

Firewheel Farms No 2 HOA, Inc.
Meeting Minutes

Meeting of Directors & Officers

Date: Tuesday, March 16, 2021, 6:30pm

Meeting was held on Zoom 16 March 2021

Attendance of Directors and Officers.

Name	Initials	HOA Position	Present or Absent	Role in meeting
Charles Johnson	CJ	Director and President	Present	
Chuk Lundin	CL	Director	Present	Hosting & recording
Lorraine Revelle	LR	Director	Present	
D'Ann Linwood	DL	Vice President	Present	(joins a little late - ok)
Barbara McCoy	BM	Treasurer	Present	
Lori Larson	LL	Secretary	Present	
Steve Tharp	ST	Consul	Present	

Role in Meeting: Leader, Time Keeper, Recorder, Rules Coordinator

Meeting was called to order at: 6:40 pm by Charlie Johnson

Review of prior meeting minutes if required: NOT REQUIRED

Old Business: NONE

The Agenda item is: finalize 2021 budget

CL: shares screen to view budget. He shared the info prior with LR and CJ. LR confirmed she had gone through it and had questions.

BM: We originally made the budget 12/8/2020. At that time, we did not have all of the year end information. We have since gotten PMG's year-end report to update the numbers in the 2020 actual column. BM clarifies she did not change anything on the 2021 budget.

ST: asks who is taking action items?

CL: LL is and I'm recording the meeting.

ST: I've looked at the meeting minutes before when we met in November and we made value decisions but none of those are in the minutes. If we had those values, this meeting may have not been needed.

ST offers to record that information or someone, as long as it captured, so we have the numbers. There are no clues in the previous meeting minutes. Please make sure the meeting minutes include exact dollar amount changes and categories.

Tonight's changes will be made on the actual document by CL as we go along. The screen is shared so everyone can see it.

CL and BM go over some details on the report.

BM shares the information she has, generated by PMG. She confirms the only thing she updated was actual 2020 budget and did not change any items on the 2021 budget.

LR: to clarify, BM, the last budget report is only through November, you have updated it to show us through December. I just want to define that to make things easier to understand.

BM: That's correct. I only updated the middle column [2020 actual expenses].

\$1,400 - 4025 reserve assessments, is clarified by CL and discussed with BM. She states she spoke with Isaac at PMG and they are going to correct this.

LR: Are they going to recategorize it or refund it?

BM: It should not be recategorized but it will go away.

DL: Additional questions re: Reserve Assessment and resale Certificate

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CJ: When a house is bought now, the new owner is assessed the resale certificate fee, the fee for PMG, and are also billed for a reserve fund, which is an additional \$350. The reserve assessment is invoiced as a separate line item so, accounts receivable, but it's not real because it was never collected.

DL Agrees it is not income.

ST: Thank you Charlie for firsthand knowledge of that.

CL: Therefore, line item 4, \$1,400 reserve assessments, is \$0 for 2021, which is correct. Also, column C, (4025 category) the line item for adopted 2020 (not actual) is \$0 which is correct.

CJ: New home buyers will incur these onetime charges: \$395 for resale certificate fee, \$125 to PMG for record keeping + \$35 set up fee for Town Square.

BM: There were 6 resale certificates for last year for \$395/each = \$2,370 for budget purposes.

CL: if you add up \$395+125+35 = \$555 however part of that is not our income.

Only the \$395 is our income. The \$125 is a PMG transfer fee+ \$35 a PMG fee to set up TownSq.io.
Further discussed.

CL: I believe the fees that go to PMG should be reflected under Administrative Fees. [Not line A8, resale certificate)

LR: There were 8 homes sold last year.

BM: Although there were 8 home sold last year, 2 didn't close until January 2021 so we didn't get the money until January, so that equals 6 for actual.

BM: For the 2021 budget, 8 resale certificates @ \$395 = \$3,160.

BM: We should not change the budget. (Line item 8B, approved budget).

BM: There is nowhere in the budget where PMG's \$125 transfer fee is noted.

CJ: \$125 + \$35 = \$160. \$160 x 6 = \$960. Nowhere on the budget is that number shown.

BM: I don't think we should be changing anything in column B. (2021 budget) If you want to change the description of that line item, I'm fine with that.

CL: Concern- is the budget going to reflect our actual flows in our account statements, expense accounts, income accounts.

CJ: Answers CL question stating the new homebuyer issues payment of \$395 to our association and a separate payment of \$160 to PMG.

User Fee Income – 4260 Resale Certificates.

After continued discussion, Line item 8B = \$3,160 was not changed. Line 8A and 9A Descriptions [\$395 and actual resale certs] were modified for clarification. (Line 8A and 9A)

CL: Agrees it is clear now, asks everyone if they agree. Aye. Unanimous.

