

June Board Meeting Minutes
Fountain Creek Estates Home Owners Association
Date: June 18, 2014

Call to Order: A Board Meeting of the Fountain Creek Estates Homeowners Association was held at the home of Mr. and Mrs. John Bray on June 18, 2014. The meeting was called to order at 7:01 pm by President Chris Reynolds.

Members Present:

Chris Reynolds
Karen Bray
Courtney Caswell
Casie Lovelace

Additional Members:

Rusty Parks
Jack Crooker
John Bray

Members Absent:

Landon Goins

Officer Reports:

President Chris Reynolds –

Mr. Reynolds opened the meeting by welcoming everyone and thanking the board for attending. He was excited to have the first board meeting with the new board to allow the group to move forward in making progress with our neighborhood. He then extended a huge thank you to John Bray for keeping the HOA in order financially which is allowing the new board to step in with a good understanding of the current financial situation. Then, another Thank you was extended to the past board for all of their effort in getting the HOA in order.

Financial Report – John Bray

John shared a Thank You letter received by Linda McAnaney for the welcome gift that she received when she moved into her new home. The gift was sent by VP Courtney Caswell. Mr. Bray went through the financial statement. Here is a summary of points discussed:

- Aged Receivables: thinks \$2100 of which will probably not be received
- Outstanding Income: \$10,700
- Amount expected to be written off: \$1000
- Expenses for remainder of year: approximately \$17,500
 - Major expenses are: electricity, water, lawn care
 - Chris Reynolds reported that on a walk through with Jose, they found a leak that should be resolved very soon.
 - It was noted that the CPA for the HOA is paid in full at this time
- Leaving reserve to be approximately \$15,000

Mr. Bray reported that the current balance of the bank loan against the HOA is \$20,272. This loan is costing us 6.5% in interest while our reserve account is earning just about nothing.

Rusty asked for the history of the loan. John explained the history of the \$50,000 loan.

There was additional discussion regarding specific neighbors who were past due and who on the board were to approach these individuals.

Courtney asked the status of the Brown's Bankruptcy (1030 Addison Dr.). It was reported by Chris Reynolds that the HOA's loan had to be released and that the bank had hired a property management company to take over the maintenance of the property. They

have committed to have the lawn mowed and property check every two weeks. In addition, they are considering some sort of pool cover for the pool until the house sells. Karen Bray reported that the bank (Bank Of America) was under the impression that the Brown's were still living at the house, so hopefully they will move forward quickly on the sale of the house now that they know it is vacant.

New Business –

Chris recommended that we find some neighbors willing to join a committee that would put together a set of recommended procedures as to how past due accounts are handled. In the past the Bray's mentioned that there had been a \$50 late fee, but the accounting became too much of a hassle to keep up. As of now, there wasn't a normal procedure.

Karen Bray also made the suggestion to increase the principle payment for the bank loan to allow for a faster payoff. Currently \$300 per month is being moved over to the reserve account. It was suggested that the \$300 is moved towards the loan instead. Mr. Reynolds liked the idea and supported it with these points:

- we currently have money in the bank
- we could save on interest
- allow HOA to move towards lowering dues or adding improvements to neighborhood faster

Karen asked John how long the current pay off was. His response; 3 years. Paying extra would have it paid off in a year and half. Courtney asked if there was a penalty for paying early. John didn't think so, but would confirm.

Karen made a motion to put an additional \$1800 towards the bank loan every six months starting July 1, 2014.

Courtney Caswell seconded the motion.

The motion passed with a unanimous vote.

D&O policy is up for renewal. (Protects the board from being sued for decisions made)

John Bray had taken the renewal information to Casie Lovelace for a comparison quote. She couldn't provide a better rate.

Chris Reynolds made the motion to renew the policy.

Karen Bray seconded the motion.

The motion to renew the existing D&O policy was passed by unanimous vote.

Chris suggested that a committee be created who will be responsible for reviewing the new laws regarding HOA's in Texas and put together recommended procedures as to how the Fountain Creek HOA should handle certain situations like past due accounts, record keeping, meeting and election requirements, staggering term limitations, and adjustments to by laws, etc. John Bray recommended that there be 3 (three) committee members. Recommended neighbors were: Regina Doden, Judy Poe, and Chris Reynolds. Each neighbor will be approached by a member of the board to determine if they will participate.

The goal will be for the committee to present their recommended procedures to the Board by the next board meeting expected to be October 2014.

Casie offered to provide a copy of Robert's rules of Order for dummies to the board.

Open Discussion -

John Bray asked for the Board to consider supporting the Rotary/BoyScout Flag Program. It supports the BoyScouts as well as scholarships that fund local students. The cost is \$40/flag, and the flags are displayed for 5 holidays throughout the year. He is requesting that the HOA purchase 4 flags to be displayed at the entrance of the neighborhood (\$160 total).

