

AUSTIN LAKE HOMEOWNERS ASSOCIATION, INC.
ANNUAL MEETING
December 1, 2018

Board Members in Attendance:

President:	Ashley Walker Robison
Vice President:	Susan Smith
Treasurer	Joe White
Secretary:	Kelly Layfield
Architecture:	Estee Lassiter
Grounds:	Leanne Allen
Social:	Missy Baisden

- I. Confirmation of Quorum:** Fifty seven (57) houses represented either in person or by proxy [NOTE: Four additional proxies in favor of the Board were located in the mailbox after conclusion of the meeting. These proxies were not counted in the number of attendees since they were received after the meeting.]
- II. Call to Order**
- III. Welcome**
- IV. Secretary's Reading of Minutes of 2017 Annual Meeting** (approved with addition of comments by Doug Hoffman)

V. Board Member Reports

A. President's Report: 2018 Year in Review Presented by Ashley Walker Robison:

- New pool gates and one additional lock were installed.
- Clubhouse updating included new paint, new floor, new light fixture and new furniture and refurbishment of existing furniture.
- The Board took on the challenge of obtaining quotes from a variety of new landscaping providers after learning that the current provider, Gibbs, intended to raise their rates dramatically. Paul Young was able to convince Gibbs not to raise fees as drastically as they had planned. As a result of the quotes received from other providers and Gibb's compromise on increased fees, the Board decided to stay with Gibbs because of the extra services Gibbs does for us.
- Thanks to the Social Committee for organizing well-attended social events.
- Clubhouse rentals were much more active this year, resulting in additional revenue.
- The Board received a lot of complaints about dog waste near the clubhouse. There was discussion about finding the source of the violation.
- Hopes for 2019 include more community social events and painting/pressure washing the exterior of the clubhouse.
- Doug Hoffman asked if the HOA paid for the alcohol at the happy hours hosted by neighbors this year. The answer is no. The hosts provide some food and alcohol, and each attendee brought a contribution of food/alcohol also.

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- A homeowner asked about installing mulch or other solution to solve the mud on the new playground: Leanne said it is on her radar. There is no money for mulch in the 2018 budget at this time, but she will speak with Gibbs to redirect sprinkler heads in the short term and will look to add straw when funds are available in the 2019 budget;.
- A homeowner asked about establishment of a list of neighborhood-recommended contractors. Such a list could be made available on the Association website and/or Facebook page.
- A homeowner asked that members keep a look out for nonresidents using the pool.

B. Social Committee Report Presented by Missy Baisden:

- Missy reported that the social committee had a very active year including an initial brainstorming session, dinner club, Easter event, two Happy Hours, an end-of-summer pool party, Halloween parade with pizza party, and the Progressive Dinner (scheduled for Dec 8th at 6:30);
- Clubhouse rental and associated revenue is up a lot from prior years (24 this year); the Board has elected to establish a non-board position to manage club house rentals.
- Meeting attendees were reminded that rental of the Clubhouse does not grant exclusive use of the pool.
- Missy and Lia were recognized as integral members of the Social Committee and were thanked for their service.

C. Treasury Report Presented by Joe White:

- Doug Hoffman's concern regarding reserves and record keeping:
 - Doug stated that reserves appear to be less than current budget indicates. Doug expressed his concern about accuracy of financial reporting and volunteered his services with another homeowner to perform an audit after March 2019. Matt Calloway addressed Doug's concern that a clerical error occurred on a budget posted on the web site in the first year that the operating budget and reserve budget were displayed separately.
 - Ashley noted record keeping in very consistent since 2016 but older records are not as organized.
 - Joe discussed availability of software used to track financials for neighborhoods if the Board wishes to acquire it.
- **2018 Budget in Review and Presentation of 2019 Operating Budget:**
 - 2018 revenue is up slightly from the budgeted amount due to clubhouse rental, reinstatement of collection of initiation fees, and documentation fees for closings this year.
 - Clubhouse maintenance is important to maintaining value and there is not enough in reserves to stay ahead of the needed repairs.
 - Landscaping expense is on target for budget.
 - Pool maintenance is higher than budgeted because of pool key duplication and replacement of gates. Pool maintenance service also increased.
 - Clubhouse maintenance is over budget as the result of complete interior refurbishment. Leanne sold the old furniture and used neighborhood labor to get work done as cheaply as possible. Thanks to Leanne for her efforts.
 - There will be a distribution out of the reserve fund in 2019 to pay for exterior maintenance of clubhouse.

