

Nature Trail Homeowners Association, Board of Directors Meeting

Meeting Minutes, December 18, 2017

Location: Nature Trail Lodge, 8775 Foxtail Loop

Board of Directors in Attendance: Bob Barron, Chris McBrayer, Jerry Maygarden, John Kellas, Peg David, and Joshua Jackson; Andy Hobbs and Richard Murray not in attendance

Additional Persons in Attendance: Braden Ball (HOA Attorney) & Rob Bell (HOA Manager)

HOA Members in Attendance: Approximately 12 residents

1. Meeting was called to order at 6:00 p.m. by Bob Barron, HOA President.

2. Proof of Notice

- Posted on the Lodge December 14, 2017 by Dave Taylor; removed by unknown person(s); reposted on December 15, 2017 by Dave Taylor.

3. Previous Minutes

- No previous minutes to approve. This was a follow-on Meeting to discuss the 2018 Budget post the December 5, 2017 Annual Board of Directors Meeting.

4. Reserve Item - Pool Re-plastering

- HOA reviewed two bids received by the Management Company for comprehensive work to re-plaster the main pool and kiddie pool; which includes: drain pools, remove all loose plaster, pressure wash pool surfaces; bond coating; install frost proof ceramic tile to waterlines; plaster and more, as outlined in the RFP and bids.
- Management company requested Gary Freeman, as a subject matter expert, to review the bids (his company not bidding). He provided verbal notes indicating both vendors were close in price; hence, recommended lowest bidder.
- Board requested to see a written summary by Gary Freeman before proceeding. Review and decision tabled until report provided at the next Board Meeting.

5. Lodge Painting – Interior/Exterior

- Bid received for \$22,000 to do both interior/exterior painting.
- Exterior paint color will remain the same.
- Interior paint color. A color was selected by Christine McBrayer; however, there is a Design Working Group in place that will review based on overall color scheme in work for flooring, walls, etc.; and report back to the HOA by next board meeting.

6. Budget

- Discussion re multiple options to establish a 2018 budget and potentially identify monies for required retention pond maintenance. Bob Barron and Rob Carr presented budget options surrounding the Reserves fund to free some cash to put to vote by the membership if the membership chooses to do so – to be discussed at upcoming Pond Meeting mid Jan.
- Several courses of actions were addressed to establish a 2018 budget:
 - Reduce the Amenities and Events budget by portion or completely and use those monies for initial pond maintenance.
 - Leave a flat budget with NO resources for ponds for another year – deemed unsatisfactory.

- To establish an initial pond 'fund' - increase membership annual dues
- Multiple scenarios were addressed – with the knowledge - a Budget for 2018 needed to be set by December 20, 2017.
- Asked if a dues increase could be held until after the January Board Meeting? Answer was no – any increase to budget needed to be set by December 20, 2017.
- Asked if the budget could be amended in 2018? Answer - no one's ever done that before – need a definitive answer there.

Subsequently – the Board arrived at the following decisions.

