

Lowe's Farm HOA

BOARD OF DIRECTORS MEETING

August 6, 2018

7:00 PM

1401 Parkside Drive

Mansfield, TX 76063



Agenda

Call to Order / Acknowledge Quorum

OPEN SESSION – 7:00 p.m.

- I. Minutes
Review and approve July 2018 Board Meeting Minutes
- II. Homeowner Input
Homeowners wishing to address the Board of Directors on non-open agenda items and items not on the agenda may do so at this time. Once the business portion of the meeting begins, the board will only hear comments that relate to the open agenda items. All comments are limited to 3 minutes per homeowner, for a total of 15 minutes of Homeowner Input per meeting.
- III. First Service Residential Management Reports
 - a. Management Report
Fund balances
 - b. Decorative Fence Violation Updates
 - c. Tree Violation Updates
- IV. Committee/Officer Reports
- V. New Business
 - i. 2019 Operating budget – dues increase
 - ii. Resolution – foreclosure action #0064-05

Adjourn Open Session

EXECUTIVE SESSION

- I. Enforcement actions
- II. Adjourn



Lowe's Farm HOA

BOARD OF DIRECTORS' MEETING MINUTES

July 9, 2018

Liz Wright, Board President, called the meeting to order at 7:00 p.m.

The meeting was held at 1401 Parkside Drive (Lowes Farm Amenity Center), Mansfield, TX 76063

ATTENDEES:

The following Board Members were present:

Liz Wright, President

Paul Blevins, Vice-President

Bill Redman, Secretary

Tim Tracy, Treasurer

Kim Cannady, Director at Large

Leslie Gamel, First Service Residential HOA Account Manager

CONSENT AGENDA

MOTION MADE BY KIM CANNADY, SECONDED BY TIM TRACY TO APPROVE THE JUNE 11TH, 2018 MEETING MINUTES WITH CORRECTION OF DATE TYPO. MOTION PASSED 5-0.

HOMEOWNER INPUT

Wayne Carlson from Parkside Dr. was present at the meeting to observe.

FIRST SERVICE RESIDENTIAL MGMT. REPORT – Leslie Gamel

- A.** Review of Communications since last meeting include: Board meeting notice and pool rules reminder.
- B.** Call Center Log logged 21 calls in June.
- C.** Review of 32 Current open and 9 closed CC&R's Violations
 - 1.** Board Requests to continue to keep full violation report and summary in future Management Reports (Decorative Fence and Tree violations)
- D.** Reviewed 4 items from ACC Modification Log June.

- E. Review of 6 *In Process* Action Items and 9 *Completed* Action Items:**
1. Light Fixtures at Amenity Center (covers rusted and tombstone clips missing) – Exterior Appeal to evaluate and price cost to replace; carry over from last period – no action from Exterior, moved work order request to Circle E Maintenance, expect repairs week of July 9
 2. Pet Stations – 2019 budget item
 3. Replace mastic – 2019 budget items
 4. Restroom floors (patched area) non- slip floor, 2019 budget item
 5. Remove dead tree near pool equipment
 6. Reduce telephone line costs
 7. Jungle gym on playground needs repair; missing bars— Playground safety inspection to be conducted next week
 8. Stop signs at Woodcrest/Parkside and Aston/Downhill Way- replaced by City of Mansfield
- F. NEW ITEMS:**
1. Mulch and possibly a bench by book box-2019 budget item
- G. Reviewed June Financial Reports**
1. Standard Balance Sheet, Income Statement Report, Cash Activity Report, and Delinquent Report
 2. 51 homeowners' delinquent on their HOA dues for a total of \$45,830 outstanding. As of 7/5/18 this data includes:
 - a. 6 homeowners with No Collection Status – 1st Notice = \$368
 - b. 4 homeowners with 2nd Notice Sent = \$401
 - c. 1 homeowner with Payment Plan with Attorney = \$933
 - d. 17 homeowners with Pending Demand Letter = \$9337
 - e. 2 homeowners with Demand sent by Attorney= \$3356
 - f. 2 homeowners with Transferred for Lien = \$ 2,692
 - g. 5 homeowners with Lien on Property = \$9,777
 - h. 2 homeowners with Referred for Foreclosure = \$7,180
 - i. 1 homeowners with Payment Plan with Attorney = \$ 933
 - j. 4 homeowners with Bankruptcy = \$9,933
 - k. 1 homeowner with Account on Hold = \$ 1,792
- H. Reviewed Actions on Bid Items**
1. Reviewed LandCare bids (see Old Business)
- I. Board requested the manager to provide the following for next meeting:**
1. Leslie to provide HOA spending trend for last 5 years
 2. Leslie to bring Land Care contract next meeting
 3. Add dues discussion to next meeting's agenda
- J. Upcoming Events:**
1. Budget Meeting Plan
 2. Board Meeting Schedule

