**The Homestead at Carrollton Homeowners Association, Inc.**

**August 21, 2018**

**3917 Windmill Trail, Carrollton, TX 75007**

**7:00pm**

**Board Meeting Minutes**

**Board Members Present:** Sarah Nejdl, Roy Atwood, Ginny Sahyouni, Jill Sparks, Jose Mora

**Others in Attendance**: Shanice Howard and Shana Brown of FirstService Residential, Inc., and Ty Albright who was acting in the absence of Patty Cash as the HOA Administrator (Ty prepared these minutes).

**Actions by the Board of Directors. The following actions were approved by the Board of Directors:**

Roy moved and Sarah 2nd that the meeting come to order at 7:02. It was acknowledged that quorum had been achieved; approved unanimously.

Roy moved and Sarah 2nd to approve the minutes from the 7/16/18 board meeting, and the 8/8/18 minutes from the Special Session with First Service Residential; approved unanimously.

Roy moved and Sarah 2nd that the meeting adjourn at 8:21; approved unanimously.

**Details of discussion / New Business**

Homeowner Forum:

Sarah proposed it be explored to see if a side walk could be installed along Cemetery Hill between the two one way streets of Morning Glory. Currently anyone walking along the sidewalk on Cemetery Hill must walk in the street at this location due to there being no side walk. It was agreed that Patty Cash (HOA Admin) should inquire with the City of Carrollton to determine if the city would install the sidewalk, and if not, would the city have any objections to having a gravel path installed.

Committee Reports:

ACC – Ty reported that since June 150 requests to replace roofs have been made.

Landscaping – Roy reported that things were overall going well. Shanice stated that she and Shana are going to meet with the landscape contractor to tour the property in the near future. Roy asked that he be included in that tour.

Volunteers / Committees – Jill indicated it was a on going effort to recruit volunteers. There was a discussion about direct mailings to the community. The terms of the property management agreement provides for 4 mailings each year. One mailing is required for the annual meeting. It was agreed that a news letter should be prepared that would advise homeowners of fall events and activities, and make an appeal for volunteers; and that this would be mailed to all home owners as one of the 4 prepaid mailings.

Communications – Sarah and everyone discuss the preparation of the news letter to be sent out.

Violations – Ginny had Shanice provide an update on progress made by the property management company to get things back on track and catch up on violation notices. It was also discussed how to date no 2018 home inspections have been done. First Service Residential will commence conducting home inspections with the goal of completing all inspections before the end of the year. In accordance with how the inspection process was designed, they will review the prior year inspections (to the extent they exist) and determine if any issues that were previously identified as requiring attention as of the last inspection still require attention, then, if so; in addition to any issue being noted as part of the 2018 inspection they will also issue a separate violation notice.

HOA Admin – Ty shared a report previously prepared by Patty Cash.

Management Report

Shanice Howard (Senior Director) introduced Shana Brown who will become the new Property Manager in the near future.

Roy asked some clarifying questions about the financials. There was a discussion about preparation of the 2019 budget and the fact that in 2018 the Association was operating at a deficit and relying upon prior year’s excess operating proceeds to cover all operating expenses. It was discussed how historically the Association has preferred to have HOA dues increase only every 3+ - 5 years, and not to issue annual increases as operating expenses increase due to inflation. It was announced at the 2018 annual meeting that a dues increase would likely occur for 2019. Roy explained the importance of looking closely at our capital reserve replacement study to ensure that any increase in dues is adequate to also fund capital reserve needs. Shanice stated that FSR would prepare a draft budget prior to the next meeting so that the Board could begin discussions on next year’s budget and the amount of any dues increase.

The status of the HVAC in the club house was discussed. Recently the system was replaced and it has not worked properly despite multiple repairs. It was agreed that a 3rd party HVAC engineer (A #1 Air was recommended as a possibility) should be engaged to inspect the system to find out why it is not working correctly, and that the results of this inspection be presented to the HVAC company that installed the new system with a request that needed adjustments be made at no additional cost.

The status of the insurance claim for the club house roof, park gazebo and other (as a result of the June hail storm) was discussed. To date the insurance company has paid $13,107.82 which is being help by the property management company in the Association accounts. As much as an additional $3,592 can be received from the insurance company if approx. $20,000 in repairs are made. It was decided to invite a number of contractors who have experience with providing roof replacement services in our neighborhood to submit bids.

Shanice emphasized the importance that any roof vender has the minimum insurance coverages required by First Service or the Association would not be allowed to hire them. Ty Albright interjected and provided a history lesson for the benefit of the current Board of Directors. Everyone agreed that for something significant such as a roof repair, that having the higher levels of insurance as recommended by First Service was desirable. However, Ty reminded everyone that First Service does not dictate who the Association can and can not engage. Per the terms of the property management agreement, if the Association chooses to engage a vendor who does not have the level of insurance requested by First Service, then the Association may be required to execute a waiver of liability for the benefit of First Service, but First Service can not refuse to engage the vendors chosen by the Board of Directors. The Association has liability insurance and the request from First Service to use only vendors that have (in addition to the Association’s insurance) additional insurance; this in essence provides the property management company with double or triple insurance coverage. This is done out of the desire to limit as much potential liability as possible. However, this practice also results at times in using vendors who are significantly more expensive than alternatives. Ty provided as an example the vendors used to paint some of the light poles which basically consisted of two men with a ladder and paint brush. A vender was selected at a third of the cost over the property management’s recommended vendor. Ty cautioned that if the board simply did whatever the property management company directed cost would be excessively high, and common sense should be used and board members should be aware that the Association does have liability insurance and may not need to be double insured the way the property management company would prefer.

Respectfully Submitted,

Jose Mora, Secretary.

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