

CASTLE HILL ESTATES HOMEOWNER'S ASSOCIATION, INC.

ANNUAL MEETING HELD AT CENTERPOINT CHURCH BURLESON

28 August 2012

Board in attendance: Charlie Osborne, President
Sharon Ives, Treasurer
Leechelle Ryan, Secretary

Officers absent: Mike Dorety, Vice President

Homeowner's in Attendance:

Shawna Smith – 300 Flagstone Drive
Mark Hotchkiss – 816 Flagstone
Brian Page – 205 Castle Hill Dr.
Sharon Ives – 851 Bridle Path
Spencer Vick – 216 Flagstone Drive
Bryan and Jenny Becan – 213 Flagstone Drive
Nancy Osborne – 867 Bridle Path
Les Sulser – 808 Flagstone Drive
Bettye Wilson – 824 Flagstone Drive
June Hogue (Connolly) – 815 Flagstone Drive
Lonna Hoffman – 308 Flagstone
Tom and Danielle Helfrich – 871 Bridle Path
Fred Terasa – 305 Flagstone Drive
Greg Ryan – 228 Flagstone Drive
Bill and Carolyn Sanders – 804 Flagstone Drive
Paul Holton – 224 Flagstone Drive
Karol Del Real – 225 Flagstone Drive
John Metz – 863 Bridle Path
Daniel Kuntchef – 209 Castle Hill Drive
John and Lena Merk – 301 Flagstone Drive
Jerry and Jimmie Ryan – 212 Flagstone Drive
Joe Cortez – 213 Castle Hill Dr.
Adam & Martha Russell (216 Castle Hill)
Jack & Cathy Veach (316 Castle Hill)

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Proxies:

Deborah Fawver – 221 Flagstone Drive
Mrs. J.D. Quesenbury – 860 Bridle Path
Phyllis Nicolls – 200 Castle Hill Drive
Bettye Wilson (vote for Spencer Vick only)
Michael Ray Dorety – 200 Flagstone Drive
Charlotte Gonzales – 901 Bridle Path
David Pronger – 804 Castle Hill Court
Bill Simpson – 304 Flagstone Drive
Allen G. Wyche – 804 Spyglass Court
Dan E. Cramsey – 209 Flagstone Drive

Meeting Called to Order:

Charlie Osborne called the meeting at 6:15 PM. 33 members and proxies in attendance. 41.8 percent of homeowners represented.

Quorum established.

Officers and Committee members introduced:

Audit: Paul Holton and Brian Page – both present
ACC: Scott Atwood, John Merk, Kyle Smith, and Mike Dorety – John Merk present
Communications: no one currently serving
Landscape: Jerry Ryan, Joe Cortez – Jerry Ryan present
Social: Sharon Ives, Janessa Cazier, Leechelle Ryan, Nancy Osborne – Sharon Ives, Leechelle Ryan and Nancy Osborne present
Flag: Dan Munroe, Charles Osborne – Charles Osborne present

New Homeowners introduced:

William and LeAmy Seabert – 205 Flagstone – not present
Elbert and Brenda Mitchell – 315 Flagstone – not present
Mark and Ellen Hotchkiss – 816 Flagstone – present
Christy Sanders – 808 Spyglass - not present
Casey Poindexter – 855 Bridle Path – not present

Approval of 2011 Annual Meeting Minutes:

Fred Teresa (305 Flagstone) moved to approve minutes from 2011 meeting. Paul Holton (224 Flagstone) seconded. Movement passes with majority Aye's.

Approval of May 2012 Special Meeting Minutes:

Bryan Becan (213 Flagstone) moved to approve the minutes. Someone from the floor seconded. Movement passes with majority Aye's.

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Approval of Financial Report:

Sharon Ives, treasurer presents her report:

Treasurer announces that for the first time since it's inception, all members are up to date on dues. Administrative line includes annual box rental, bank fees, and cost of printing. The figure was high because we did not have electronic options in our original by-laws. All announcements for the special meeting had to be printed and physically mailed. There was no cost saving electronic option for calling an HOA meeting.

Charitable line includes only what we give to the church for use of sanctuary room for neighborhood meeting.

Legal services are not complete, only a portion of charges has been paid. Attorney will charge more.

Social activities expenses included only bottled water for the special meeting in May.

There will be more money coming out and going in before the end of the year. Fiscal year is Jan 1 thru Dec 31.