Upcoming Community Calendar of Events:

- National Night Out/Pool Closing 29 September 2018
- Santa at the Castle 2 December 2018

Board Member

Paul Blevins
Liz Wright

OLD BUSINESS

A. Landscape Improvements/LandCare Bids

MOTION MADE BY KIM CANNADY AND SECONDED BY TIM TRACY TO DO THE FOLLOWING LANDCARE MAINTENANCE ACTIVITY IN THE FALL. MOTION PASSED 5-0.

1. LandCare CO # 3053994 for \$6991.22 to prune cedar elms on Lowes Farm Parkway.
2. LandCare CO# 3101999 for \$2146.06 to Prune Chiese Pistache trees

MOTION BY KIM CANNADY AND SECONDED BY PAUL BLEVINS TO DO THE FOLLOWING INCREMENTAL LANDCARE ACTIVITY IN THE FALL TO BE FUNDED FROM RESERVE ACCOUNT 9110 FOR REPLACEMENT OF DEAD OR DYING COMMUNITY ASSETS TO BE REMOVED AND REPLACED. MOTION PASSED 5-0.

3. LandCare CO# 3101673 for \$1,299.00 to remove Was Myrtle and install Vites and Holly tree by pool house
4. LandCare CO#3101669 for \$1,934.97 to remove Five Pin Oaks in pool and around Green belt area
5. LandCare CO#3101667 for \$7,739.88 to install 13 Crape Myrtles around Amenity Center

B. Board discussed Red Rock Collections as follow up from May 11 meeting. Board reviewed what was billed and invoice audit.

MOTION BY KIM CANNADY AND SECONDED BY PAUL BLEVINS TO HAVE HOA PAY THE DIFFERENCE OF \$2,635. MOTION PASSED 5-0.

NEW BUSINESS

No new business

NEXT BOARD MEETING

Primary Date: August 6, 2018 @ 7:00 1401 Parkside Drive (Amenity Center)

ADJOURN

MOTION MADE BY PAUL BLEVINS, SECONDED BY KIM CANNADY TO ADJOURN MEETING. MOTION PASSED 5 – 0. MEETING ADJOURNED AT 8:48 P.M.





**Lowe's Farm HOA
Management Report**

August 6, 2018

**Prepared by: Leslie Gamel
Reporting July business**

1. Management Updates

A. Email Blast Communications

7-6-18 – board meeting notice

7-27-18 – drought conditions and maintenance

B. Call Center Call Log – 25 Calls have been received through the 24 hour-customer care center that were handled either by myself or the call center. This does not include the calls that come directly to me. See separate report to protect privacy.

