

A photograph of a row of brick townhomes. The buildings are constructed of light-colored bricks and feature arched doorways. Large trees with green foliage are planted along the sidewalk in front of the townhomes. A black street lamp is visible on the left. A blue car is parked on the street to the left. The scene is captured during the day with soft lighting.

2023 Annual Members Meeting

Frisco Square Townhomes HOA

Agenda

2023 Frisco Square HOA Annual Members Meeting

- Call to Order
- Establishment of Quorum (20 households)
- HOA Year in Review
- Any new business (if quorum)

HOA responsibilities

What does it do? (and not do)

The HOA is a nonprofit charged with maintaining common neighborhood infrastructure:

- Landscaping (trees, bushes, etc.)
- Irrigation Systems
- Fire system riser rooms (only: homeowners are responsible for pipes in their walls)
- Also enforces CC&Rs
- Maintains legal structure of the HOA (now a 501(c)4 tax-exempt nonprofit corporation)
- General coordination, communication

Unlike most HOAs, it is volunteer managed, with the management company (CMA) providing only limited financial management

HOA Board of Directors

- David Rostcheck - President (*outgoing in October*)
- Barrett Jackson- Vice President
- David Cameron - Treasurer
- Cathy Scarince – Secretary, until recently: HOA fire system manager (*outgoing in October*)
- Pastor Leticia Rouser - At-large
- Contact info:
 - HOA Messenger (install from app store) - best mechanism
 - boardfst@gmail.com

Volunteers

... who made our community [a lot] better! Thanks to:

- Nicole Rogers: managing landscape and irrigation vendor
- Mike Campbell: now taking on management of the fire system
- Cathy Scarince: in addition to responsibilities as Secretary and managing fire system most of 2023, ran a big volunteer project to coordinate repair to 8200 Library foundations
- Lashelle Davidson: taking care of the pet waste station
- Mike Olive, Nicole Rogers, April Parker, Lashelle Davidson: architecture committee (and thanks to former member Eden Atosh)
- and thanks to everyone who picks up trash or pet waste, reports landscape and city maintenance issues, etc.

2023 review

2023 in review

Overview: continued construction, economic shifts

- Continued major construction:
 - New city library – a \$62M area attraction – opened
 - Major apartment construction on West Library continues
 - Frisco city growth leading to increased traffic, parking congestion
- High inflation continues, causing cost increases that will challenge the budget
- 2023 HOA focus has been on reaching the next level: 501(c)4 certification, state tax exemption, improved landscaping vendor, fire vendor switch, repairing degraded landscaping and fire infrastructure,, dedicated fire & landscape managers
- Director departures coming in October elections (David Rostcheck term limited, Cathy Scarince now working demanding contracts out of state for extended periods)
- Expect 2024 focus to be on stabilizing and solidifying operations

Landscaping

2023 accomplishments

- Nicole Rogers remained invaluable as our dedicated volunteer landscape manager
- We changed landscape/irrigation vendor from Brightview to C&B Landscape Management
- Most neighbors report they are significantly happier with the service, the look of the neighborhood, and the overall maintenance of irrigation
- The board undertook several significant reserve (1-time) capital projects to
 - Replant sod in degraded areas not previously replanted
 - Install, move, and maintain rocks in high-shade areas
 - Install boulders on corners to prevent truck damage to landscaping
- Full tree trimming ongoing

Landscaping

2023 challenges

- C&B is significantly more expensive than had been budgeted
- This year, basic service cost \$5,000/month (\$896/household); next year may increase further
- That money just covers weekly cutting and trimming, not any structural improvement projects (ex. shrubs) - so the allocated budget does not even cover the basic upkeep
- This year's improvement projects (sod, rocks, boulders) came from reserve (capital) funds as a 1-time expenditure. That consumed approximately \$40k, or 1/3 of the available reserve funds, and can't be repeated every year
- High heat and new sod led to high irrigation costs this year

Fire system

2023 accomplishments

- Riser room door replacements/repairs and painting completed
- Began proactive self-replacement of panel batteries to control costs
- Vendor switch to from Vetted to Champion Fire Safety, who gives much better inspection reports
- Mike Campbell recently came on board as the dedicated volunteer fire system manager

Fire system

2023 challenges

- We have had many leaks and repair problems this summer since switching to Champion
- Champion's responsiveness is slow, coordination is difficult, resulting in difficulty keeping system 100% operational
- Champion's inattention to a repeatedly reported leak at 6344 Clarkson led to very serious damage to that room (fortunately mostly covered by insurance)
- Champion indicates that many leaks are resulting from our systems lacking expansion chambers, required by code, and the hot summer
 - If so, this raises issues: were they not installed to code? Why did prior vendors not identify it an issue? Retrofits could be very expensive and require complex recovery from other parties.

