

Special Board Meeting Minutes - Tri-County Point POA
November 9, 2023 — via Zoom

1. The meeting was called to order at 6:07 p.m.
2. Roll call showed the following directors present:

President, Clint Hammonds
Treasurer, Karen Gallaher
Secretary, Jan Park
Director, Tim Collins

A quorum was established.

3. Discussion and possible action regarding Cameras

Clint asked if there were any questions or changes that needed to be addressed to the 10.12.23 Minutes. There were none. Karen moved and Tim seconded that the Minutes be approved. Motion passed.

4. Discussion and possible action regarding Cameras.

Clint advised that the camera had been put in a Right of Way (ROW) and he advised the company that it needed to be moved from the ROW. He asked if that had happened. To date the camera was still in the same place. Clint stated that he had contacted the home owner and the home owner requested that it be moved, the County Commissioner had also requested that it be moved. After a brief discussion it was decided that Clint would again contact the company and advise them to relocate the camera immediately. Karen noted that the Board only approved one camera and suggested that the Minutes containing that request be sent to the company along with the correspondence from the County Commissioner. This matter was tabled awaiting the result of Clint's conversation with the company.

5. Budget Workshop.

Karen advised that she had sent the status of the current budget to the Board, noting that presently the POA was negative \$47,000.00 stating that she estimated it would be negative \$60,000.00 by the end of the year. She stated that income to date is \$176,000.00 and expenses to date are \$295,000.00. Payroll needs to be met for December and gravel for the roads will need to be purchased in addition to the installation of the mailbox racks which is an additional \$4,800.00. Laurie stated that there was enough gravel on hand so that would not be an added expense. Clint asked what the total of cash on hand was and how much was in savings. Karen responded that cash on hand was \$129,000.00 and there was

\$15,000.00 in savings. Laurie interjected that \$100,000.00 of the cash in hand was from the sale of the water.

Karen stated that the budget for assessments for 2023 was \$195,000.00 and to date \$117,000.00 has been collected resulting in a shortfall of \$78,000.00 Karen shared that Laurie had gone back as far as she could in Pay HOA for the budget for prior years, (2016, 2017, 2018, etc.) assessments were \$161,000.00 and only \$46,000.00 had been collected for each of the prior years. Karen stated that if everybody paid the 2024 assessment of \$180.00 calculating 1600 lots, income for 2024 in assessments would be \$288,000.00. Past history shows that 75% of lot owners pay their annual assessment so a good starting point for monies available would be 75% of \$288,000.00 (\$216,000.00).

Additional income would come from lot compliance fees, shredding, lien releases, and stickers. Building permits income was budgeted for \$33,000.00 income, actual income was \$12,500.00; Community Center Budget income was budgeted for \$3,000.00 actual income was \$600.00.

There was no line item for Liens. \$3,500.00.00 was collected in liens, however the cost for sending out the paperwork for the liens was \$3,500.00 so that was a wash.

\$10,000.00 is currently owed to the POA for outstanding water and sewer bills. Total collected to date is \$2,200.00.

Clint stated that he had received a quote to fix the boat ramp for approximately \$150,000.00.

Wages for 2023 were budgeted for \$83,200.00, balance year to date is \$74,000.00. Clint asked if there was going to be enough money to pay salaries for the remainder of the year. Karen confirmed there would be.

Laurie stated that cost of mailing for the election materials was \$1,472.35.

Bulkhead repairs were approximately \$38,629.00, this item was not budgeted for.

Clint asked how many liens were still outstanding. Laurie advised him that there were 26 total liens, 12 have been resolved. Seven of 14 were sent out; seven were sent to the attorney to proceed with foreclosure action. One lien holder had requested a payment plan and had until November 4, 2023, to pay the full amount. Laurie stated that she hasn't asked the lawyer to proceed with foreclosure actions on the remaining liens due to financial restraints.

Karen advised that income from the Community Center was budgeted for \$3,000.00, actual income was \$600.00. Expenses for the pool were \$9,000.00 which included electricity, water and chemicals.