ST: Line item 11, 4700 processing fees, asks what is a processing fee?

BM: BM Action item to review that. She will look into.

BM: LL asked PMG to get information for a homeowner and PMG did charge a fee for that, so that is what a processing fee is to me.

ST: We are in the income section so should that be an income?

BM: Yes, it should an income.

CL: shares screen to display agreed upon charges with PMG. Adopted by the Board.

CJ: agrees processing fees are income.

Processing fees versus late fees are discussed.

LL action item – send all resolutions to LR to post on the website. [11 to date?]

CL: Confirms the charges on the resolution should be what they are charging. If it's different then PMG is not following our directions.

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BM has not incurred an example of that [processing fees] so far this year.

Line Item 22, 5000 General Administrative is budgeted \$50. This category includes certified mail.
LR: We can possibly revisit that topic at a later time. Suggests we move on.

Line item 25 – 5003 annual meeting

CL \$500 was budgeted in anticipation of holding in person meetings at the church meeting room, \$100 donation to the church per meeting. However, if zoom meetings continue, we may not spend that.
CJ concurs we will not be meeting in person anytime soon. [due to covid-19 guidelines]

Line Item 29 – 5045 Dues & Subscriptions

BM: \$320 is correct.

BM The \$320 budget for 2021 includes the \$310 CAI subscription, \$10 Spokeo

The other items under that expense category such as QuickBooks and Network Solutions will renew in a different calendar year. Line items 32,33,34 are simply descriptions and examples.

Line item 36, 5090 Office Supplies is \$0.

BM: No office supply needs are anticipated.

CJ: Everything is electronic.

Line item 39, 5115 Website Maintenance \$584

BM: Yahoo fees after June will be dropped. We will continue with the Yahoo emails service. Wix is paid every 2 years.

Line item 44, 5195 Other Admin Fees = \$0

BM: Example, no bank fees

ST to BM, are you going to present this material?

BM: Yes. The only column I updated was the middle column which is ACTUAL 2020.

CJ: Ok.

ST: So, what are working from is not what you will be reviewing.

CJ: Yes, this is what will be presented as we are going over it. [making real time changes as needed]

ST: As long as they match. What you say is what we see here.

5200 Communications

Community Events

ST: Last year we budgeted \$3,620 but only spent \$900. Where is that \$2720 that wasn't spent? Did it go forward in to the next year?

CJ: We didn't spend it.

CL: We didn't spend that money for that purpose. But if you look down at 5210, printing and copying, we budgeted \$1,486 but spent \$4,187. This is where it's being applied. That charge was primarily from PMG.

LR: I think the cost for mailing invoices should go under general administration for collection expense, not printing and copying, it's misclassified.

BM: PMG categorized it that way.

ST: BM is carefully accounting for every single expense with a ledger and we can review categorization at another time. I believe BM will do it better.

LR to CL, have we gotten communication back from Isaac Ramos and John Miller [PMG]

CL: No.

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BM: communication about what?

CL: Eliminating PMG's responsibility to send out invoices. Our hope is that they will agree to amend our agreement on that. The goal is for us send invoices by email.

BM: Will I be collecting the money?

LR: No. PMG will collect the money.

BM: It does not go away, but reduced.

BM: I don't think we should change the budget. We knowingly need to go over that. An example, we need the invoice for the postcards sent out earlier this year. We need to be intelligent how we do printing and copying as I anticipate we are going to be over budget.

ST: Very good. Hang on to that. I have a question about C59, budget for 2020 \$1,486.

CL: A notice was sent out by PMG alerting everybody that PMG was going to be the next property management company. They charged us for the notification sent in Jan/Feb 2020.

ST: The people at PMG are skilled in taking money.

BM: Shares memory about discussion with CL about hiring a property management company, increased dues 2 years in a row because you can only raise so much per year. I know they were looking for someone to take over Treasurer and no one would do it because it's a lot work so BM as a homeowner understood that.

ST: We understood the \$595 monthly fee. What we didn't anticipate was the postage type fees.

5415 Insurance

CL: It went up this year.

Line item 61, 5225 newsletter services, public signs

CL: no concern about that amount but it would nice to know what dates we are talking about. It would good to know when the newsletter goes out.

ST: Garage sale signs, and projected \$80 for that, signs break.

CJ Still has the cookout signs.

CJ: The announcement signs are out now which are nice. ST had those signs and put them out.

CL: I have a large pile of signs in my garage.

6000 Utilities

\$468

CL: That is electric service.

6100 Landscaping \$8648

ST: That is a hard number. Contract renews in June.

BM agrees to remove decimals with cents to a round number.

6110 repair and maintenance

BM: \$3,000 for tree trimming was approved. Only occurs every several years. Does she need approval again to spend that much, even though it was approved?

CL: No, it's fine. We thought it was a different amount, stand corrected, \$3,000 ok.

