from the attorney’s office regarding the 2021 Texas Legislative Session. The Board will be releasing the appropriate changes to our CCRs and filing the appropriate paperwork with Hood County so we are in compliance by Sept 1.
- b. RCR Manual- We hope you all have had an opportunity to look at the Draft of the RCR manual. It is currently at legal for review, so we should have a distributable copy soon.
- c. Committees/Charters: We have revised and updated all the committee charters. Those are available for review online and in your packet.
- d. Proposals Coming In. Thank you to everyone who has sent in a proposal form! We are in the process of compiling them, and after any submissions from this meeting, will release all petitions for community feedback.
- e. LaJuan Resignation. We accepted LaJuan Allen’s resignation in July, 2021. We appreciate all the work she and the finance committee put in to get us to this point
- f. Committee Volunteers- We are always looking for volunteers. Please sign up.

III. Action Items

- a. Front Gate Logo – Greg Bryan is in charge of getting that repainted.
- b. Landscaping/Management Company Bids- Sarah Frink is in charge of rebidding the contracts.

IV. Finance

- a. History of RCR Finances

- The community was turned over by the developer to the community in October 2019
 - Developer never did a “reserve study” when setting the dues
 - Typical to set dues low to sell property
- The Board/Finance committee worked with the management company at that time, TX-POA, to organize and create a skeleton budget based on limited financial data.
- In 2019, the Board received financials from TX-POA and tried to balance-however unable to do that due to the way they handled financials
 - Paid 2019 year-end taxes and caught up on late utilities
 - Removed cash out of First United bank and opened account with Alliance Bank
 - First United still open with limited funds as we prepare to close and move funds to a different account
 - Went through boxes provided by TX POA that included emails, lot financials and ACC documentation
 - Separated all utility accounts and provided information to new management company for all future payments (accounts changed names many times)
 - Provided 12- month bank statements to new management company for 2020 tax preparation

- In order to be in compliance with the Bylaws, the Board passed preliminary budgets in 2020 and 2021 until financial data could be compiled.
- In March 2020, TX-POAs contract was terminated by the Board due to failure to provide adequate documentation and financial records.
 - In 2020, RCR consulted with Reserve Advisors to complete a 30-year financial reserve study for the community
 - (<https://www.reserveadvisors.com>)
 - Year 2020 ending reserves are projected by Management as of December 31, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
 - 2022 is the first year of recommended contributions.
 - 0.9% is the estimated annual rate of return on invested reserves
 - Accumulated year 2050 ending reserves consider the need to fund for all of the subsequent mill and overlay of the asphalt pavement shortly after 2050, and the age, size, overall condition and complexity of the property.
 - 2% inflation rate is applied and compounded annually

b. Definitions

- Reserve Expenditures: Identifies reserve components and related quantities, useful lives, remaining useful lives, and future reserve expenditures for the next 30 years
 - (Examples: Roads, Gates, Pavilion roof)
- Reserve Savings: Amount of money set aside annually for Reserve Expenditures
- Developer Savings: Amount of money in current savings left over from the transfer of the Association (~\$250,000)
- Operational Costs: Money needed annually to support the function of the Association
 - Examples: Landscaping, Water bill, Insurance
- Preliminary/Skeleton budget: Budget that only uses the bare minimum funding for operations and repairs

c. What should Dues Be?

- Based on the reserve study and current operating expenses
- Between \$850-\$900 per year

d. Where did this number come from?

i. Reserve Study

- Asphalt Pavement, Crack Repair and Patch
- Asphalt Pavement, Overlay, Phased
- Asphalt Pavement, Seal Coat
- Gate Entry System
- Gate Operators
- Gates