C. Violation: Total Current Open violations are 34.

Violation Categories/Sub-Categories	Count
ACC MOD-Fencing	1
ACC MOD-NonCompliant Roof	1
Basketball Goal-Replace Net	1
Fence-Clean Stain/ Seal	2
Fence-Repair	4
Garages-Paint garage door	1
Landscaping-Borders: Repair or replace	1
Landscaping-General Maintenance	2
Landscaping-Missing Front Yard Tree	5
Landscaping-Remove Dead Tree	1
Landscaping-Remove Grass/Weeds in Flowerbeds	1
Landscaping-Remove Weeds	2
Landscaping-Replace Tree	2
Landscaping-Trim Trees	1
Maintenance / Repair-Window	2
Other-Holiday Decorations	1
Other-Storage	1
Shed-Not Approved	1
Trash Receptacle/Recycle Bin-Improper Disposal	1
Vehicles-Remove Trailer	3
Total:	34

Closed:

Violation Categories/Sub-Categories	Count
Landscaping-Remove Weeds	1
Landscaping-Trim Shrubs	1
Total:	2

Board member packet, separate report for details to protect privacy.

D. Architectural Modification Activity Log (July):

1. 4116 Orchid – replace roof shingles, approved
2. 4208 Lone Oak Drive – replace fence & gate, approved

E. Action/Bid Items - In Process:

1. Light Fixtures at Amenity Center Circle E propose change light fixtures to LED – the tombstone clips are hard to find and expensive. – budget item
2. Pet Stations – 2019 budget item
3. Replace mastic – 2019 budget item
4. Restroom floors (patched area) non- slip floor, 2019 budget item
5. Reduce telephone line costs with AT&T
6. Playground inspection and repairs – AYS, Inc., completed site inspection and full report expected by 8-13.
7. Fence repairs facing common area Lot 102 block 14 - \$3700 + the board are rotted.
8. Resolution – foreclosure action 0064-05

F. Closed

1. Enforcement inspections – July 3, 9 and Aug 2

2. Financial Report –Cash Balance 6/30/18

June financial statement attached.

<i>Financial Accounts</i>		
Bank	Account Type	Balance
US Bank	Operating	\$92,961
US Bank	Petty Cash	1,183
	Total Operating Accounts	94,144
US Bank	Investment	30,609
CIT	Investment	82,277
US Bank	Investment-Royalties	18,473
	Total Investment Accounts	131,359
	Total Operating Cash Balance	\$225,503
US Bank	Reserve	221,641
	Total Financial Accounts Balance	\$447,144

<i>Income & Expense Comparison (Operating Fund)</i>			
	Current Period	Year To Date	Annual Budget
Income	\$18,248	\$116,431	\$224,466
Expenses	(23,586)	(104,183)	(224,466)
Operating Net Income (Loss)	(\$5,338)	\$12,248	\$0

Category	Variance Explanation
Landscape Maintenance	<ul style="list-style-type: none"> • <i>Tree and Shrub Maintenance (5250)</i> reflect pruning of cedar elm on Lowe's Parkway. • <i>Irrigation Repairs (5260)</i> reflects repairs per May inspection, lateral line break repairs.
Amenity Center/Pool Maintenance	<ul style="list-style-type: none"> • <i>Pool Cabana Repairs and Maintenance (6126)</i> reflects cost to repair urinal, toilet seat and additional trash removal. • <i>Pool Monitor Service (6155)</i> reflects payroll for the previous period and the current period.
General & Administrative	<ul style="list-style-type: none"> • <i>Admin. Supplies and Expenses (7120)</i> reflects additional mailing expense for pool opening letter. • <i>Newsletter/Other Mailings (7310)</i> reflects additional postage expense for the pool opening letter.

Delinquent account summary 8-2-18

	9,341.03	525.00	277.56	37,031.27	47,174.86
ATTY Legal Fees	3,310.03	0.00	277.56	2,814.66	6,402.25
LAFE Late Fee	100.00	0.00	0.00	2,061.82	2,161.82
COLL Delinquency Processing	3,121.00	0.00	0.00	4,964.00	8,085.00
FINE Fines	0.00	500.00	0.00	2,974.98	3,474.98
PREM Due to FirstService Residential	150.00	0.00	0.00	0.00	150.00
ANJA Annual Dues	2,660.00	0.00	0.00	23,826.81	26,486.81
NSFC Returned Item Fee	0.00	25.00	0.00	0.00	25.00
LEGA Legal Fees-Do Not Use	0.00	0.00	0.00	389.00	389.00