Landscaping is still charging a gas surcharge. \$1069.21 is the average for landscaping.

Utilities includes water and lighting charges

A lot of the net profit at the end of each year is dues for the next year. This does not accurately reflect profit/loss.

Gas royalties, which are not dependable for amount from year to year, are all that is currently keeping the HOA finances in the black.

Much discussion took place for understanding of why raising the dues is necessary.

It was requested that future budget be presented with a line for forecasted expense/income added to the fiscal formats. This is described by Brian Page as a view of looking forward instead of backward.

Page further points out that the purpose of reserve funds is to handle upkeep of our neighborhood and to keep it in compliance with laws. The fees are to keep the HOA running.

Jimmie Ryan (212 Flagstone) inquired of the board, why don't we cut expenses to increase income.

Charlie Osborne made a motion that the treasurer shift bookkeeping by adding a line for forecasted expense/income to make our financial picture more clear to members.

Brian Page makes a motion to approve, Bryan Becan seconded.

Accomplishments of August 2011 to Present:

- HOA documents have been revised, adopted, and now align with new state regulations
- Trees and stumps have been removed.
- Audit Committee: Brian Page and Paul Holton report to have found no inaccuracies in the financials.
- Social Committee: Sharon Ives reports that continued planning for the National Night Out on October 2nd is in progress.
- Flag Committee: Flags have been replaced. Flag committee will use USFLAG.org to comply with half-mast when required by Executive order.
- Long Range Planning Meeting: Fred Terasa, Paul Holton, and Jenny Becan present their accomplishments and future plans/vision.
 1. Fred Terasa began with Committee's Charge is to bring the HOA members together with a common value and "dream" (vision)

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- a. Property Values: Members to respect property values by maintaining their own properties
- b. Community Involvement: Encourage volunteerism
- c. Communication: Execute regular and timely communication with members
- d. Respect: Engender respect by pursuing the "golden rule"
- e. Sense of Community: Improve sense of community through welcoming and social activities, good government, and expressions of appreciation.
- f. Cooperation: Being proactive, responsive and respectful following the board's lead
- g. CHE Bylaws and Covenants: Making sure that the individual member has full understanding of bylaws and covenants.

Fred Teresa concluded his portion of the presentation with a recommended plan of action which includes a phone tree, a quarterly newsletter, and monthly newsletter. Also an encouragement for volunteerism.

- 2. Paul Holton continued with a presentation of the results of the committee's investigation of possible improvements and how to pay for them.
 - a. The committee investigated the potential of a sprinkler system for the hill down the park to address erosion. An addition to the sprinkler system would cost the HOA \$26,000. After discussing all options, the committee recommends to leave the park as is for now.
 - b. Paul Holton noted that repair is required for neighborhood lights, signs, fences, and entrance. Areas along Alsbury are experiencing erosion; repair is responsibility of the HOA. It is the individual homeowner's responsibility to maintain mailboxes. Eroding sidewalks are a city problem. Fred has sent a note to the city about getting sidewalk repaired.
 - c. Paul Holton noted that the HOA is barely keeping up with expenses and have avoided general maintenance because we have over and again been in the hole. Present annual revenue is \$20,064.00 and current expenses are \$25,433.00. In the end, there was a profit of \$1,323.00 due to transfer fees, recovered monies, and gas payments. Annually dipping into reserves without replenishing them will quickly use up the reserves.
 - d. To save some money, we have to get together. The recommended plan of action is to maintain current conditions, always get three bids for contracted services, create a neighborhood volunteer program for minor maintenance and repair, reserves should be used for either specific maintenance or to keep dues from increasing.
- 3. Jenny Becan concluded by addressing the issue of homeowner involvement in HOA activities, how get people interested as volunteers

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- a. Jenny Becan recommends for homeowners to make a concerted effort to greet neighbors around us.
- b. Jenny Becan recommends that the Social Committee becomes a search group to find people to do things, not do them themselves.
- c. Jenny Becan recommends the development of a Neighborhood watch committee – one person to take lead, two meetings with a city rep at one, and 5 meetings in total across the year. These meetings can include social events. We need to know what security looks like.
- d. It is recommended that members of the HOA additionally regularly represent the HOA by attending City Council meetings, in community outreaches, and city wide outreach.

