2024 Annual Members Meeting

Frisco Square Townhomes HOA

Agenda

2024 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

- April Bester - President
- Barrett Jackson- Vice President & Fire System Manager (*outgoing in October*)
- David Cameron - Treasurer (*outgoing in October*)
- Nicole Rodgers – Secretary & Landscape Manager
- Pastor Leticia Rouser - At-large (*outgoing in October*)
- Contact info:
  - boardfst@gmail.com
  - HOA Messenger (install from app store)

Volunteers

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

- Mike Campbell: management of the fire system
- Steve Fredrickson: Social activities volunteer (great summer BBQ)
- John Redding: taking care of the pet waste station
- Steve Fredrickson: architecture committee (and thanks to former members Mike Olive, Victoria Jackson and Lashelle Davidson)
- BIG THANKS to everyone who picks up trash or pet waste, reports landscape and city maintenance issues, etc.

2024 review

2024 in review

Overview: continued construction, economic shifts

Continued major construction:

- Frisco city growth continues to influence increased traffic, parking congestion
- City library traffic flow & changes – road construction on Cotton Gin & DNT
- Major apartment openings & construction continues along Cotton Gin/Library/Burnham
- Rail District redevelopment and Main Street widening started - expected through 2026
- Increased foot and pet traffic

High inflation continues, causing cost increases that continue to challenge the budget as the HOA BMs continue to negotiate with vendors to prevent annual assessment increase

2024 HOA focus has been on reaching the next level: Fire vendor switch (again), repairing degraded landscaping and fire infrastructure, dedicated fire & landscape managers

Director departures coming in Sept/October elections (Barrett Jackson term limited, Latecia Rouser term limited, David Cameron term limited)

Expect 2025 focus to be on stabilizing and solidifying HOA administration and operations

Landscaping

2024 accomplishments

- Most neighbors report they are significantly happier with the service, the look of the neighborhood, and the overall maintenance of irrigation
- Stabilized landscape/irrigation vendor with C&B Landscape Management (year 2)
- The board continued with additional reserve (1-time) capital projects to:
    - Replant sod in degraded areas not previously replanted (common areas on Short Street, Gordon Street, Library Street)
    - Install and maintain rocks around the base of trees (grass won’t grow due to tree roots)
    - Install rain sensors to help reduce water bills (will not water unnecessarily)
- Less heat & less sod helped reduce watering costs compared to 2023

Landscaping

2024 Challenges

The board is invested in maintaining our common areas from falling into disrepair again

- Landscaping continues to be a big budget item
- This year, basic service cost increase was offset due to sales tax exemption ($4,700/month); 2025 may increase due to continued inflation (all labor & materials costs have increased for landscapers)
- This year's improvement projects (sod/rock & water sensors) cost came from reserve funds as a 1-time expenditure. That consumed approximately $13k available reserve funds - reserve fund is slowly depleting due to continued replacement costs
- Volunteer time and effort is significant!
- Little to no reserve funds for 2025 capital projects - 2025 will be maintenance only

Fire system

2024 challenges

- We have had many leaks and repair problems 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)
- Volunteer time and effort is significant!

Fire system

2024 in review

- Vendor switch from Champion Fire Safety to FPI
- Efforts in the coming months will be underway to winterize buildings
- Special recognition to Mike Campbell, our dedicated volunteer fire system manager

Finance

2024 accomplishments

Replaced Champion with FPI at the end of July - financial savings will be realized in the last part of this year (significant volunteer time & effort - thank you Barrett, April and Mike)

- Going into 2025 - estimating $15k in savings in repairs, inspections and alarm monitoring.

