

.VWPOA Budget Meeting Minutes
October 17, 2023, 7:30 p.m.
200 Appalachian Way

The meeting was called to order at 7:39pm.

In attendance: President Michelle McDaniel; Vice President Nicole Ramsey; Treasurer James Trewin; Secretary Sammi Hicks (attending on phone); Pool chair Ronnie Gilbert; Welcome Committee chair Kari Gibbs; homeowner James Gibbs; homeowner Gary Heisey; homeowner, Daniel and Savannah Hadavi.

With all four voting members in attendance, a quorum was present.

Treasurer James Trewin provided a current budget to those present. He explained that there were some budget changes after the September budget was released. These changes occurred because he moved some expenditures to different line items where they fit better. These expenses were paid before he took over the treasurer job or during the transition period after he was voted into the position. These expenses include: the cost for annual inspection of pool electrical equipment, which was moved from the pool contract line item to the other pool maintenance line item; a \$350 expense paid to JB Lawn Care (for a sprinkler repair) that was moved from landscape maintenance to repair and maintenance; an \$800 payment to JB Lawncare for the installation of drip irrigation around the pool house was moved from other landscape to capital improvements; a \$225 expense to JB Lawncare for a sprinkler valve replacement was moved from other landscaping to repair and maintenance; all Google Workspace costs had previously been assigned as web/social expenses but there were moved to administrative costs, and; a large expense was paid to our tree company for work performed outside of the normally-contracted trimming. James initially assigned this to the tree trimming contract line but it should've gone to other landscape. Repair of the perimeter wall at the corner of Appalachian Way was initially assigned to repair and maintenance but was moved to capital improvement because the initial wall was not installed correctly, thus causing it to fall in high winds. The water heater replacement at the pool was initially assigned to pool maintenance, but this expense will also be moved to capital improvement. Michelle motioned that the board approve these changes, Nicole seconded, and the changes were unanimously approved.

James provided an accounting of budgets by line item for the 2022 actual expenses, the 2023 budgeted and actual expenses (including 9 months of actual expenses and forecasted expenses for the remainder of the budget year), as well as recommendations for the 2024 budget. James used historical values to estimate the expenses for the rest of 2023.

For budget forecasting purposes, James divided up the \$1800 that was budgeted for social/welcome/web in 2023. \$950 of this remained in the social line item, while the remaining \$850 was moved to administrative costs so that the Google Workspace costs discussed previously will be appropriately-placed for 2024 forecasting.

Some line items were fixed costs and others did not exceed the 2023 amount budgeted, however there were others highlighted yellow that James thought might warrant further discussion. These included the following line items: legal fees; other landscape expenses (including contracted maintenance and special projects), and; repairs and maintenance.

The forecasted 2024 dollar amounts for each of these line item are based upon historical spending amounts.

The HOA dues for all 95 homes will total \$64,125 if kept at the current rate of \$675 per home. By the end of this meeting, that number may change if the board feels an increase is needed to cover projected costs and any special projects that may be planned (ex. shade structure at the pool).

Late fees and resale fees have traditionally been very conservative, at \$150 annually. The board agreed that it is likely that at least one home will sell with the \$250 resale fee, so the board agreed to change the line item accordingly.

Insurance expenses for 2024 are projected to be \$4100. This includes two different policies, one for general liability (which went up in 2023) and another for directors and officer's liability (which went down in 2023). The unspecified line item is for deductible costs and the board agreed that \$1000 should be forecasted for this but could come out of the reserve fund if our projected budget for 2024 gets tight.

Legal expenses have not been needed for several years, so a very small dollar amount was assigned to this line item. The board voted on October 10, 2023 to add an increase for legal expenses in 2024 in order to have representation by Riddle and Williams, an HOA attorney in Dallas. This will allow the board to keep up with changes in Texas HOA law, to have help in dealing with problematic homeowners, and to discuss and carry out HOA-specific legal activities (such as the creating and filing of updated management certificates.) Legal expenses will vary depending on the cost per hour for each attorney and what specific legal tasks are needed. Since these expenses have not occurred in many years, the board assigned a reasonable dollar amount of \$4000 for this line item.

