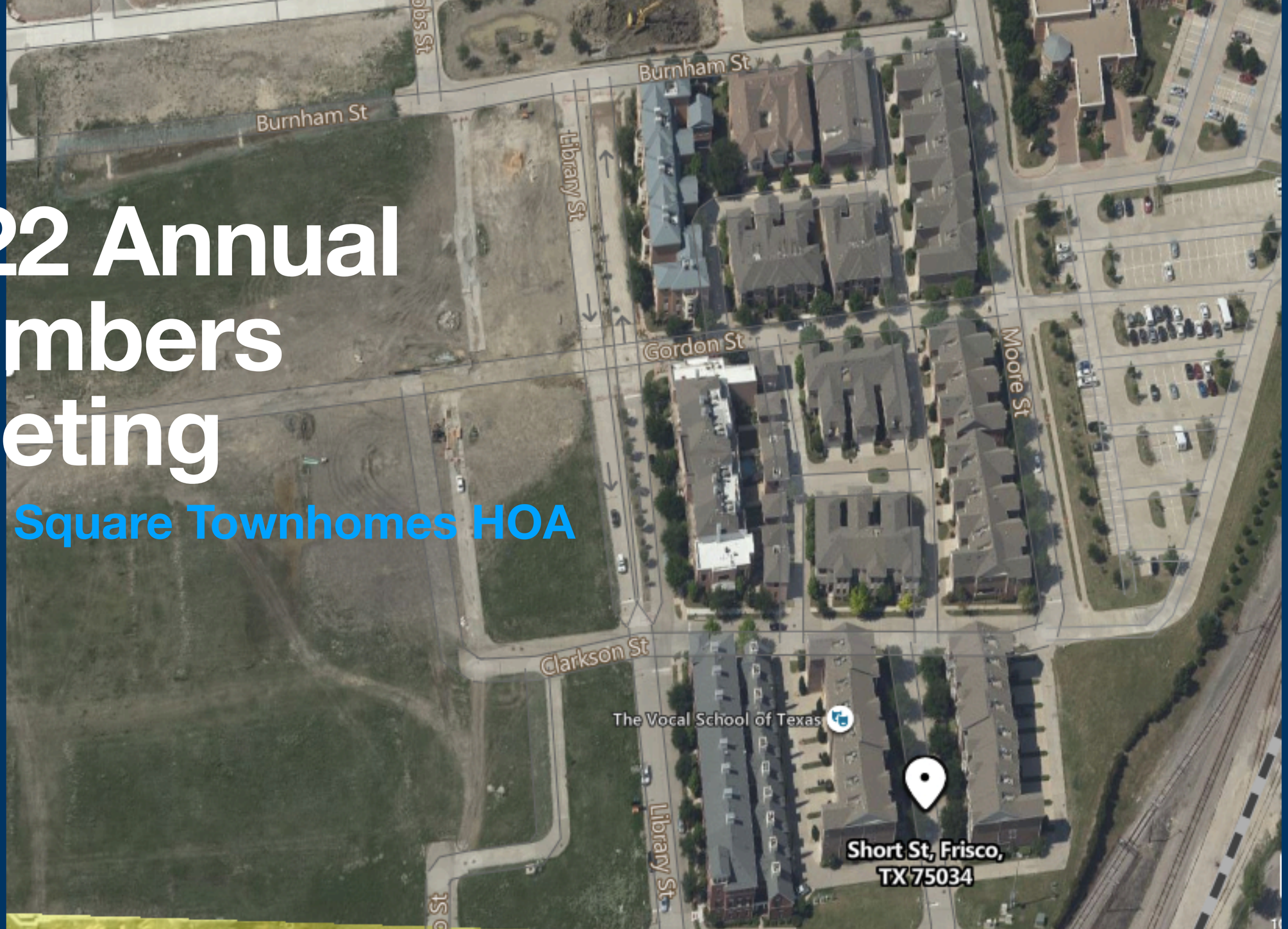
2022 Annual Members Meeting

Frisco Square Townhomes HOA



Agenda

2022 Frisco Square HOA Annual Members Meeting

- Call to Order
- Establishment of Quorum (20 households)
- Review of Directors and HOA Responsibilities
- HOA Year in Review
- Treasurer’s Report
- Volunteer Appreciation
- Upcoming Work

HOA Board of Directors

- David Rostcheck - President (214-707-1004)
- Cleveland Antoine - Vice President
- Janet Pollard - Treasurer
- Cathy Scarince - Secretary
- Sara Dunham - At-large
- Contact info:
  - HOA Messenger (install from app store) - best mechanism
  - boardfst@gmail.com

HOA responsibilities

What does it do? (and not do)

- Landscaping (trees, bushes, etc)
- Irrigation Systems
- Fire system riser rooms (only: homeowners are responsible for pipes in their walls)
- Maintains common infrastructure
- Enforces CC&Rs
- Maintains legal structure of the HOA (non-profit corporation)
- General coordination, communication