Lowe's Farm
Delinquency Report
Updated: 8-2-18

Homeowner Account Category	# of Owners	Total
Current No collection Status 1st Notices	9	\$ 2,882
2nd Notice sent	4	\$ 3,705
Demand Sent by FSR	15	\$ 10,483
Demand Sent by Attorney	2	\$ 3,387
Transferred to Attorney for Lien	2	\$ 2,692
Lien Property	4	\$ 6,017
Referred for Foreclosure	2	\$ 4,582
Payment Plan with FSR	0	\$ -
Bankruptcy	3	\$ 11,732
Payment Plan with Attorney	1	\$ 1,694
Accounts on Hold	0	\$ -
TOTALS	42	\$ 47,174

3. Upcoming Events

- a. Budget meeting plan
- b. Board meeting schedule

Standard Balance Sheet 635 Lowes Farm Homeowners Association, Inc. 06/30/2018
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FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVENUE SUITE 202
Dallas TX 75219

Account	Description	Jun Balance 2018	May Balance 2018	Change
ASSETS				
Operating Cash				
1001 01	Operating Cash US Bank	92,961	109,066	(16,106)
1011 01	Petty Cash US Bank	1,183	1,649	(466)
Total Operating		\$94,144	\$110,715	(\$16,571)
Investment				
1070 01	Investment Account US Bank	30,609	30,596	13
1070 31	Investment Account CIT Bank	82,277	82,209	68
1070 51	Investment Account US Bank - Royalties	18,473	18,465	8
Total Investments		\$131,358	\$131,270	\$88
Total Operating Funds		\$225,502	\$241,985	(\$16,484)
Reserve				
1080 01	Reserve Account US Bank	221,641	217,817	3,825
Total Reserves		\$221,641	\$217,817	\$3,825
Total Cash		\$447,143	\$459,802	(\$12,659)
Current Assets				
1210	Accounts Receivable	48,448	56,037	(7,589)
1220	A/R Other	1,649	2,372	(723)
1240	Prepaid Insurance	4,957	5,671	(715)
1280	Due from Operating	0	0	0
1285	Due from Reserve	7,000	0	7,000
Total Current Assets		\$62,053	\$64,080	(\$2,027)
Other Assets				
1500	Utility Deposits	200	200	0
Total Other Assets		\$200	\$200	\$0
TOTAL ASSETS		\$509,396	\$524,082	(\$14,686)
LIABILITIES				
Current Liabilities				
2005	Accrued Expenses	4,138	1,970	2,168
2010	Accounts Payable	941	0	941
2021	Overpayment from Homeowners	380	0	380
2027	Collection Fees	5,639	5,389	250
2030	Deferred Income	104,640	122,080	(17,440)
2040	Prepaid Dues	6,128	5,627	501
2050	Federal Income Tax Payable	941	913	28
2080	Due to Reserve	0	0	0
2085	Due to Operating	7,000	0	7,000
Total Current Liabilities		\$129,807	\$135,979	(\$6,173)
TOTAL LIABILITIES		\$129,807	\$135,979	(\$6,173)

EQUITY

Standard Balance Sheet 635 Lowes Farm Homeowners Association, Inc. 06/30/2018
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FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVENUE SUITE 202
Dallas TX 75219

Account	Description	Jun Balance 2018	May Balance 2018	Change
Owners/Members Equity				
3000	Operating Fund Balance	152,701	152,701	0
3100	Reserve Fund Balance	198,825	198,825	0
	Current Year Income/(Loss)	\$28,064	\$36,578	(\$8,513)
TOTAL EQUITY		\$379,590	\$388,103	(\$8,513)
TOTAL LIABILITIES & EQUITY		\$509,396	\$524,082	(\$14,686)

Income Statement Report - HOA
635 Lowes Farm Homeowners Association, Inc.
06/30/2018

FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVENUE SUITE 202
Dallas TX 75219