Social/Welcome/Flag Lease/Décor line item includes the cost of Christmas lights, welcome baskets, and food/supplies for social events. Michelle proposed an additional \$2000 for Christmas lights to be added to the \$900 that was forecasted for the 2024 budget.

The projected landscaping expenses are divided into several sub-categories. These include separate contracts for general landscaping, tree trimming, and irrigation system repair/monitoring. Other landscaping expenses include: an annual deep clean, annual fertilization, annual mulch costs, contracted maintenance (this includes things like storm cleanup, additional tree-trimming at the park, none of which are part of the tree-trimming contract), and; special projects (adding more flowers, trees, etc.). The landscape contractor had not yet replied regarding the 2024 contract amount.

The repair and maintenance line item expenses are projected to cost \$2500 in 2024. This includes repairs to infrastructure, irrigation, landscaping, walls and fencing, and other unspecified repairs.

Administrative costs were discussed earlier in the meeting. The administrative costs line item for 2024 is \$1600, based upon historical costs for this line item.

The permits/fees/taxes line item includes property taxes and the cost of the annual pool permit. These expenses are forecasted at \$565 for 2024.

Total pool expenses are forecasted at \$9,000 for 2024. These costs include: the pool cleaning contract with Southernwind (Ronnie is still waiting for all call-back for final confirmation that there is no increase in this cost); other pool maintenance (including annual electrical inspection, professional maintenance for unexpected but required pool repairs, community maintenance, pool keys, and pool bathroom cleaning). This includes an adjustment for professional maintenance, as \$1200 was forecasted based upon historical

costs, however the board felt this was more than necessary since the pool pumps were replaced in 2022 and should require less repairs due to the age of the equipment.

Utility projections remained the same as budgeted for 2023 except where expenses ran over in 2024, and those specific line items were raised to match the amount spent in 2023.

Capital improvements for 2023 cost \$9451. This included drip irrigation at the poolhouse, drainage and sod at the eastern side of the pool property in order to address erosion, repair of the retaining walls at the pool, and repair of the brick wall at the Appalachian entrance.

Gary Heisey suggested that the dues be increased to accommodate rising costs. He pointed out that the dues haven't gone up since 2020. Michelle laid out income projections for those present. She stated that if dues were raised to \$699, this would bring income to \$66,405. If dues are raised to \$725, income would be almost \$69,000. Gary pointed out the board has held the dues to a stable figure through the massive inflation over the past few years and he doesn't think it is reasonable that the board will be able to continue to do this with rising costs. Nicole also shared that Chris Doran, the landscape chair, has been able to keep costs down by piecing out the work and working with multiple contractors, but there is no guarantee that future VWPOA board members and committee chairs will have the time to do the same. She shared that past bids for full service landscaping contracts were quoted at over \$30,000 annually to care for the common areas, versus the \$10500 that VWPOA currently spends. Secretary Sammi Hicks also explained that current board members donate a lot to the VWPOA, to include food for neighborhood events or supplies and labor for improvements such as remodeling the pool bathrooms, and have used personal discount cards for VWPOA supplies. These types of donations can't be guaranteed in the future. Sammi reminded those present that the neighborhood is aging, thus increasing the costs for repairs. Nicole proposed that dues be raised to \$725 annually, James seconded, and the board unanimously agreed to the increase.

Michelle motioned that the final 2024 budget approval be tabled until the next meeting in order to make the recommended changes.

Old Business:

The capstone installation costs have increased from \$1200 to \$1400 due to material price increases. The work will be completed within the next few weeks. The damaged brick wall on Lake Forest will also be fixed in the next few weeks.

The meeting was adjourned at 9:04 p.m.