HOA pet waste station in mini-park

HOA trees provide shade to pedestrians

2022 review

Shown: photos from 501(c)4 tax exempt application

2022 in review

Overview: continued construction, economic shifts

- Continued major construction:
  - Courthouse and Jimmy and Clara Jones Park are now finished
  - Major apartment construction on West Library continues
- High inflation
  - Most vendors sharply increased costs
- COVID lockdowns are over
- Hot real estate market causing turnover (now damped by rate increases)
- HOA: focus on improving core infrastructure & processes

2022 accomplishments

Landscaping and pet management

- Changed landscape & irrigation company to Brightview
- Volunteer landscape manager Nicole Rogers managed Brightview weekly
- Much tighter leash on landscape and irrigation maintenance work
- High heat affected scheduling and irrigation bill
- Pet mangement:
  - Added pet waste station to mini-park and more pet signs
  - Enforcement action re. picking up after pets

2022 accomplishments

Fire system & other

- General focus on improving riser room maintenance level
- Began board inspection and documentation of riser rooms
- Panel replacement and other repairs by Vetted Fire Protection
- Replacing riser room doors (now in progress)
- Will begin proactive replacement of panel batteries to control costs
- Other: architecture committee, managing rentals, board training, board work management software, monthly board meetings, Memorial Day social

2022 accomplishments

Finance

- Significant vendor and utility cost increases
- Re-organized accounts to clearly separate reserve and operating funds
- Sourced vendors to update reserve study
- Began seeking sales tax exemption
  - Texas franchise tax exemption approved
  - Federal 501(c)4 exemption submitted
  - Then must apply for Texas state sales tax exemption when 501(c)4 approved
- Rate increase for 2023 to $2,150/year

Treasurer’s Report

Budget variance 2022 (as of September 30)

	Year-to-Date Actuals	Year-to-Date Budget	Year-to-Date Budget Variance	Comments	Remaining Budget Balance
REVENUES					
Other Income	718.36	306.99	411.37	The variance is primarily due to unbudgeted Late Fees, Assessment Interest Charges and Violations. Additionally, Interest on Non-Restricted Investments exceeds budget expectations YTD.	(159.04)
EXPENSES					
Professional Fees	4,429.66	1,414.00	(3,015.66)	The variance is primarily due to legal being over budget expectations. This is offset by unspent budgeted funds for the 2021 audit YTD.	(2,981.16)
Insurance	4,664.20	3,863.11	(801.09)	The variance is primarily due to General Liability, Directors & Officers and Property Insurance premiums being greater than budget expectations YTD.	488.74
Other Miscellaneous	(718.27)	339.98	1,058.25	The variance is due to a credit for Bad Debt YTD.	1,163.76
LS & CA Utilities	10,944.12	9,227.00	(1,717.12)	The variance is due to greater Water utility usage than anticipated by the budget YTD.	691.88
Landscape & Common Area Maintenance	35,633.32	30,161.00	(5,472.32)	The variance is due to LS&CA Maintenance, Trees and Landscape Imrpovements exceeding budget projections. This is offset by no Mulch expenses YTD.	1,447.68
Irrigation	6,238.56	5,200.00	(1,038.56)	The variance is due to Irrigation Repairs being greater than budget projections YTD.	261.44
Building Maintenance	29,036.49	32,133.08	3,096.59	The variance is due to Fire Prevention being less then budget expectations. This is offset by Backflow Inspections being greater than budget projections YTD.	9,849.89

2023 Budget

REVENUE		
Assessment Revenues	144,050.00	Assessments are based on 67 owners paying $2,150 per year due January 1st.
Other Income	612.72	Income earned from interest on invested funds.
TOTAL REVENUE	144,662.72	
EXPENSES		
Administrative:	19,955.76	Management Fees, Legal, Audit, Tax Preparation, Community Mailings, Other Professional Fees, Postage, Printing & Stationery, Administrative Supplies, Copies, Scanned Documents, Insurance, Taxes, Bad Debt, Sales Tax Addendums and Other Miscellaneous.
Community Activities	350.00	Annual Meeting/Town Hall meetings, parties and social activities
Landscape & Common Area Maintenance		
Utilities	15,200.00	Water and Electric usage for common areas.
Maintenance	53,330.00	General Maintenance, Trees, Holiday Decorations, Mulch, Landscape Improvements, Pest Insecticide, Other Common Area Maintenance.
Irrigation	9,108.12	Repairs to irrigation systems.
Building Maintenance	43,192.00	Riser room repairs (heaters, batteries, panels, antifreeze), inspections, and alarm monitoring.
Repair & Replacement Reserves	3,526.84	Reserves for future repairs/replacement of the Association assets including monument signs, fencing, retaining walls etc.
TOTAL EXPENSES	144,662.72	
NET INCOME PER BUDGET	0.00	