Insurance - $3k savings

New tax preparer

Finance

2024 challenges

- High inflation erodes the value of the reserve fund. We have continued to try to proactively spend it on needed infrastructure upgrades.
  - 2025 will need to investigate ways to fund Reserves
- Reserves have diminished more than expected (see Treasurer’s report) - in part due to riser room repairs.
- Reserve study shifted to 2025
- Still working on obtaining a Sales Tax refund for 2023 C&B Landscape sales tax (instructions were unclear but can now complete by EoY)
- Legal services increased to ~$6k YTD (versus $1,200 budget) for legal consultation and communications - expect additional expenses through EOY
- Volunteer challenges for the community - HOA Board time and effort is significant - may need to potentially bring on a property management company to assist with administration of HOA responsibilities (example: CMA)

Treasurer’s Report

July 2023

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

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
Non-Restricted Investments					
Webster Bank	XXX2017	$ 156,727.85	2.53%	Not Applicable	July 31, 2023
TOTAL NON-RESTRICTED BALANCE		**$ 156,727.85**			
Restricted Investments					
North State Bank	XXXX0264	$ 20,427.24	2.00%	Not Applicable	July 31, 2023
TOTAL RESTRICTED BALANCE		**$ 20,427.24**			
TOTAL CURRENT BALANCE		**$ 177,155.09**			

January 2024

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

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
Non-Restricted Investments					
Webster Bank	XXX2017	$ 30,576.36	2.53%	Not Applicable	January 31, 2024
TOTAL NON-RESTRICTED BALANCE		**$ 30,576.36**			
Restricted Investments					
North State Bank	XXXX0264	$ 92,168.00	2.25%	Not Applicable	January 31, 2024
TOTAL RESTRICTED BALANCE		**$ 92,168.00**			
TOTAL CURRENT BALANCE		**$ 122,744.36**			

Moved $50k out of NR in late 2023 to fund RR
$10k out of NR for tree trimming August
$39K out of NR for Champion riser room repairs/service

July 2024

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

INSTITUTION	ACCOUNT NO.	BALANCE	RATE	MATURITY DATE	PERIOD ENDING
Non-Restricted Investments					
Webster Bank	XXX2017	$ 31,094.25	3.66%	Not Applicable	July 31, 2024
TOTAL NON-RESTRICTED BALANCE		**$ 31,094.25**			
Restricted Investments					
Veritex Bank	XXXX3544	$ 41,831.69	3.50%	Not Applicable	July 31, 2024
TOTAL RESTRICTED BALANCE		**$ 41,831.69**			
TOTAL CURRENT BALANCE		**$ 72,925.94**			

$9k out of RR for Landscape projects
$26k out of RR for additional Champion invoices - unexpected Riser Room repairs

Budget 2024 (draft)

REVENUE		
Assessment Revenues		$ 144,050.00
Other Income		$ 1,031.76
TOTAL REVENUE		$ 145,081.76
EXPENSES		
Administrative		$ 20,888.31
Community Activities		$ 250.00
Landscape & Common Area Maintenance		
Utilities		$ 18,075.00
Maintenance		$ 63,192.00
Irrigation		$ 10,400.00
Building Maintenance		$ 22,700.00
Repair & Replacement Reserves		$ 9,576.44
TOTAL EXPENSES		$ 145,081.75

Treasurer’s Report

Observations

- Organization net worth declined $104,000, or 83%, from July 2022 to July 2023
- This is primarily due to Riser Room repairs/maintenance and spending down reserve funds on projects

Major items remaining

- Elections are this weekend via Electionbuddy.com
  - 1 new volunteer for the board as part of the elections
  - 2 board members returning

- Without additional volunteers the board will need to explore a property management company to administer the operations of the HOA
  - HOA Board will only have 3 members - need 2 more
  - Architecture Committee (ARC) needs 2 more members
  - Landscape volunteer to help out

- The board continues to seek ways to resolve increased legal costs for communications and consultations

- Update reserve study - fund Restricted and Unrestricted Reserves & prepare for future capital expenses

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 increased if all work were oursourced 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 this weekend.
- Volunteer work directly benefits your neighborhood. If something got better, a volunteer was involved in making it happen!
- Please consider volunteering in some role