Finance

2023 accomplishments

- We received Federal 501(c)4 exemption, then applied for and received Texas state sales tax exemption
- The HOA is now permanently exempt from Federal income tax, Texas state sales tax, and Texas franchise tax filing and payment provided that we file a 990-EZ informational return (in lieu of a tax filing) annually
- We are able to seek refunded state sales taxes from 8/23/2022 onwards, but have to request assignment of right to seek return from our vendors

Finance

2023 challenges

- Significant vendor and utility cost increases
- Insurance was higher than expected
- High inflation erodes the value of the reserve fund. We have tried to proactively spend it on needed infrastructure upgrades.
- Reserve has diminished (see Treasurer's report)
- We did not yet update the reserve study
- We were dissatisfied with CPA work on our 990-EZ tax form, dismissed him and filed it ourselves

Treasurer's Report

July 2022

**FRISCO SQUARE HOMEOWNERS ASSOCIATION, INC.
RESTRICTED AND NON RESTRICTED INVESTMENT SCHEDULE**

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
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Non-Restricted Investments

Texas Bank & Trust	XXX913	\$ 144,655.41	0.35%	Not Applicable	July 31, 2022
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TOTAL NON-RESTRICTED BALANCE	\$ 144,655.41
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Restricted Investments

North State Bank	XXXX0264	\$ 93,351.79	0.10%	Not Applicable	July 31, 2022
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TOTAL RESTRICTED BALANCE	\$ 93,351.79
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TOTAL CURRENT BALANCE	\$ 238,007.20
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July 2023

**FRISCO SQUARE HOMEOWNERS ASSOCIATION, INC.
RESTRICTED AND NON RESTRICTED INVESTMENT SCHEDULE**

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
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Non-Restricted Investments

Webster Bank	XXX2017	\$ 156,727.85	2.53%	Not Applicable	July 31, 2023
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TOTAL NON-RESTRICTED BALANCE	\$ 156,727.85
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Restricted Investments

North State Bank	XXXX0264	\$ 20,427.24	2.00%	Not Applicable	July 31, 2023
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TOTAL RESTRICTED BALANCE	\$ 20,427.24
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TOTAL CURRENT BALANCE	\$ 177,155.09
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Budget 2024

Revenue	
Assessments	\$144,050
Other	\$4,215
Total	\$148,265
Expenses	
Management Fees	\$7,076
Professional Fees	\$5,202
Supplies	\$235
Insurance	\$10,195
Taxes	\$115
Other Misc	\$273
Community Activities	\$450
Landscape & Common Maint.	
Utilities	\$22,350
Maintenance	\$50,655
Irrigation	\$3,500
Building Maintenance	\$26,000
Repair & Replacement Reserves	\$22,828
Total	\$148,878

Treasurer's Report

Observations

- Organization net worth declined \$60,852, or 26%, from July 2022 to July 2023
- This is primarily due to spending down reserve funds on projects

Other

2023 accomplishments and challenges

- We expanded the architecture review board to 4 volunteers
- The board has effectively managed pet waste and off-leash issues, but they do regularly recur
- We began finding strange waste (soup) dumped around the neighborhood and in pet waste station – believed resolved

Major items remaining

- Stabilize the current issues with the fire system
- Get assignment of right of return from vendors and apply for sales tax refund
- Update reserve study

A promotional plug

You are the neighborhood; the neighborhood is you.

- The neighborhood runs on volunteers, be they directors, volunteer managers, or volunteers who do a single one-time item – all are appreciated, and all are necessary
- With only 67 townhomes and an expensive fire system, HOA dues could easily be double if all work were outsourced to a management company and vendors
- The director role requires competence and diligence. You learn important leadership skills. Being director of a 501(c)4 nonprofit is a significant accomplishment!
 - If you're interested, consider standing for election in October
- Volunteer work directly benefits your neighborhood. If something got better, a volunteer was involved in making it happen!
- Please consider volunteering in some role

Does anyone have any new business
or announcements before we adjourn?

Thank you, neighbors!