The Floor was opened for questions and discussion. Brian Page praised the committee for their work and presentation. He commented that we will lose traction if we don't keep it going from here. He encourages all to make this a living/breathing vision. "We have many actions for property improvement, etc. It will be those who are present who will do that."

Mrs. Merk pointed out that we still have issues with persons not picking up after their dogs. It was pointed out by Leechelle Ryan that there are city laws that cover this issue and to contact the city to prosecute guilty persons.

NEW BUSINESS

Charlie opened the floor for discussion of issues surrounding HOA dues. Much discussion took place.

Options were presented regarding dues and financial challenges. No final action recommended.

1. Change counting of fiscal year and change how we pay taxes.
2. Change how we report the fiscals.
3. Establishing a minimum balance threshold in reserves was also discussed.

Fred Teresa moves that we ask the new board to determine the appropriate reserve fund amount, new projected budget, fiscal year and due dates, and what new dues should be by November for our votes. Held to new business.

Motions were made to table the discussion until financials could be presented in a revised format.

Tom Helfrich (871 Bridle Path) motioned to reprieve the previous vote and Brian Page seconded to discuss more. 1 opposed.

Helfrich points out that in 6 years we've never raised the dues. All improvements have been based on urgent needs. He expressed his preference to vote now.

John Merk points out that our neighborhood is in need maintenance and we need to cover it.

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Jimmie Ryan believes that if we raise the dues without cutting expenses, we will find something other than neighborhood maintenance to spend it on.

Charlie Osborne points out that the 10 percent increase which is allowed by our by-laws and covenants brings in a little more than \$2,000 more. This is not enough to cover our deficit.

The park was mentioned. Paul Holton points out that we use it for more than appearances. Nancy Osborne points out that a green space is required to have an HOA. Paul Holton points out that we are headed to disbanding our HOA. Sharon Ives points out that other HOAs have upwards of \$1,500/year dues.

Paul Holton motions to a hand vote to see which way we are going. Brian Page motions to vote on raising the dues 10 percent.

Jerry Ryan reports that the sign poles most likely need to be replaced. Holton reports that light poles are a minimum of 40 dollars a pole.

Brian Page wants to raise the dues which will not cover our deficit, and in the meantime the board will put together the paperwork to support or back out of future dues increases.

Brian Page moved to stop discussion and vote. Nancy Osborne seconded.

Charlie Osborne reviewed the rules for hand voting. Proxies were included in the vote. A vote of 14 was counted in favor. 18 opposed. So, raising the dues is put off to the new board.

Mark Hotchkiss moves to create a budget committee, Brian Page seconded. Motion passed. Mark Hotchkiss, Brian Page, Jimmie Ryan, Joe Cortez, and Paul Holton volunteer to serve. Brian Page recommends that the treasurer be the chair

Charlie Osborne proposed that guidelines be put out for Halloween. No motions were made.

Charlie Osborne reminded people that e-mail's must be kept up to date under new regulations.

OFFICER NOMINATIONS AND ELECTIONS:

Charlie Osborne opened the floor for the nomination committee

Current Board Positions:

Charles Osborne – 2 year term, ends August 2012

Mike Dorety – 2 year term, ends August 2013

Sharon Ives – 2 year term, ends August 2013

Leechelle Ryan – 1 year term, ends August 2012

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Positions open for election:

Charlie Osborne – 2 year term

Mike Dorety – remainder of 2 year term (1 year)

Leechelle Ryan – 1 year term

Brian Page presented 3 nominations:

Tom Helfrich for one 2 year term

Bryan Becan for one 2 year term

Spencer Vick for one 1 year term.

Fred Teresa moved to close the nominations. Bryan Becan seconded. Motion passed.

At 8:06 PM, voting commenced.

The annual attendance drawing was held while votes were cast.

1. #400 drawn, John Metz
2. #413, Lena Merk
3. #402, no one responded
4. #395, Fred Teresa
5. #403, Joe Cortez
6. #392, Bryan Becan

Charlie Osborne adjourned the meeting at 8:13 PM.

Votes were cast as follows:

Spencer Vick - 24

Brian Page – 1

Bryan Becan – 22

Adam Russell – 1

Tom Helfrich – 22

The new board members are

1. Spencer Vick – 1 year term – to be completed August 2013
2. Bryan Becan – 2 year term – to be completed August 2014
3. Tom Helfrich – 2 year term – to be completed August 2014

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