BM: ST Asked to purchase 7 bags of bark for \$4/bag, soybean meal \$18 and 109 plants. Total approximately \$350/plants.

BM: Can I give ST the debit card?

ST: will seek reimbursement

CL Does that amount include what it's in the budget?

BM: Yes. I'm carefully tracking expenditures.

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CL to BM you don't need to ask for approval for expenditures approved in the budget. But it would be wise to let us know. We have a cap of \$250 that you can spend on your own, non-approved expenses.

CJ: I saw you [ST] working on the irrigation, how's that looking?

ST: I am working on it. The tubes are buried.

6600 Repair & Maintenance

CJ: What did we repair last year?

BM: Irrigation valves, but they put it the other category and I want to stay and match with PMG.

When I send things to PMG, I tell them what code to put it under now. It will minimize this kind of thing happening [a lengthy detailed meeting clarifying categories.]

ST: Once BM gets control of this, there may not be any more expenses in this category.

7050 Professional Services

CL: we are not going to pay \$150 for election administrator. I don't know about \$100 for administration help. I don't think we are doing that.

BM: Again, I don't think we change that column. We will go under on this category.

CJ and CL ok.

7020 Legal Services

BM: We left the attorney fee in there because we are anticipating the CCR's being approved so we left it in there for that.

CL: The total expenditures match.

CL: The surplus/shortage is a calculation based on forecast revenue and forecast expenditure.

LR: Are people going to ask why our budget is \$5,000 higher than last year?

BM: \$3,000 for tree trimming, and expenditures for the CCR. Those are the 2 big items that I see.

DL: With the big freeze (in February) we might end up losing everything and that could change the budget for next year.

DL: Good job Barbara.

BM: If you look at the budget for last year, the tree trimming was a big part of that.

ST: Please announce at the annual meeting that we will not be trimming trees again for at least another 5 - 8 years, a long time, maybe longer.

CJ: They cut the trees way above the 14' limit.

ST: They wanted to charge \$300/tree. We have many trees, \$6700. We only budgeted \$3,000 and they agreed to that price. There are dumping fees per wagon load, etc. If anyone needs a tree trim, I recommend that company.

CL: **Motion** to approve and adopt. LR Second.

CJ All opposed? None. Three Directors say yes. **Motion Approved - Unanimous.**

Everyone: Good job Barbara.

BM: The numbers are good, needs spell check please.

ST: If the numbers change as we go along is the total correct?

BM: Yes. The formula captures the accurate total. CL is double checking now. It is correct.

DL: Question about neighbor with circular drive.

CL: The ones on Muirfield are sighted.

DL: Rivercove circular drive, perhaps not in compliance. It's old, so no action to be taken today. But going forward this needs to be addressed.

ST, CL comments.

Other circular drives discussed.

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LR: If these are not approved by the county, it needs to be flagged on the resale cert so the new owners know that.

Action items LR: 5606 Deer Brook – permit for circular drive?

5413 Deer Brook - Mattress business still is happening despite our efforts to report it to City of Garland who has some taken action but were not complied with by the homeowner. Please take photos if you see it.

CL: At the next director meeting we will review that.

BM: Bank account as of last year 12/31/2020. Bank account \$40,523. Income \$31,056. Expenses \$28,756. Bank account this year is \$44,739. Discrepancy. Will research.

CL which bank account?

BM: both accounts. Pacific Premier Bank: \$10,213 + Chase Bank: \$34,526

CL & LR brief conversation about yahoo emails. Not budget related.

Action item: CL sent final budget to everyone in this meeting.

LR: asks LL to confirm and/or send LR the resolutions to be added the website, pdf format

BM: What are your thoughts on instead of PMG writing us a check to deposit, they could directly transfer the deposit?

LR: is there a fee or charge for that?

BM: Will ask. There is quite a time lag for reimbursements checks to get processed.

LR: Agrees if there is a minimal charge to do transfer versus mail/labor.

BM: Confirms all resale certs fee to be deposited to Chase.

LR: Have the title company wire it, no checks.

CJ: Can you ask for electronic transfer when issuing resale certificates?

LR: adds comments. Suggestion: wire money. Will reconfirm. If ok, save steps, and gives access to money right away. Wire, direct deposit.

CJ: The resale cert has to come back signed. Ok to wire money.

ST: Confirm to edit 1/21/21 item#6 slight amendment. It does not change the action item, just a correction.

BM: confirms ST has approval to buy those items, previously discussed.

ST: Who is posting annual meeting signs?

CJ & CL: I might have those.

ST: Will post voting signs. Voting ends May 18.

CL: **Motion** to adjourn meeting. Aye. Unanimous. **Motion approved.**

8:21pm adjourned.

Meeting minutes typed by LL on 4/5/21.