Acct	Description	Jun Actual	Jun Budget	Jun Variance	YTD Actual	YTD Budget	YTD Variance	Annual Budget
OPERATING FUND								
OPERATING REVENUE								
4110	Homeowner Dues	17,440	17,440	0	104,640	104,640	0	209,280
4340	Pool Access Card Income	50	0	50	50	100	(50)	100
4510	Late Fee Income	0	167	(167)	4,235	1,002	3,233	2,000
4512	Delinquency Processing Fees	0	0	0	3,569	3,750	(181)	7,500
4530	NSF Fees	25	0	25	25	0	25	0
4540	Fine Income	500	0	500	650	0	650	0
4810	Interest Income	94	25	69	559	150	409	300
4950	Gas Lease Revenue	139	440	(301)	2,703	2,640	63	5,286
TOTAL OPERATING REVENUE		\$18,248	\$18,072	\$176	\$116,431	\$112,282	\$4,149	\$224,466
EXPENSES								
Utilities								
5110	Electric	429	500	71	2,823	3,050	227	6,500
5120	Water	1,785	1,550	(235)	4,802	6,820	2,018	18,000
5130	Telephone/Modem	0	85	85	0	510	510	1,020
5131	Internet	91	0	(91)	548	0	(548)	0
Total Utilities		\$2,305	\$2,135	(\$170)	\$8,173	\$10,380	\$2,207	\$25,520
Landscape Maintenance								
5210	Landscape Maintenance Contract	4,444	4,444	0	26,662	26,664	2	53,328
5225	Resident Lot Mows	0	0	0	0	0	0	150
5240	Landscape Maintenance and Repair	0	42	42	734	252	(482)	500
5245	Landscape Improvements/Upgrades	39	375	336	721	2,250	1,529	4,500
5250	Tree and Shrub Maintenance	633	0	(633)	633	1,000	367	1,000
5260	Irrigation Repairs	1,940	0	(1,940)	3,175	2,500	(675)	5,500
Total Landscape Maintenance		\$7,056	\$4,861	(\$2,195)	\$31,926	\$32,666	\$740	\$64,978
Common Area Maintenance								
5510	Fence and Wall Maintenance	0	0	0	0	1,000	1,000	1,000
5530	Grounds Porter	0	108	108	130	368	238	800
5540	Lights Maintenance	268	250	(18)	825	500	(325)	750
5554	Playground Maintenance and Repair	0	350	350	0	700	700	1,500
5590	Holiday Decoration	0	0	0	0	0	0	6,283
5599	Common Area Miscellaneous Expense	442	0	(442)	442	400	(42)	1,000
Total Common Area Maintenance		\$710	\$708	(\$2)	\$1,396	\$2,968	\$1,572	\$11,333
Amenity Center/Pool Maintenance								
6110	Pool Contract Maintenance	785	785	0	4,709	4,709	0	9,418
6120	Pool Repairs and Maintenance	0	417	417	2,297	1,250	(1,047)	2,500
6126	Pool Cabana Repairs and Maintenance	1,301	500	(801)	1,767	1,000	(767)	1,500
6130	Access Cards	0	0	0	0	400	400	400
6135	Access System Repairs and Maintenance	0	42	42	92	252	160	500
6140	Pool/Amenities Janitorial Service	812	812	0	1,028	1,624	596	4,060
6155	Pool Monitor Service	2,832	417	(2,415)	2,832	2,502	(330)	5,000
6180	Pool Signs	0	0	0	0	200	200	200
6185	Pool Permits	0	0	0	500	500	0	500
Total Amenity Center/Pool Maintenance		\$5,731	\$2,973	(\$2,758)	\$13,226	\$12,437	(\$789)	\$24,078
General & Administrative								

Income Statement Report - HOA
635 Lowes Farm Homeowners Association, Inc.
06/30/2018

FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVENUE SUITE 202
Dallas TX 75219