Clint stated that it was clear that the Board needed to have another meeting so that the proposed 2024 budget could be prepared and presented at the Annual Meeting on

December 2, 2023. He stated that salaries could not be reduced as they were essential to keep operations going. He suggested that the Community Center and Pool not be assigned a line item for 2024. He noted that the Community Center needed a new air conditioner at a cost of \$3,500.00 which we did not have the funds for. Laurie stated that it was an outside air conditioner, 2.5 ton that needed to be replaced and she found one on Amazon for \$2,500.00 plus tax and her husband would install it at no charge.

A lengthy discussion took place regarding the pool and Community Center. It was decided that Laurie would ask the Beautification Committee if they would like to take over the responsibility of the Community Center and the POA would turn the center over to them along with the land. Another option was to have volunteers have a “clean-up day” and have volunteers come and paint and make whatever repairs needed to be made. The Community Center was not assigned a line-item budget until Laurie reported back from her discussion with the Beautification Committee.

A line item was added for the pool in the amount of \$10,000.00. In addition, it was suggested that the pool be rented to residents for private parties on certain days of the week for a certain time and the residents renting would be charged a fee. No days, times or dollar amounts for rental were discussed.

Discussion was held regarding hiring another maintenance person to keep up with all the work. It was noted that volunteers could not volunteer for maintenance as the POA would not be able to insure them. It was decided that the budget for salaries would be proposed at \$130.00.

Clint stated that the people that were paying dues were being penalized by the non-paying lot owners. He listed the following items that needed attention:

- Drainage, specifically sections 4 and 8 as high priority;
- Boat dock, (dredging, walkway, electricity)
- Pier bathrooms;
- Pier still needs work (only one section was fixed that was destroyed during the heavy rain)
- Roads
- Pool and pool house
- Community Center

He commented that people had asked him why dues were going up. He stated that there had been no increase in dues for many years and everything had deteriorated so there was no money to maintain them and they should have been maintained over the last 40 years and it has been getting worse each year and you have to pay for the things that need to be paid for and there is no money left over to pay for the things that need to be done. He also stated that even if 100% of the dues were collected there would not be enough money to do all the things that need to be done.

On the positive side there is enough money in the bank to keep the office open until the end of the year. Normally the office and all maintenance has to stop because there are no funds available to pay staff. All bills are up to date and have been paid and all the equipment owned by the POA is paid for.

He stated that the following tentative numbers would be proposed in the 2024 Budget:

- Repair and Maintenance \$65,000.00
- Drainage \$50,000.00
- Salaries \$130,000
- Pool \$10,000.00

In conclusion, he again mentioned selling off the excess property that the POA owns to help fund the projects that need to be completed as mentioned earlier. Karen informed him that it would have to be platted and go through Commissioners Court to get the subdivision platted. She suggested budgeting \$10,000.00 for this endeavor as the acreage was not divided into lots and we would need to have Deed Restrictions for the subdivided lots. She also mentioned that the attorney had advised what steps would need to be taken a couple of years ago and she would find that letter and send it to the Board.

Karen advised the Board that the insurance for 2024 had been paid in the amount of \$26,000.00 and this would not need to be included in next years budget. She also suggested that it would be easier if the Board switched to a fiscal year budget starting October 1, 2023 and ending September 30, 2024. Clint agreed and asked that this be placed on the Agenda for the Annual Meeting. Karen further explained that it would be much easier to keep track of income and expenses and annual dues payments have already started coming in.

Clint advised the Board that there would need to be another meeting before the Annual Meeting to finalize the Budget. The next meeting would be held via Zoom on Thursday, November 16th at 6:00 p.m.

The number one priority for next year would be to fix the drainage problems. He advised the Board to review the information Karen would send out Monday and also to keep in mind that if the Beautification Committee did not want to take over the Community Center, they would have to ascertain how much money should be budgeted for that.

There being no further business to come before the Board the meeting adjourned at 7:31 p.m.

The above is a correct copy of the Minutes of the November 9, 2023, Special Meeting of the Tri-County Point POA board of Directors.

Clint Hammonds, President

Jan Park, Secretary