2023 Budget (monthly 1)

	Jan	Feb	Mar	Apr	May	Jun
REVENUE						
Assessment Revenues	12,004.17	12,004.17	12,004.17	12,004.17	12,004.17	12,004.17
Other Income	51.06	51.06	51.06	51.06	51.06	51.06
TOTAL REVENUE	12,055.23	12,055.23	12,055.23	12,055.23	12,055.23	12,055.23
EXPENSES						
Administrative:						
Management Fees	556.25	556.25	556.25	556.25	556.25	556.25
Professional Fees	100.00	75.00	150.00	750.00	0.00	3,090.50
Supplies	15.25	17.40	34.05	14.25	15.25	14.25
Insurance	568.98	568.98	568.98	568.98	568.98	568.98
Taxes	0.00	0.00	25.00	0.00	0.00	0.00
Other Miscellaneous	314.75	14.75	38.20	14.75	14.75	14.75
Community Activities	0.00	0.00	0.00	0.00	0.00	0.00
Landscape & Common Area Maintenance						
Utilities	733.37	733.33	783.33	908.33	1,208.33	1,633.33
Maintenance	3,712.46	3,712.46	3,712.46	8,712.46	3,712.46	4,212.46
Irrigation	0.00	108.12	500.00	1,500.00	2,000.00	1,000.00
Building Maintenance	3,882.66	10,832.66	2,332.66	3,882.66	2,332.67	2,832.67
Repair & Replacement Reserves	3,438.07	8.07	8.07	8.07	8.07	8.07
TOTAL EXPENSES	13,321.79	16,627.02	8,709.00	16,915.75	10,416.76	13,931.26
NET INCOME PER BUDGET	(1,266.56)	(4,571.79)	3,346.23	(4,860.52)	1,638.47	(1,876.03)

2023 Budget (monthly 2)

	Jul	Aug	Sep	Oct	Nov	Dec	Total	2022 Budget	Increase (Decrease)
REVENUE									
Assessment Revenues	12,004.17	12,004.17	12,004.17	12,004.17	12,004.17	12,004.17	144,050.00	113,900.04	30,149.96
Other Income	51.06	51.06	51.06	51.06	51.06	51.06	612.72	559.32	53.40
TOTAL REVENUE	12,055.23	12,055.23	12,055.23	12,055.23	12,055.23	12,055.23	144,662.72	114,459.36	30,203.36
EXPENSES									
Administrative:									
Management Fees	556.25	556.25	556.25	556.25	556.25	556.25	6,675.00	6,140.76	534.24
Professional Fees	0.00	1,000.00	0.00	300.00	34.50	0.00	5,500.00	1,448.50	4,051.50
Supplies	15.25	15.30	15.25	14.25	65.25	14.25	250.00	149.05	100.95
Insurance	568.98	568.98	568.98	568.98	568.98	571.98	6,830.76	5,152.94	1,677.82
Taxes	0.00	0.00	0.00	0.00	175.00	0.00	200.00	146.00	54.00
Other Miscellaneous	14.75	14.75	14.75	14.75	14.75	14.30	500.00	445.49	54.51
Community Activities	200.00	0.00	0.00	0.00	150.00	0.00	350.00	350.00	0.00
Landscape & Common Area Maintenance									
Utilities	1,933.33	1,933.33	2,133.33	1,433.33	933.33	833.33	15,200.00	11,636.00	3,564.00
Maintenance	6,992.94	3,712.46	3,712.46	3,712.46	3,712.46	3,712.46	53,330.00	37,081.00	16,249.00
Irrigation	1,500.00	1,000.00	1,000.00	500.00	0.00	0.00	9,108.12	6,500.00	2,608.12
Building Maintenance	3,882.67	2,332.67	2,332.67	3,882.67	2,332.67	2,332.67	43,192.00	38,886.38	4,305.62
Repair & Replacement Reserves	8.07	8.07	8.07	8.07	8.07	8.07	3,526.84	6,523.24	(2,996.40)
TOTAL EXPENSES	15,672.24	11,141.81	10,341.76	10,990.76	8,551.26	8,043.31	144,662.72	114,459.36	30,203.36

Bank balances as of September 30, 2022

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
Non-Restricted Investments					
Webster Bank	XXX2017	$ 100,174.91	1.21%	Not Applicable	September 30, 2022
TOTAL NON-RESTRICTED BALANCE		**$ 100,174.91**			
Restricted Investments					
North State Bank	XXXX0264	$ 87,055.15	0.20%	Not Applicable	September 30, 2022
TOTAL RESTRICTED BALANCE		**$ 87,055.15**			
TOTAL CURRENT BALANCE		**$ 187,230.06**			

Volunteers

… who made our community [a lot] better

- Nicole Rogers: managing landscape and irrigation work weekly
- Lashelle Davidson: taking care of the pet waste station
- Eden Atosh, Mike Olive, Nicole Rogers: architecture committee
- and thanks to everyone who picks up trash, reports landscape and city maintenance issues, etc.
- Special thanks to Rod and Joey Schaefer for donating space at Pizzeria Testa for second half of meeting: Q&A/social, starting 7pm

Upcoming work

- Board elections end of 2022
  - Please consider serving as a Director if you are interested
- Update reserve study
- Re-source landscape vendor
- Re-source other vendors to reduce expense (insurance, maybe fire)
- Riser room door replacement
- Continue to improve level of fire system maintenance
- Get vendors to apply tax exemption

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

Thank you, neighbors!