Another promotional plug…

The community is a reflection of all of us - homeowner responsibilities

- Check that your gutters, down spouts, and pop up drains are in good working order - impacts curb appeal, landscaping costs (mulch and ground erosion) and potential foundation problems
- Keep your screens, windows and doors visually pleasing (check for rips/tears, fading, cracks, etc.)
- Have your foundation checked for shifting - townhomes are connected so when one shifts they can all shift. Homeowners are responsible.
- Community Garage Sale - if you'd like to explore a community garage sale, please volunteer and let the board know. Garage sales are not allowed in the bylaws for individual homeowners.
- Please keep your dogs on leashes at all times. If you see a pet sign askew please adjust it, we'd appreciate it.
- Be on the lookout for construction truck damage and report it immediately. (Thank you Mike Campbell for your diligence on calling out these companies for their damage.)

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

Thank you, neighbors!

Appendix

Frisco Square Homeowners Association, Inc.
Income Statement Variance Report
Period Ending July 31, 2024

	Year-to-Date Actuals	Year-to-Date Budget	Year-to-Date Budget Variance	Comments	Remaining Budget Balance
REVENUES					
Other Income	2,514.48	2,816.24	(301.76)	The negative variance is due to Interest earned from Non-Restricted Investments falling short of budget projections. This is offset by unbudgeted Late Fees and Assessment Interest Fees. Interest from Restricted Investments is slightly greater than budget projections YTD.	2,313.36
EXPENSES					
Professional Fees	5,930.00	3,467.00	(2,463.00)	The negative variance is due to Legal expenses exceeding budget projections. This is offset by a savings in Tax Prep, Reserve Study, Other Professionals Fees and Violation Enforcement YTD.	(728.50)
Insurance	4,727.17	5,850.46	1,123.29	The positive variance is due to a savings in the Association policy renewals YTD.	5,467.53
Other Miscellaneous	24.85	273.45	248.60	The positive variance is due to unspent budgeted funds for Website & Internet Services YTD.	248.60
LS & CA Utilities	6,821.03	12,675.00	5,853.97	The positive variance is due to a savings in Utilities YTD.	15,528.97
Irrigation	4,057.90	1,900.00	(2,157.90)	The negative variance is due to an overage for Irrigation Repairs YTD.	(557.90)
Building Maintenance	9,696.72	19,500.00	9,803.28	The positive variance is due to a savings in Alarm Contract, Fire Prevention and Backflow Inspections YTD.	16,303.28

Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-to-date Actual	Year-to-date Budget	Year-to-date Variance	Annual Budget
OPERATING INCOME							
Assessment Revenues							
50010001-00 Homeowner Assessments	$12,004.17	$12,004.17	$-	$84,029.17	$84,029.17	$-	$144,050.00
Total Assessment Revenues	$12,004.17	$12,004.17	$-	$84,029.17	$84,029.17	$0.00	$144,050.00
Other Income							
50030001-00 Interest - Non-Restricted Investments	94.52	250.00	(155.48)	587.61	1,750.00	(1,162.39)	3,000.00
50030002-00 Interest - Restricted Investments	124.93	152.32	(27.39)	1,078.43	1,066.24	12.19	1,827.84
50030003-00 Late Fees	-	-	-	275.00	-	275.00	-
50030005-00 Assessment Interest Charges	35.84	-	35.84	573.44	-	573.44	-
Total Other Income	$255.29	$402.32	($147.03)	$2,514.48	$2,816.24	($301.76)	$4,827.84
Total OPERATING INCOME	**$12,259.46**	**$12,406.49**	**($147.03)**	**$86,543.65**	**$86,845.41**	**($301.76)**	**$148,877.84**
OPERATING EXPENSE							
Management Fees							
70060001-00 Management Fees	589.63	589.63	-	4,127.41	4,127.41	-	7,075.56
Total Management Fees	$589.63	$589.63	$-	$4,127.41	$4,127.41	$0.00	$7,075.56
Professional Fees							
70080001-00 Legal	5,850.00	100.00	(5,750.00)	5,850.00	700.00	(5,150.00)	1,200.00
70080002-00 Audit	-	-	-	-	-	-	1,200.00
70080006-00 Tax Preparation	-	-	-	-	325.00	325.00	325.00
70080007-00 Reserve Study	-	-	-	-	2,200.00	2,200.00	2,200.00
70080010-00 Community Mailings	-	-	-	-	-	-	34.50
70080011-00 Other Professional Fees	-	-	-	80.00	217.00	137.00	217.00
70080024-00 Violation Enforcement	-	-	-	-	25.00	25.00	25.00
Total Professional Fees	$5,850.00	$100.00	($5,750.00)	$5,930.00	$3,467.00	($2,463.00)	$5,201.50
Supplies							
70100001-00 Postage	0.64	2.32	1.68	3.19	16.24	13.05	27.84
70100002-00 Admin/Office Supplies & Misc.	0.42	0.50	0.08	1.06	3.50	2.44	6.00
70100003-00 Community Mass Mailings	-	-	-	-	-	-	56.00
70100008-00 Copies	-	0.08	0.08	0.15	0.56	0.41	0.96
70100010-00 Scanned Documents	5.55	3.50	(2.05)	23.55	24.50	0.95	42.00
70100012-00 Collection Notices	-	-	-	116.80	102.42	(14.38)	102.42
Total Supplies	$6.61	$6.40	($0.21)	$144.75	$147.22	$2.47	$235.22
Insurance							
70120001-00 General Liability	290.42	343.00	52.58	2,032.94	2,401.00	368.06	4,184.60
70120002-00 Directors & Officers	104.27	167.00	62.73	728.89	1,169.00	439.11	2,037.40
70120004-00 Fidelity	17.49	9.08	(8.41)	122.43	63.56	(58.87)	108.96
70120009-00 Property	263.13	316.70	53.57	1,841.91	2,216.90	374.99	3,863.74
Total Insurance	$675.31	$835.78	$160.47	$4,727.17	$5,850.46	$1,123.29	$10,194.70
Taxes							
70180003-00 Property	-	-	-	-	-	-	115.00
Total Taxes	$-	$-	$-	$-	$-	$0.00	$115.00
Other Miscellaneous							
70220006-00 Storage	-	-	-	24.85	23.45	(1.40)	23.45
70220009-00 Website & Internet Services	-	-	-	-	250.00	250.00	250.00
Total Other Miscellaneous	$-	$-	$-	$24.85	$273.45	$248.60	$273.45
Community Activities							
70240001-00 Community Activities	-	-	-	-	-	-	100.00
70240002-00 Meetings - Town Hall/Annual	-	-	-	-	-	-	350.00
Total Community Activities	$-	$-	$-	$-	$-	$0.00	$450.00
LS & CA Utilities							
70500001-00 Water	1,484.26	3,100.00	1,615.74	4,635.26	10,050.00	5,414.74	17,900.00
70500002-00 Electric	413.31	365.00	(48.31)	2,186.77	2,625.00	439.23	4,450.00

Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-to-date Actual	Year-to-date Budget	Year-to-date Variance	Annual Budget
Total LS & CA Utilities	$1,897.57	$3,465.00	$1,567.43	$6,821.03	$12,675.00	$5,853.97	$22,350.00
LS & CA Maintenance							
70520001-00 General Maintenance	$4,700.00	$3,242.09	($1,457.91)	$32,900.00	$22,694.63	($10,205.37)	$38,905.08
70520003-00 Trees	-	3,000.00	3,000.00	-	6,000.00	6,000.00	6,000.00
70520031-00 Landscape Improvements	-	500.00	500.00	-	3,199.49	3,199.49	5,449.49
70520071-00 Pet Waste Removal	-	-	-	-	300.00	300.00	300.00
70529997-00 Other C/A Maintenance	1,705.65	-	(1,705.65)	1,705.65	-	(1,705.65)	-
Total LS & CA Maintenance	$6,405.65	$6,742.09	$336.44	$34,605.65	$32,194.12	($2,411.53)	$50,654.57
Irrigation							
70600003-00 Irrigation Repairs	616.25	500.00	(116.25)	4,057.90	1,900.00	(2,157.90)	3,500.00
Total Irrigation	$616.25	$500.00	($116.25)	$4,057.90	$1,900.00	($2,157.90)	$3,500.00
Building Maintenance							
70661012-00 Alarm Contract	-	1,500.00	1,500.00	1,467.90	4,500.00	3,032.10	6,000.00
70661020-00 Fire Prevention	-	1,000.00	1,000.00	3,038.82	7,000.00	3,961.18	12,000.00
70661026-00 Back Flow Inspections	-	-	-	5,190.00	8,000.00	2,810.00	8,000.00
Total Building Maintenance	$-	$2,500.00	$2,500.00	$9,696.72	$19,500.00	$9,803.28	$26,000.00
Repair & Replacement							
75000001-00 Repair & Replacement Reserves	-	-	-	21,000.00	21,000.00	-	21,000.00
75000002-00 Interest on Reserves	124.93	152.32	27.39	1,078.43	1,066.24	(12.19)	1,827.84
Total Repair & Replacement	$124.93	$152.32	$27.39	$22,078.43	$22,066.24	($12.19)	$22,827.84
Total OPERATING EXPENSE	**$16,165.95**	**$14,891.22**	**($1,274.73)**	**$92,213.91**	**$102,290.99**	**$9,986.99**	**$148,877.84**
Net Income:	**($3,906.49)**	**($2,484.73)**	**($1,421.76)**	**($5,670.26)**	**($15,355.49)**	**$9,685.23**	**$0.00**

RTI/Community Management Associates, Inc.

Income Statement - Operating
Frisco Square Homeowners Association, Inc.
07/31/2024

Date: 8/12/2024
Time: 4:16 pm
Page: 2

Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-to-date Actual	Year-to-date Budget	Year-to-date Variance	Annual Budget
Total LS & CA Utilities	$1,897.57	$3,465.00	$1,567.43	$6,821.03	$12,675.00	$5,853.97	$22,350.00
LS & CA Maintenance							
70520001-00 General Maintenance	$4,700.00	$3,242.09	($1,457.91)	$32,900.00	$22,694.63	($10,205.37)	$38,905.08
70520003-00 Trees	-	3,000.00	3,000.00	-	6,000.00	6,000.00	6,000.00
70520031-00 Landscape Improvements	-	500.00	500.00	-	3,199.49	3,199.49	5,449.49
70520071-00 Pet Waste Removal	-	-	-	-	300.00	300.00	300.00
70529997-00 Other C/A Maintenance	1,705.65	-	(1,705.65)	1,705.65	-	(1,705.65)	-
Total LS & CA Maintenance	$6,405.65	$6,742.09	$336.44	$34,605.65	$32,194.12	($2,411.53)	$50,654.57
Irrigation							
70600003-00 Irrigation Repairs	616.25	500.00	(116.25)	4,057.90	1,900.00	(2,157.90)	3,500.00
Total Irrigation	$616.25	$500.00	($116.25)	$4,057.90	$1,900.00	($2,157.90)	$3,500.00
Building Maintenance							
70661012-00 Alarm Contract	-	1,500.00	1,500.00	1,467.90	4,500.00	3,032.10	6,000.00
70661020-00 Fire Prevention	-	1,000.00	1,000.00	3,038.82	7,000.00	3,961.18	12,000.00
70661026-00 Back Flow Inspections	-	-	-	5,190.00	8,000.00	2,810.00	8,000.00
Total Building Maintenance	$-	$2,500.00	$2,500.00	$9,696.72	$19,500.00	$9,803.28	$26,000.00
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75000001-00 Repair & Replacement Reserves	-	-	-	21,000.00	21,000.00	-	21,000.00
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Total Repair & Replacement	$124.93	$152.32	$27.39	$22,078.43	$22,066.24	($12.19)	$22,827.84
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Net Income:	**($3,906.49)**	**($2,484.73)**	**($1,421.76)**	**($5,670.26)**	**($15,355.49)**	**$9,685.23**	**$0.00**