

PROPERTY OWNERS ASSOCIATION OF HILLTOP LAKES
BOARD OF DIRECTORS MEETING
Thursday, October 28, 2010
EXECUTIVE SESSION 5:30 P.M.
OPEN SESSION 7:00 P.M.-TONKAWA ROOM

MINUTES

PRESENT: Jack Stork, Ed Hughes, Mike Miller, Randy Schiamara, Gary O'Neal, Theo Webb, Larry White, Charlotte Waddill, and Connie Saxton

ABSENT: Don Hughes-Proxy vote to Larry White

I. CALL TO ORDER – Director Stork

II. INVOCATION - Director Miller

III. APPROVAL OF AGENDA-Director O'Neal motioned to approve the Agenda; Director Schiamara seconded the motion. Vote was unanimous.

IV. OLD BUSINESS

- A. DISCUSSION-SURVEY FOR ASSISTED LIVING NEEDS-Director Schiamara did a rough survey to see if there was interest in an assisted-living facility; response was 100 for, 5 against. He feels Hilltop should pursue the assisted-living facility issue with the corporations who offered these at no cost to Hilltop. Ron Ryder, a property owner, stated a demographic study of this area would have to be done first. Director Stork asked Director Schiamara to contact the interested corporations for more information. Director Webb asked if this should be passed on to the Planning Committee which will be done when an investor becomes serious.
- B. DISCUSSION-TAKING BACK LOTS FROM VOLUNTARY PROPERTY OWNERS-Director Ed Hughes recommends having 12-20 lots on inventory for sale. Maintenance fees and taxes have to be paid up. This issue will be on agenda for vote at next meeting.
- C. DISCUSSION-DOGGIE PARK-Director Ed Hughes suggested to table this issue for three (3) months. After researching liabilities, financials, legal issues, etc., there is more to consider than originally planned. He wants to search out the details and get more information.

V. NEW BUSINESS

- A. DISCUSSION-AUDIT REPORT FOR 2009 BY KAY DOBBINS-Kay

Dobbins, the auditor for Hilltop Lakes, was introduced by Director Stork. Ms. Dobbins stated 2009 was not a good year for Hilltop Lakes. The cash flow was not as good nor the net income which was mostly depreciation. There was a decrease in total assets also. Operating cash actually decreased over \$400,000. Improvements, roads and equipment increased. 2010 is a better year. After looking at financial statements, the auditor found numerous accounts that had not be reconciled; cash had not been reconciled in a timely manner. This has been corrected. Hilltop Lakes has a lot of delinquent accounts. The majority of income does come from the \$35 maintenance fee lots. Kelley Hamontree is fully capable of doing day-to-day, month-to-month. The year-end adjustments need to be done by someone with an accounting degree. Kay's firm suggested hiring a freelance to come in at year end and enter those adjustments.

B. DISCUSSION & POSSIBLE ACTION-PROPERTY OWNERS CARDS-

Director Schiamara discussed problems regarding property owner's cards. Cards need to:

- 1) have expiration dates
- 2) state whether owner, occupant or renter
- 3) photograph if possible

Director Schiamara motioned to put in next year's budget money for new property owner cards with expiration dates.

Director O'Neal seconded the motion. Director O'Neal stated if a card involves an occupant, a fee should be charged for the card. Director Schiamara will bring a written plan concerning the program. Director White feels cards would be beneficial if account was in arrears and the amenities couldn't be used.

Vote was unanimous.

C. DISCUSSION & POSSIBLE ACTION-ATM MACHINE FOR HILLTOP-

Director Schiamara was approached about having an ATM machine. Director Webb will contact the local banks to see if there is a interest.

D. DISCUSSION & POSSIBLE ACTION-TCEQ DAM REPORT-TCEQ is

requesting reports on the work done to the dams. An emergency plan of action and a maintenance plan are required to be filed for each lake. Reports will be filed.

