

LAND'S END HOMEOWNERS' ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS' MEETING
January 7, 2025

The following minutes reflect the discussions and actions by the Board of Directors (the "Board") of Land's End HOA (the "Association") at the executive meeting of the Board conducted on January 7, 2025 at The Clubhouse, 285 PR 5980, Yantis, Texas 75497 at 3PM.

Brad asked if he had a motion to call the meeting to order. So moved by Paul and seconded by Beverley. All in favor. Meeting called to order at 3.03PM

Attendees: Brad Rogers, Cathy Bastyr, Beverley Haynes, Joey Bush, Paul Tibbets.
A quorum is present.

Members in attendance: Bill Denney, Cliff McMillan, Arlan Jaeger, Judy Johnson, Bob Banks

NEW BUSINESS

Discuss and potentially take action on the following items:

- Discuss '25 budget and review projections based on '24 actuals

Brad asked if anyone had any items to pull from the minutes of the December meeting. No one had. He asked for a motion to for approve the minutes So moved by Cathy and seconded by Paul. All in favour. The minutes are officially approved.

Looking at the full year 2024, the total of expenses before investment income from our CD, is \$154,133.07. We budgeted for \$143,515.00 which means an overage of \$10,618.07. Our 2024 budget planned for an overage of \$11,240.00 to slightly reduce our reserves in the checking account. As at December 31, 2024 we are over by \$9880.67, slightly under what we had budgeted. Cathy confirmed this is the closed out 2024 Profit & Loss Budget Performance and Balance Sheet. Our Operating Account as at Decmenber 31, 2024 holds \$45,575.04 , plus a CD of \$114,437.44. Therefore the total Reserves in Checking and Savings is \$160,012.48. Cathy confirmed that the CD renewed for 5 months at 3.5%

Brad said that the first draft of the 2025 budget is basically a baseline increase of 5% to allow for continued inflation. This would result in an budget expense over income of \$24,340. Brad talked about the question of reserves and how much should an HOA of our size have, taking into account our level of expenses and the type of assets we have. Roads and common areas are main expenses. As a general rule of thumb our 25 budget will spend \$158,340 including 5% for inflation. Our reserves are almost equal to our expenses. Most experts advise reserves not going below 9 months of expenses. This 2025 budget will put us at reserves of about \$135,000. The use of reserves has allowed an acceleration of the roads program. Brad said he would recommend to the Board, the membership, and future Boards that they not bring the reserves any lower. In future, we should plan on a balanced budget. He explained that currently, we are spending about \$125,000 annually on our roads which gives us 3/8 to 1/2 a mile of rebuilt road. In a major weather event, causing damage to our roads, we

have enough in reserves to fix 3/8 of a mile of roads. He restated that he believed this should be the last year that we eat into the reserves.

Beverley said she agreed with using the reserves this year. She said that she was concerned that the \$24,340 number may be on the low side and nearer to \$30,000. She pointed out a typo on the top line of the budget statement. Cathy said it should be Actuals as at 12/31/24. Beverley questioned the amount of \$6500 in new construction income. Bill confirmed there were only two new builds last year. The Board Directors did not know of any plans to build. Various properties were discussed. Beverley said she thought we should err on the cautious side. Brad suggested we reduce the amount to \$4500. The Board agreed.

Beverley asked about the Repair and Maintenance numbers. Cathy said she sent us the breakdown of common areas repair and maintenance. Brad said he would redo the budget to include those numbers with 5%. Beverley asked about the fountains. Brad confirmed he had Jose winterize them until the Spring. Cathy asked about the gates. Brad had not gotten around to put the new timer on and test it. Beverley asked if the removal of the dead trees in 2024 had been included in landscaping. Cathy said it had. A resident asked if removal of a dead tree required approval. Brad confirmed no and not required for trees less than 6". Beverley asked about the budget for the website, which did not have an entry in the balance sheet. She also said there would be a small amount to pay for the Domain name. Beverley suggested \$550 for \$2025. Brad and Cathy agreed that the next annual payment due in late December 2025 would be posted in Jan 2026.

Brad asked about Xmas decorations. Beverley confirmed that \$1400 would be needed for the villas, \$1400 for the HOA, and 5%. The Xmas Gathering cost very little, but the music through the phone did not work. Beverley suggested a DJ which would be cheaper than a band. Together with the plastic goods and lottery tickets. She suggested we should budget for \$1000. Beverley had confirmed that the holiday flags are not changing so no need to add 5%. Brad said he would change it back to \$370. Cathy said accounting fees are likely to go up as they have remained the same for three years. Brad suggested \$2000, which Cathy agreed with. The trailer needs registration every year at \$65. Brad said the jack needs to be rebuilt. Brad suggested \$300 for the trailer. Cathy suggested we could shop around for a better rate when the CD comes due at the end of May. There were no further questions from the Board members. Brad will redo the draft and send it out to the Board.

Brad said there is no action item, as this was a working budget session.

Members Questions:

A resident asked what percent of the roads have been finished. Brad said the roads since 2021 with reclaiming of the sub base, soil stabilization and chip seal, over 50% have been completed. He was asked if we could accelerate the work to have all the roads completed in two years. Brad said it would take dues of \$1600/1700 each year. Brad said in the next 4/5 years we should have completed all the roads. He was asked if we can add hot mix over the top of existing chip seal roads. Brad confirmed we can which would be a lot cheaper. The resident said the asphalt surface is much better to drive on. Another resident said as we go through the program, we need to bear in mind that are empty lots to be built on construction traffic being the chief cause of damage to our roads. Brad said with hindsight there probably should have been an assessment of truck loads, given that some properties required many more trucks of fill than other properties. However, the chip seal has held up well and there is only one spot which may have some erosion and possibly into the subbase.

A resident asked what the process might be to change the PRs on the question of fencing in the front yards around flower beds. He said fencing in front of the house was approved a long time ago for hog wire and green stakes only. He would like approval to use wrought-iron like fencing around the beds. There was a general discussion. Brad said we can look into this matter. We will not do anything about the deer but we can look into how we can improve aesthetics. There was a question about the legality of the PRs and whether they are filed in the County Court. There were no other questions.

Brad entertained a motion to adjourn the meeting. So moved by Cathy and seconded by Paul. The meeting was adjourned at 4.02pm.