

Homestead Homeowners' Association Board of Directors October 8, 2012 Board Meeting Minutes

- I. The board meeting was held October 8, 2012, at The Homestead clubhouse. The following board members and others were in attendance:

Board: Ty Albright, Rusty Nejd, David Gatz, Edwin Skelton, Noreen Khan
Premier: Caroline Guerra, Karen Rayl Bassham
City of Carrollton: Eric Dick
Southern Botanical: Tommy Silvers, Marlin Dunklin
Harris F. Underwood III, Inc.: Chris Hill (insurance)
- II. The agenda was presented, quorum was established and the meeting was called to order by President Ty Albright at 7 p.m. Karen Rayl Bassham (KRB), HOA Administrator, was appointed scribe for this meeting.
- III. Ty moved, Ed seconded and board voted unanimously to have minutes for the July 9 board meeting and August 1 supplemental board meeting approved.
- IV. Eric Dick, Neighborhood Advisory Commission: Working with the City of Carrollton
 - A. Water inspections checking restricted watering are over for the year.
 - B. He has provided KRB with city contacts to ask about future water variance for further watering restrictions.
 - C. Ty expressed the opinion that The Homestead seemed to be specially targeted for city actions, such as calling for trees to be cut down and back flow requirements. Eric said that 80% of violations that are acted upon are based on citizens calling in asking for code enforcement. Ty said the HOA wants to be cooperative with the city but it seems the city has an antagonistic relationship currently. Eric provided names of Code Enforcement top management: Scott Hudson, director of Environmental Services, and Brian Passwater, Code Enforcement.
 - D. Ty mentioned that the board was considering authorizing a volunteer group in The Homestead to do a study on surrounding area HOAs and was hopeful that Eric could assist with contacts for the other HOAs. Eric indicated he had contacts he can provide.
 - E. Eric told the board about street sign toppers with the HOA name on them. The HOA can buy with a 50% match with the city and the city will install. The HOA can design the sign. No decision was made.
 - F. KRB said she had been told by a city representative that all the sidewalks in the neighborhood could be refurbished at once if the HOA paid half and the city paid half. The board indicated that sidewalk maintenance is not a HOA responsibility but is the responsibility of the individual homeowner.
- V. There was a discussion about recent interest expressed by certain homeowners in conducting a study comparing the Homestead HOA dues to other similar HOAs in the area. The purpose of the study would be to determine, on an apple to apple comparison basis (as best as possible) the difference in operating expenses other HOAs have compared with us. Ty moved to authorize the formation of a volunteer group to prepare this dues comparison study, Rusty seconded and board voted approval unanimously. KRB will call for volunteers through an email blast.
- VI. Southern Botanical: Provided a presentation of 5-year plan for landscaping and irrigation upgrades, including prices per section. The board can decide on priorities for each section.
 - A. The board decided that additional information was needed, and agreed to obtain competitive bids for the recommended work since this is such a big expense (possibly \$50,000 per year). The cost estimates provided by Southern Botanical were used for planning purposes for the 2013 operating budget, and the capital reserve budget, but more information is needed before committing to significant irrigation system capital improvements. The management team was authorized to obtain alternative bids for consideration.
 - B. David Gatz volunteered to go over SB's 5-year plan to decipher actual money involved.
 - C. The Board decided if drip irrigation is approved in the landscape plan, the HOA needs a signed authorization from the city before installing.

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- VII. At the Budget Workshop in September, because the existing insurance policy was coming up for renewal, it was voted to switch to a less expensive policy that Premier Management was able to secure for us. But the Board had also requested that an Insurance Representative come to explain question that existed about proper coverage. Chris Hill, Harris F. Underwood: HOA Insurance answered questions. This insurance agent representative (for the insurance coverage the HOA ultimately obtained) was available to answer questions.
- A. Explained that there is no monetary connection between Harris F. Underwood and Premier Communities.
 - B. Explained importance of vendors having insurance coverage and workman's comp. Premier Management explained that it was a provision of the management agreement that if the Board wanted to hire a vendor who did not have the level of insurance they recommend, that the HOA Board must sign a "release" that releases Premier from potential responsibility. There was a general discussion about concerns that some vendors the HOA Board may want to hire may not have the higher levels of insurance that Premier Management recommends, and that we may be paying higher costs than necessary if we restrict our vendor selections to only those companies that meet Premier's insurance level standards. It was explained to the Board that the insurance policy the Board carries provides coverage for under insured vendors.
 - C. To ensure clarity, Ty asked the Insurance representative to affirm that if the Board authorized a vendor with inadequate insurance, or even if a board member engaged a under insured vendor without authorization, or anyone somehow, with or without authorization engaged, hired or otherwise had anyone, even volunteers do anything on HOA property and something happened, that the HOA's insurance policy would cover any loss. It was clearly communicated that regardless of who or how any such loss occurred that yes the HOA was protected and the requirement to sign a waiver of insurance was solely the requirement of Premier Management, and not a requirement of the insurance company. It was also noted that this waiver requirement was typical with the property management business, and it was confirmed that past management companies the HOA had used required similar waivers.
 - D. The Board then asked all non board members to leave the room so a private discussion about insurance could take place. The meeting was shortly thereafter resumed. The Board wanted to document and reaffirm its vote on insurance coverage. Ty moved and David seconded with a unanimous vote to approve to adopt Premier's recommended insurance policy.
- VIII. Financial:
- A. 2013 Budget: Board reviewed the budget resolution proposed by Premier that will have no dues increase in 2013 and will fully fund the capital reserve fund. Ty moved, Ed seconded and board voted unanimously to approve the resolution.
 - B. Board reviewed vendor contracts. The StarTex electricity contract expires at the end of the year and Premier will check out alternative agreements not to exceed 18 months to present to the board. The Board would also like to get competitive bids for Roberts Pool Service, which has been under contract since 2007.
- IX. The board reviewed Architectural Standards Bulletin 4.5-5 Street Trees, which had previously been approved by the Board and which officially puts the HOA's street tree policy in the records. Ty signed the concurring signature from the board and KRB will get the signatures from the ACC.
- X. The next board meeting was tentatively scheduled for Monday, January 21.

The regular board meeting was adjourned at 9:40 p.m., so the Board could meet in Executive Session.