Acct	Description	Jun Actual	Jun Budget	Jun Variance	YTD Actual	YTD Budget	YTD Variance	Annual Budget
7110	Professional Management Fee	2,167	2,167	0	13,002	13,002	0	26,003
7120	Admin. Supplies and Expenses	620	400	(220)	2,317	2,700	383	5,200
7210	Annual Review/Tax Return	0	0	0	510	500	(10)	500
7220	Delinquency Processing Exp	0	0	0	3,622	3,750	128	7,500
7310	Newsletter/Other Mailings	213	0	(213)	642	400	(242)	1,200
7320	Website Maintenance	15	13	(3)	143	75	(68)	150
7330	Website Implementation	0	0	0	0	200	200	200
7450	Unrecovered Assessments	0	0	0	2,319	0	(2,319)	0
7520	Meetings Expense	0	0	0	245	400	155	400
Total General & Administrative		\$3,015	\$2,579	(\$436)	\$22,800	\$21,027	(\$1,774)	\$41,153
Committees								
7810	Landscape	0	350	350	0	700	700	750
7820	Social	395	500	105	593	500	(93)	1,000
7860	Safety	32	0	(32)	32	500	468	1,750
Total Committees		\$427	\$850	\$423	\$625	\$1,700	\$1,075	\$3,500
Insurance & Taxes								
7910	Director and Officers Insurance	154	163	8	925	975	50	1,950
7920	TX Comm. Property Policy	475	500	25	2,806	3,000	194	6,000
7930	Excess Liability Insurance	42	38	(4)	242	225	(17)	450
7940	Other Liability Insurance	21	0	(21)	104	0	(104)	0
7950	Workers Compensation Insurance	23	29	6	140	175	35	350
7960	Property Taxes	0	100	100	(14)	600	614	1,200
7980	Federal Income Taxes	28	0	(28)	234	0	(234)	750
Total Insurance & Taxes		\$743	\$829	\$87	\$4,436	\$4,975	\$539	\$10,700
TOTAL OPERATING EXPENSES		\$19,986	\$14,935	(\$5,051)	\$82,583	\$86,153	\$3,569	\$181,262
Reserve Transfers								
9110	Transfer To Reserve	3,600	3,600	0	21,600	21,602	2	43,204
Total Reserve Transfers		\$3,600	\$3,600	\$0	\$21,600	\$21,602	\$2	\$43,204
TOTAL EXPENSES		\$23,586	\$18,535	(\$5,050)	\$104,183	\$107,755	\$3,571	\$224,466
OPERATING NET INCOME(LOSS)		(\$5,338)	(\$463)	(\$4,874)	\$12,248	\$4,527	\$7,721	\$0
RESERVE FUND								
RESERVE REVENUE								
9205	Reserve Fund Interest Income	225	33	191	1,216	200	1,016	400
9210	Reserve Fund Contribution	3,600	3,600	0	21,600	21,602	(2)	43,204
TOTAL RESERVE REVENUE		\$3,825	\$3,634	\$191	\$22,816	\$21,802	\$1,014	\$43,604
EXPENSES								
9305	Reserve Fund Expense	7,000	3,500	(3,500)	7,000	7,000	0	11,610
TOTAL RESERVE EXPENSES		\$7,000	\$3,500	(\$3,500)	\$7,000	\$7,000	\$0	\$11,610
RESERVE FUND INCOME (LOSS)		(\$3,175)	\$134	(\$3,309)	\$15,816	\$14,802	\$1,014	\$31,994

Income Statement Report - HOA 635 Lowes Farm Homeowners Association, Inc. 06/30/2018

FIRSTSERVICE RESIDENTIAL
3102 OAK LAWN AVENUE SUITE 202
Dallas TX 75219

Acct	Description	Jun Actual	Jun Budget	Jun Variance	YTD Actual	YTD Budget	YTD Variance	Annual Budget
	COMBINED FUNDS NET INCOME	(\$8,513)	(\$330)	(\$8,184)	\$28,064	\$19,329	\$8,735	\$31,994
	Total Unrealized Gains/(Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0