Karen Bray stated that she thought it was a great program and that it would make a positive statement for the neighborhood. She also mentioned that it had been discussed in a previous year, but it wasn't approved by the board. The discussion in the previous year was for the HOA to pay for all homeowners to have the flag program, not just for the HOA to pay for the participation in the entry way.

Chris had a concern that the HOA pay for something that not even half of the homeowners are currently participating in. He stated that it may not be what the majority of the homeowners wanted, and wasn't comfortable utilizing HOA monies to pay for something that the neighborhood didn't seem to support as a majority.

Karen Bray made a motion for the HOA to contribute \$160 towards the neighborhood participating in the Flag Program. Courtney Caswell seconded the motion. By a vote of 3:1, the motion passed.

Mr. Jack Crooker recommended that the HOA board prepare a 3 year cash flow plan. He thinks it useful that the board consider what is coming in, where money is being spent, when/if the board thinks the dues may be able to be lowered, or when the HOA could afford to add any amenities. He proposes that the board try to put together a long term plan to work towards.

Chris and the rest of the board agree with the idea, and he stated that he would like to work towards something of that nature. He said his goal is to pay off the loan, lower dues (no specific amount discussed), consider improvements for the neighborhood. A jogging trail has been mentioned by several neighbors.

Jogging Trail discussion – suggestions made was for it to be granite, approximately 4' wide. The perimeter of the pond is approximately 1500, plus entrances coming from Addison and Abby. Total linear feet would approx. 6000. Courtney will discuss this with her husband to get suggestions, and Chris to ask Jose for preliminary ideas as well.

*****AT THIS POINT NOTHING IS BEING BUILT OR SPENT. WE ARE ONLY DISCUSSING SOME IDEAS THAT MAY BE AN OPTION IN THE FUTURE AS WE MOVE CLOSER TO PAYING OFF THE LOAN!!!******

Cosmetic Issues:

The old Cole house needs to be addressed: paint, and window unit.

Mr. Crooker stated that the current situation of the home is not what was ARC approved and that he sincerely felt that the contractor may have abandoned the job.

Lot between Frith and Reynolds needs to be mowed.

Phase Two "Island": there is discussion and disagreement as to who is responsible for landscaping the flowerbed (HOA or developer). The main construction was completed prior to the Goins buying out the development, so they've not been enthusiastic in paying to have it landscaped. Mr. Crooker suggested that there could be a 50/50 split of the job, and then the HOA will pay to maintain it. This was tabled for a future discussion.

Veteran's Land Board will be contacted by John Bray concerning the huge dirt piles that are on the lot in Phase Two they own. They need to be knocked down and spread out. He will discuss this while discussing the past due amount for the lot.

Fun! Fun! Fun:

Courtney enthusiastically suggested that we do something fun in the neighborhood!

Casie suggested that we stay away from holidays as it's hard to get everyone together with so much going on (4th July included).

Chris suggested that we set a date...after a minute of discussion, Aug 2nd was selected. Casie suggested that we incorporate a charity of some sort to allow for sponsorship, and good PR for the neighborhood. Casie suggested Vision of Sugar Plums, and Karen suggested a school supply drive since school would be starting shortly after the party. Rusty agreed to start looking for sponsors, a band, and food ideas. Casie will contact Brookshire's to see if we can team up with them for a school supply drive. The Social Committee to meet to finalize the logistics.

Rusty shared that a large mirror in his home fell to the ground for no reason the other day. Wanted to warn homeowners that anyone without the mirror clips or frame around large mirrors may want to have them checked. The glue is apparently not sticking. Casie found the phone number for a glass guy: you can call Randy at Moran Glass: 903-815-6388.

Lucy Hanson has resigned from the board as the at-large member. Board decided no replacement was needed as the 4 member board plus Landon Goins kept it at an odd number.

John Bray made the suggestion that Casie Lovelace replaces Madison Castle on the checking account.

Chris made the motion for Casie Lovelace to be added to the checking account.

Karen Bray seconded the motion.

The motion passed unanimously.

Website:

John Bray informed the group of proper expectations for Brittan Crooker who manages our neighborhood website. It is appropriate to request small, simple adjustments on a monthly basis. He will only complete larger requests on a quarterly basis. Chris asked if the homeowners list could be alphabetized.

Chris Reynolds asked to set the date for the next Board meeting. October 2 was agreed upon.

Unfinished Business (items needing follow-up for next meeting)

- Committee to report on recommended standard operating procedures for HOA Board
- Landscaping of the "island" flowerbed located in phase two

Adjournment: The meeting was adjourned at 9:01pm.