- Pavilion, Rest Rooms, Renovation
- Pavilion Roof, Metal
- Ponds, Erosion Control, Partial
- Ponds, Sediment Removal, Partial
- Security System
- Signage, Renovation (Incl. Waterfall Feature)
- Sport Court, Fence
- Sport Court, Plastic Tile

ii. Operational

- Audit & Accounting
- Bad Debt
- Bank Charges
- Collection Costs
- Legal Fees
- Management Fees
- Meetings
- Postal & Mail
- Printing & Reproduction
- Pest Control
- Gate Repair
- Gate Service
- Keys & Locks
- Maintenance - Mailboxes
- Maintenance Tools
- Signs
- Professional Fees
- Social Events
- Website
- Irrigation Maintenance
- Landscaping Contract
- Landscaping Improvements
- Landscaping Repairs
- Landscape Lighting
- Electric
- Trash Disposal
- Water
- Directors and Officers Ins.
- Master Policy
- Workers Comp
- Umbrella Policy

e. Options for Increase

- One-time Increase (requires 67% of vote of members)

- Pros: More money for common area, over and done
- Cons: Significant immediate increase, hard to get voting participation
- Increase over five years (Board gradual increase over 5 years)
 - Pros: Staggered increase, no voting participation needed
 - Cons: Less money for common areas
- Special Assessments
 - \$1.5 Million road assessment in 2030 (\$4,000)
 - Pros: Great for those who won't be here, no immediate increases, money for common area
 - Cons: Not fiscally responsible
- Apply all Developer Savings Money
 - Pros: No immediate increases in dues
 - Cons: No money for common areas

f. Options to Increase Revenue

- ROW to homeowners (67%)
- Buy-in Fee (67%)
- Renter Fee (67%)
- Rent Ball fields (Board)
- Increase ACC Fees (67%)
- Remove the Gates and transfer roads to county (67%)

g. Options that will increase dues

- Additional amenities
 - Playground, sports fields, walking paths, pool, closing in pavilion
 - Insurance, engineering study, upkeep, maintenance, water/electric increase
- Gates Closed
 - Will increase motor use and need more frequent replacement
- Addition of Sidewalks, Street Lights, Speed Bumps, Moving Bus stops outside gates
- RV Parking pad

h. Moving Forward

V. Commenting Period (Online form)

- Survey for Common Area ideas
- Propositions/Proposals presented
- End of Aug/Beginning September - Open Forum
- October 5, 2021 Annual Meeting

VI. Board Open Discussion – Each member of the Board has 3 minutes to speak, if desired

- Greg Bryan- Mr. Bryan stated that it is important to treat the common areas like they are your own and please pick up trash when seen.
- Jim Butler- Mr. Butler stated that the HOA needs \$1,000.00 per year per homeowner for dues based on his projection of expenses, if the board approves. Mr. Butler continued that larger dues are needed because there are less homeowners in the community.
- Kyle Strongin- Mrs. Strongin thanked the finance committee for their work. Mrs. Strongin is for increasing the revenue, a community service day, and welcomes local company support.
- Renee Walker- Ms. Walker stated it is important to communicate and be aware.
- Sarah Frink- Mrs. Frink thanked the finance committee and LaJuan Allen for all their work.

VII. Voting

- a. Approve Executive Meeting Minutes (2/25, 4/23, 5/21, 6/21, 7/07, 7/12)
 “Sarah Frink makes a motion to approve the Executive Minutes as presented, Jim Butler seconds this motion, all in favor, and the motion passes.”
- b. Approve Board Member- Treasurer
 “Jim Butler makes a motion to approve Renee Walker as Treasurer, Kyle Strongin seconds this motion, all in favor, and the motion passes.”
- c. Committee Charters
 “Greg Bryan makes a motion to approve the committee charters as presented, Kyle Strongin seconds this motion, all in favor, and the motion passes.”
- d. Committee Applicants
 “Sarah Frink makes a motion to approve the following members to committees...Gary Martin to Landscape, Butch Condit to ACC, and Andrew DeLuna to ACC. Kyle Strongin seconded this motion, all in favor, and the motion passes.”

VII. Adjourn- Sarah Frink motioned to adjourn, Renee Walker seconded this motion, all in favor, and the motion passes at 6:56pm