

MINUTES

BELLA VISTA TOWNHOUSE ASSOCIATION ANNUAL MEMBERSHIP MEETING

February 20, 2019

9.00 A.M.

Board Member Present

Jack Adams
Tom Barber
Ron Johnston
Johnese Johnston
Gail Kapica

Board Members Absent

Staff Present

David Whittlesey, General Manager
Beverly Schommer

6 Members & 1 Guest Present

The meeting was called to order at 9:00 A.M. by Jack Adams. He opened the meeting by thanking the members for attending the annual meeting. Then asking each Board member to introduce themselves.

Ron Johnston has been on the Board for about 5 years, he has always enjoyed being on the Board and helping the Association make improvements. We appreciate your comments, those help us and guide us to get things done like we all would like to see them done.

Gail Kapica lives in Metfield, on the Board for 3 years and it's been fun for the most part, while sometimes it can be serious, she enjoys it.

Jack Adams worked in the educational system in Iowa with many years in the Media Center. He lives with his wife Rayann on Brett Lane, they moved to Bella Vista in 1999 and in April 2000 he was asked to be on the Board and has been here ever since. He said he has one more year left.

Johnese Johnston said, they own several townhomes and have recently been called by God to a little farm in Missouri. She has 30 years construction & real estate business background and has served on this all volunteer board for 2 years now. As secretary-treasurer she provides general oversight of the office by checking cash flow, check detail, bank reconciliations and other financial information. She said, being an owner she can see what is done by the ground crews out there. They work in all kinds of weather, and we have been able to raise some of the salaries and starting pay. Which helps retain employees, because you know it hard when you have an employee who has been here 20-30 years, when that employee goes you loose all that experience with them and it take a long time to build that knowledge again. We are very open with the owners, quick to respond, we publish information online and the books are open to the owners in the office. We are very above board and we do have an audit company who checks our books.

Tom Barber, lives in Metfield Courts, on the Board for 3+ years. Moved here from Oklahoma, loves this area. He had managed the maintenance department for the Housing Authorities in Oklahoma for 27 years. We took care of the buildings plumbing, painting,

other repairs and maintenance, so he can feel for David because he has done a lot of what David does and a whole lot more because David has only been at it for 10 years. Bella Vista is a great place to be. Tom, addressing the membership said, we hope that we can help people in any way that we can. Please ask any questions you would like, and thank you for being here today.

Marissa Whitfield, the newest board member who is being elected today, lives in Kingsdale Court with her husband. They have lived in the area for 22 years. They have been buying and remodeling properties. Marissa is interested in getting involved in her community, maybe sharing some new ideas and helping people around our community.

Following the introductions, President Adams announced election results as follows:

117 valid votes and 89 proxies returned. Tom Barber with 117 votes and Marissa Whitfield with 110 votes were both elected to serve for three year terms.

A motion was made by Ron Johnston and seconded by Tom Barber to dispense with the reading of the minutes from February 21, 2018, Annual Meeting. Motion passed.

Johnese Johnston made the 2018 Annual Treasurer's report. Cash at the beginning of the period was 158,733.56, Revenue was 970,726.22, Expenses were 824,019.10, Net Ordinary Income was 146,707.12. Cash at the end of the period, December 31, 2018 including all bank accounts was 251,425.44 leaving a Net cash increase for period of 92,691.88 after capital expenditures and vehicle payments. The trucks will be paid off in July this year. Auditors recommend having 3 to 6 months of operating reserves. Current funds allow for approximately 3 months based on average expenses of 68,660.00 month. Repairs to major infrastructure such as retaining walls will take a lot of money. People don't realize the things that the Association are responsible for and we have no choice but to take care of the things. We don't spend all our money on frivolous things. People say, well I don't have any grass to mow, and we understand that, but we have to spend money on the infrastructure that is so old it is crumbling and for the safety and welfare of the residences it must be addressed. So, we try to stretch things as far as we can until we get to the point we have to sit down and decide, okay, we are going to fix this. So, I hope that you all understand that because I guarantee someone is going to come and say, why am I paying you when you don't do anything for me. Well, it's in your court lights, it's in the walls, the cart sheds we provide maintenance on for example.

Motion to approve the 2018 Annual Treasurer's Report was made by Tom Barber and seconded by Gail Kapica. Motion passed.

President Jack Adams read the resolution FY2019-001 which is, "*Be it resolved: That all acts of the Board of Directors and Officers, for and on behalf of the Bella Vista Townhouse Association during the past year be and they are hereby approved, ratified and confirmed*". "*Secondly, let this be our official declaration of policy that all current manuals, policies, motions, etc. previously approved by the Board of Directors are hereby reaffirmed.*"

A motion to approve the resolution as read was made by Tom Barber and seconded by Ron Johnston. Motion passed.