E. DISCUSSION & POSSIBLE ACTION-WATER FLOW INTO TONKAWA-

Director Stork explained the work being done behind Lake Tonkawa to open the springs. Director Ed Hughes motioned for the maintenance department to remove the structure blocking the flow of water; Director O'Neal seconded the motion. The structure is on common ground. Vote was unanimous.

VI. COMMUNICATIONS

A. COMMITTEE REPORTS

1. TREASURER/FINANCE COMMITTEE REPORT-Director O'Neal reported another good month with revenue exceeding the expenses by \$48,000. Maintenance fees were up. Prepaid maintenances fees are already in our cash-\$77,000 is recognized a month as income. \$45,122 is reserved for a facility to be used by the property owners. Costs of the dam reports and the auditing fee will be coming out of the income.
2. ACC COMMITTEE-Director White reported:
 - a) Meets twice a month-2nd & 4th Thursdays
 - b) Three new homes have been permitted this year, 5 in 2009, 15 in 2008
 - c) Fourteen active permits as of this time
 - d) ACC is here for solely for the property owners
 - e) Each section has a different set of deed restrictions
3. PLANNING & DEVELOPMENT COMMITTEE-Director Ed Hughes requested
 - a) \$300,000 in the budget for paving, starting with Hilltop Drive (2.1 miles), then paving Tonkawa East ½ mile to the campground. Next year may have property owners contribute to the paving of their roads.
 - b) Also would like to seriously look at a new post office.
 - c) Hopefully, will have more money to work with next year.
 - d) Director Webb has been working on an income enhancement project.

Director O'Neal commented capital dollars will be part of a plan in 2011. Budget process starts October 29 at 2:00 p.m.

4. WILDLIFE COMMITTEE-Vernon Presswood thanked everyone-the club is out of the maintenance area.
 5. GOLF COURSE COMMITTEE-Director White stated
 - a) things are winding down.
 - b) December meeting will be cancelled
 - c) November meeting is November 17.
 - d) 1913 people played golf last month
 - e) 260 were guests; 162 free guests
 - f) thanked staff for their tremendous work
- ### B. PRESIDENT'S REPORT-Director Stork
- a) Thanked Royce Skelton for his work on Lake Tonkawa
 - b) Thanked Effie Creamer for her donation
 - c) Appreciation dinner for the EMS/Fire Department was very successful - 85 people attended. Thanked Don Weldon for the great idea-wants to make the dinner an annual

- event.
- d) GM search is postponed until new Board is seated
- e) Budget meeting Friday at 2:00 p.m.
- f) Received a letter from Gastar about drilling a gas well-will get back with more details when available.
- g) Cable is gone
- h) New roof on post office
- i) Stacie Childress is working on new property owners' packet
- j) Concerning the recommendation from the auditor to hire a CPA or hire a freelance will be the Board's decision
- k) Bank accounts have been reconciled
- l) Improving check signing procedures
- m) Bank accounts that needed to be closed are now closed
- n) Enforcement of invoices-if greater than \$2500 Board must approve
- o) Fixed asset policy-all property over \$500 and life over one year must be capitalized
- p) Froze capital spending
- q) Thanked all the Board members for their work

Director Miller reminded everyone of the Lakes Committee meeting on November 6, 2010, 8:00 a.m. – will be sharing the proposed budget. Nominating Committee will be counting votes Tuesday, November 2, starting at 8:00 a.m. Votes have to be in by Monday at 5:00 p.m.

VII. MEMBERS TO BE HEARD

- a) Ruth Hime asked how much is the restaurant paying for utilities?
- b) Jack Miller stated that in the last few months he has heard less bickering, discussion, etc. about what is happening to Hilltop Lakes. Why do we need a General Manager?
- c) Hugh Rigsby thanked the Board.

VIII. ADJOURN

Director Mike Miller motioned to adjourn the meeting; Director O'Neal seconded the motion. Meeting was adjourned.

PREPARED BY

DATE

APPROVED BY

DATE