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- Better stewardship of air temperature resulted in lower electrical costs. Ashley checked thermostat nearly every day to re-set temperature in order to keep costs down.
- Door codes were changed to control access to clubhouse.
- Utilities (water, gas, electricity) were all reduced in 2019 budget due to lower costs spent in 2018.
- Community Development Fund: This fund was established in 2017 to pay for new items (as opposed to maintaining existing items via the reserve fund); the fund is growing and projected to be \$12,000 in Jan 2020.
- Social budget and insurance will stay the same.
- Legal expense will be higher than expected due to need to engage the Board's lawyer to assist the Board with a dispute between neighbors. An additional invoice was received which has not yet paid, and the dispute not yet resolved, so legal expense will continue to be incurred into 2019.
- Bank fees will remain the same.
- Reserve Fund for 2019: The final contribution will be updated after 1st of the year when all year-end expenses have been paid.
- Pool furniture replacement expense will be paid from the Reserve Fund in 2019: Metal chairs and tables are rusted, breaking, not repairable and are ruining new pool decking (which needs another coat in 2019 as a result of the rust stains from old furniture). New pool tables, chairs and umbrellas will be purchased in 2019; new loungers will need to be purchased at a later date. The selected furniture is "Polywood" and is virtually maintenance free with a 20 year warranty. Umbrella maintenance is still a challenge as they break when left open overnight or during rainstorms. The Board continues to remind residents to close umbrellas after use. All four (4) umbrellas purchased this year were broken by the end of the summer. One idea is to establish a list of volunteers to monitor pool clean-up and umbrella maintenance during pool season.
- Revenue assumption of extra (non-assessment fees) for 2019 is same as last year.
- The Board discussed the need for the increase in annual dues; Ashley explained that the neighborhoods decision to leave assessments unchanged for so many years has prevented needed repairs and maintenance from being done.

Comments from the Membership in Attendance:

- Some homeowners expressed concern over increase in expenses for last several years.
- Homeowner suggested replacing thermostat with smart thermostat. Functional Wi-Fi is needed to do this.
- A homeowner expressed concern that dues are increasing while still not satisfying reserve study recommendation and that funds are possibly being spent on expenses other than funding reserves. Ashley explained that increase is needed to just keep up with necessary maintenance.
- A homeowner asked what kind of major capital expenses are expected in the near future. The Board and attendees discussed the leak in lake spillway may need repair (\$15,000); pool plaster and tiles coming off and currently being patched; pool salt cell & pump; retaining walls (budgeted in 2019 under landscaping), as well as other items mentioned in reserve study;

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- A homeowner expressed concern over amount of money spent on the lake when so few homeowners use it and asked how the Board is preparing for expenses caused by lake in future. Joe said it would have to be a special assessment at this point as the result of failing to increase dues annually to be better prepared.
- Another homeowner defended lake maintenance and suggested increasing lake maintenance line item to be better prepared for future expenses.
- A homeowner asked a question regarding estimated reserves for Jan 1 2019 and suggested a cut in the social budget to fund reserves instead. Some attendees verbally objected to cutting the social budget.
- A homeowner commented that raising dues is necessary and maybe even more than currently anticipated.
- A homeowner suggested raising dues and ear marking the increase for reserves in lieu of use for other expenditures. The homeowner thought the neighborhood should have a better understanding of the list of looming things to do and how each is being addressed.
- A homeowner expressed the need to prioritize expenditures.
- A homeowner asked about clubhouse rental from outside the neighborhood or by extended family. The Board's response is that a homeowner must be on-site during the rental due to liability purposes.

VI. Vote on 2019 Annual Operating Budget:

- **The membership voted (50 to 7) to approve the proposed 2019 operating budget which included an assessment from each household in the amount of \$750.**
- A homeowner requested two budgets to be distributed next year: One with proposed increase if necessary and a second version with no increase.
- A homeowner asked if dues could be split into two payments and not a large lump sum after Christmas. The Board's response was that it can be done as an accommodation, if necessary.
- Homeowners recognized hard work of the Board.

VII. Vote on 2019 Officers and Board of Directors:

The membership voted to unanimously approve the slate of officers for 2019:

President:	Susan Smith
Vice President:	Missy Baisden
Treasurer:	Ruth Zimmerman
Secretary:	Kelly Layfield
Grounds & Maintenance:	Leanne Allen
Architecture Control:	Steve Stoichev
Social Committee Chair:	Tina Southerland
Nominating Chair:	Estee Lassiter

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VIII. Open Discussion:

- A homeowner asked about the front entrance lights. Leanne responded that a fuse blew at the outlet and will be repaired;
- A homeowner suggested that the new board form a committee to start planning for large lake expenses anticipated in the future. Suggestion will be passed on to new Board.
- Matt Calloway commented that major maintenance expenses are inevitable in our future and suggested we could begin paying special assessment to fund reserves in installments sooner in lieu of waiting for one large payment which would be due immediately.
- A homeowner asked if notice of monthly Board meeting could be provided to the membership. Ashley said that the Board could make a note of the meeting on the sign at the front of the neighborhood.

IX. Meeting adjourned.