General Manager David Whittlesey then gave a review of 2018:

Your Association consists of 1,048 townhomes, approximately 360 acres of Limited Common Property and an annual assessment of \$900, an increase of \$60 from 2017. The annual financial review was conducted by independent accounting firm McFall & Associates. Revenue totaled \$971,016 and expenses \$824,019. Overall revenue exceeded expenses by \$146,997. The Association holds debt of approximately \$30,220 from the purchase of 4 vehicles in 2015. This debt will be paid off this July. Total operating reserves increased significantly, ending the year at approximately \$251,000, up from \$159,000 in 2017. The auditor recommends a 3 to 6-month operating reserve.

While the annual assessment remains unchanged for 2019, the board voted to increase cart shed rental fees by \$5.00 per month in 2019 as rates had been unchanged for more than 15 years. The board also voted to implement a \$100 transfer fee when a property sells to help offset administrative costs. Additionally, following the sale of a property, title companies are now asked to collect the remaining balance of the annual assessment if the new owner does not opt for monthly automatic bank draft. This was done per Article VI of the Covenants specifying the Assessment is 'annual' to help new owners avoid confusion and late fees and streamline accounts receivable.

A continuing positive trend in real estate values lead to 137 properties being sold, compared to 136 in 2017. For the year, 12 applications for major improvements or additions to townhomes were processed, down from 14 in 2017.

While foreclosures remain low from the peak nearly a decade ago, 8 new foreclosures did occur last year. However, 7 of the properties were recovered in full so bad debt write-off was only \$2,927 from 1 property. This is a testament to the efforts of the Office Manager, to pursue past due amounts, particularly foreclosed properties. Additionally, aggressive steps for legal action of collections remain in place following the placement of a lien when assessments become 90-days past due. When a property becomes 120 days past due, the Association's attorney sends a certified letter to the deeded owner. If the owner does not make the account current, establish a payoff plan, or fails to respond, a lawsuit is filed. Satisfactory judgments against delinquent owners include wage and/or bank account garnishment and a downgrade to their credit. Currently there are several judgments pending execution.

The rec room and meeting facility at the Association office at 2 Cora Circle in Drake Courts was extensively remodeled for the first time since being built in 1975. The project included new flooring, paint and updated kitchen and restrooms. The facility is also now available for rent by townhouse tenants and residents in addition to members. Rental rates remain the same, just \$20 per day with a \$50 refundable security and cleaning deposit and accommodates up to 40 people.

Following the 2017 contract removal of the Cora Circle tennis courts which included installation of a new concrete retaining wall, sidewalk and expanded office parking, ground work for the area was completed early in the spring. This included topsoil and hydro-seeding Bermuda grass to create greenspace.

Another carryover project just completed was removal of nearly 50 concrete trash corral pads. This followed the 2017 city-wide mandated conversion to curbside service with poly carts provided by Republic Services for areas that don't utilize dumpsters.

In addition to these infrastructure projects, regular grounds maintenance services and repairs were also made to cart sheds, court street lights and signs. Many dead or hazardous trees had to be cut down, a number of which required contract removal at a cost of nearly \$9,000. Additionally, trimming to clear roofs and remove low hanging limbs was performed throughout the Courts. Many special projects for townhouse owners were also performed with the *Association* providing labor and equipment and owners paying for materials. Projects included rocking yards, repairing or replacing railings and front walkways, removing and planting bushes and shrubs, replacing landscape timbers and metal edging and French draining downspouts for erosion control. These Special projects are an 'extra' service provided as time and resources allow and in the order they're received. Regular grounds maintenance services are always priority.

With the \$1.00 per hour increase in the starting wage for both full and part-time hourly grounds maintenance employees in 2016 and health insurance availability added for full-time employees, last May, staffing has remained consistent and turnover relatively low. We ended the year with a team of 13 full-time and 2 part-time employees, unchanged from 2017.

Equipment purchased includes: 5 Stihl BR700 backpack leaf blowers; 1 Stihl 16" concrete saw; and 1, 15-amp HD Pro jackhammer.

Equipment sold includes: 2, 30-year old push mowers, 1 a John Deere and the other a Toro; and a 1994 Isuzu Hombre pickup with a blown motor.

Lastly, I'd like to thank our board of directors for their time as volunteers, commitment, leadership and support and recognize each of our employees for their dedicated service and quality work.

With that I'd like to open the floor to members for comments & questions.

Motion to adjourn was made at 9:34 a.m. by Tom Barber and seconded by Gail Kapica. Motion passed.

Next Regular Meeting
February 20, 2019
2 Cora Circle
10:00 A. M.

Next Annual Meeting
February 19, 2020
2 Cora Circle
9:00 A. M.