- The Board made the difficult decision to increase annual dues from \$1,100 to \$1,220 per owner (an increase of \$30 per quarter). This increase will result in approximately \$79,000 in additional revenue in 2018, all of which will go toward retention pond maintenance. Other line items (expenses) in the operating budget were reduced, and those savings have also been reallocated to retention pond maintenance. In total, the revised operating budget for 2018 will provide \$100,000 in new funding for retention pond maintenance.
 - Five Board Members – Bob Barron, John Kellas, Chris McBrayer, Peg David and Joshua Jackson voted yay to motion made by Bob Barron with a caveat. Jerry Maygarden voted nay; Andy Hobbs and Richard Murray were absent.
 - The caveat that accompanied this vote - raised by both Joshua Jackson, Peg David, and others who voted yay – is to seriously look to reduce the annual dues (back to 2017 levels of \$1,100) in 2019. The risk of another special assessment is it also may not be passed; leaving no funds identified for pond remediation. If the reallocation of reserve funds could be approved (by membership), in conjunction with the dues increase for 2018, there would be no reason to leave annual dues at the new increased levels of \$1,220 going forward solely for the sake of retention ponds maintenance -- This caveat weighed heavily in Joshua Jackson, Peg David, and other board members present – decisions who voted yay.
 - Jerry Maygarden voted no to increase dues. His suggestion was the Board revisit a 'reduced Special Assessment' – not the original assessment he and Mgmt originally proposed, when the Budget was withdrawn in the Dec meeting. For example - a new special assessment could be based on using part of the reserves to lower the amount and extend the payback period over two-years. He indicated the membership should not be lead into basing their decisions on the hopes of one or more board members who would like to see dues decreased in the future. He further indicated expenses may go up; and the Board has no way to predict if a dues increase will be permanent or not. He further mentioned - that is part of the beauty in a special assessment--it has a defined beginning and ending. It has measurable outcomes and measurable ROI. Money dumped into the operating fund becomes the status quo much too quickly.
- The record should reflect that ALL board members understand the matter of accountability, the caveat, and thus, voting to increase dues was not a matter undertaken lightly.
- The Board also reviewed the schedule of reserve funds, and identified an opportunity to utilize certain funds for pond maintenance that are currently allocated to a different reserve item. Specifically: The reserve item for "Fencing" has an accrued reserve balance of \$250,000; the full amount which is unlikely to be needed for fencing repair at any one time. The HOA/Mgmt Company agree a reserve of \$100,000 should be sufficient to address any fencing repair/replacement needs that may arise at any one time. In addition, the Board noted reserve

components for "Tennis Court Resurfacing" and "Pool Pumps & Re-plastering" will be underfunded, because of, actual maintenance costs exceeding estimated reserve amounts.

- Therefore, one option to be proposed at the Pond Retention Meeting (Jan 17th) – will be to reallocate \$150,000 from existing "Fencing" reserve into the reserve components for tennis courts, pool pumps and re-plastering, and a new "Retention Ponds" reserve item. This will replenish required reserve funding for tennis courts and the pool, and will provide an additional \$135,000 for retention pond maintenance. The Board believes the use of certain existing reserve funds for retention pond maintenance, as described above, is in the best interest of the membership and will aide tremendously in expediting the repair of our retention ponds. Though not a guarantee, it will also strongly increase the likelihood of returning annual dues in 2019 to the previous levels of \$1,100 per owner, or \$275 quarterly.
- All discussion regarding retention pond funding – will be addressed at the Pond Retention Meeting Jan 17th.

7. New Officers.

- Bob Barron remains HOA President
- Andy Hobbs, new HOA Vice President
- Peg David remains HOA Secretary
- Joshua Jackson, new HOA Treasurer

8. Questions/Comments from Floor and Board

- Solar LED Lights at the Front Gate were installed; dollar savings
- Follow up from Dec 5 Annual Meeting, Management Company is engaged with research Street Lights – lease to own, other methods to reduce overall maintenance costs
- Lodge cameras; establish a SOP/process to ensure only CES staff have access to view
- Follow up to Resident question at Dec 5th Mtg – to ensure CES calls her residence for all visitors; CES now has list and has been directed to follow her request
- Intersection Back Gate and Light. Resident indicated turning right onto 9-Mile Road visibility may be hampered with traffic closer to the exit and sound wall; Management will follow up with FDOT to note any concerns
- Lobelia and Salt Grass construction lot; has no silt barrier set up; Management will review/address with contractor
- Lighting by Lodge – stepping off the sidewalk – request to review lighting; potential trip hazard; resident fell near the sidewalk/curb
- Request to add items to the Monthly HOA Newsletter i.e.: monthly budget expenditures, items of interest to all residents
- HOA meetings' notification. Request to increase communications to residents re HOA meetings; poorly advertised; the Lodge front door is not a location most residents visit on a routine basis; request notices be emailed, posted on FB, and/or signs at Front/Back gate perhaps
- Question raised regarding budget/ponds – why earlier estimates were half \$360K; Board discussed history and recent identification of 'all' ponds and work required; a listing of all ponds and proposed maintenance will be provided at the Jan Pond Meeting. Once we have funds established, a Request for Proposal (RFP) can then be released to vendors for actual work and cost.

9. Adjournment.

- Chris McBrayer, made the motion to adjourn, Jerry Maygarden seconded; all approved. This will be Chris McBrayer's last meeting as his tenure on the Board is concluded.