

**FLYING L RANCH PROPERTY OWNERS ASSOCIATION, INC.
ANNUAL MEMBERSHIP MEETING
Saturday, January 20, 2018**

MINUTES

(The following minutes are a summary of the business conducted at the meeting.)

PRESENT Bob Bashaw, Penny Bateman, Dan Chapa, Liz Lawlis, and Donna Witt

ABSENT Matt Haecker and Jamie Murray

ALSO PRESENT See attached list of 40 property members who were in attendance at the meeting.

CALL TO ORDER Penny Bateman called the meeting to order at 10:24 a.m. There being a quorum present, the meeting proceeded.

INVOCATION The invocation was given by Penny Bateman.

PLEDGE OF ALLEGIANCE Bob Bashaw led the audience in the Pledge of Allegiance.

INTRODUCTION OF BOARD MEMBERS AND STAFF Chairman, Penny Bateman, introduced the following board members and staff: Bob Bashaw, Dan Chapa, Liz Lawlis, Donna Witt and Kathy Antwine, Recording Secretary. In addition to serving as Vice-Chairman, Liz Lawlis is also the Treasurer.

APPROVAL OF MINUTES A motion was made by Juliana Hamilton and seconded by Bob Bashaw to approve the minutes of the November 5, 2016 Annual Membership Meeting. The motion carried unanimously.

TREASURER'S REPORT Treasurer, Liz Lawlis, provided a copy of the Treasurer's Report to the board and members present. The report included the Balance Sheet as of December 31, 2017 (Cash and Accrual Basis); the Profit & Loss January through December (Cash Basis) and the Profit & Loss vs. Actual January through December 2017. The POA has \$29,035.59 in a CD at Texas Hill Country Bank; \$48,175.03 in the Checking Account at Wells Fargo Bank and \$37,499.25 in the Reserve Account at Texas Hill Country Bank for a total of \$114,709.87 in all bank accounts. As of December 31, 2017, the Net Income for the POA is \$26,677.17.

FLYING L GUEST RANCH REPORT A representative from the Guest Ranch was not able to attend the meeting.

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FLYING L GOLF COURSE REPORT

Arnie Segura, Head Pro for the Flying L Golf Course, provided information to the members in attendance. He explained that the golf course may have a change of ownership and be auctioned off, due to a foreclosure proceeding scheduled for February 6, 2018. In May 2017, the golf course made a change in course maintenance. With the help of many members, including Larry Henson, and Roy Chesson, the representative of a chemical company, a program was put in place to improve the golf course. The golf course is now in the best shape it has been in some time. This is the first year the course has shown an increase in revenue in the last five years, which shows that course maintenance and revenue go hand in hand. This was achieved by the help of the members of the men's' and ladies' associations. He expressed his thanks to everyone who volunteered their time to improve the golf course. The monthly memberships have been suspended at this time, due to the possible change of ownership.

FLYING L PUBLIC UTILITY REPORT

Don Bateman presented a report on the Flying L PUD. The major improvement that was done in 2017 was the change in the waste management system. Originally the PUD provided six dumpsters that were emptied twice a week. Due to the need for more space for trash disposal, the PUD decided to change to five dumpsters to be emptied three times a week. It seems to be adequate now, even though there are still concerns about illegal dumping by people who are not residents. If you see someone who may be dumping illegally, you can call the PUD at 830-388-1600. Four new homes were added in 2017 and two more are being constructed at this time. The PUD hired a new maintenance person to work on the wells, sewer systems, and buildings. As a result, the water and sewer systems are in much better shape than a year ago. A call system has been incorporated that automatically calls Jerry so he can get the problem corrected much faster. The PUD is in the process of upgrading all of systems which should greatly improve the quality of water in your home.

STANDING COMMITTEE REPORTS

Architectural Control: Dan Chapa reported that there were four new homes, nine new fences and two driveway extensions that were done in 2017.

By-Laws and Covenants: The By-Laws & Covenants Committee comprised of Penny Bateman, Liz Lawlis, Donna Witt, and Kathy Antwine worked to bring the POA By-Laws and Covenants up-to-date to include the 2017 legislative changes. Additionally, both documents contained conflicting statements which needed to be brought into alignment with one another. As a result, there were many items that required members' votes at the January 2018 Annual Membership Meeting. The results of the voting will be announced after the ballots have been tabulated.

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By-Laws and Covenants, (Cont'd.): Penny Bateman assisted the Covenants Committee by driving through the neighborhoods to ensure homeowners are following the deed restrictions. This is done solely to preserve all members' property values. The most frequent violations noted in 2017 were: trailers, boats, or RV parking violations; lot maintenance; dead trees and limbs; fence painting and repairs; garbage cans stored in sight; and signs erected without permission from the ACC.

Roads: The road work was completed in 2017 and the POA has a one year warranty on the work that was done. The POA spent \$53,472 for the following road repairs: crack repair and seal coat of all the asphalt roads on Spanish Grant, Wood View and Tawny Oak. The pot-holes were saw-cut and filled with hot patch on all the POA roads, which is a better repair than cold patch. Major chip seal repairs were done on Spring Creek, Spanish Grant, and new chip seal on all of Shady Oak. Two speed bumps were installed on Valley Oak and Fairway Drive at no extra charge. The speed bumps will be painted and signs will be installed before the bumps on these roads.

Mowing: Mowing authorization forms have been mailed to approximately 150 property owners who are now billed \$25 when their lot is mowed by the POA. Bids were also provided to many of these property owners who have lots that needed to be cleared of trees, scrub brush and cactus before they could be mowed. Most of these property owners were pleased to pay the contractor to clear the lots and they appreciated the on-site assistance, since most live far away and it is difficult for them to find contractors to get the job done. The POA continues to mow the common areas and spray and mow the road sides.

Trees: From 2013 to 2016, \$34,000 was budgeted for trees and \$6,000 for beautification. Less than \$9,600 was spent over those four years to remove dead trees, trim trees and clear the common areas in order for them to be moved and kept neat. In 2017, the POA decided to use \$6,500 of the budgeted funds to beautify seven common areas and the area around the mail box hut. Trees were trimmed and canopies lifted on 26 trees, 80% of ball moss was removed, cactus was cleared and scrub brush removed so the common areas could be mowed. Thirteen tree stumps were ground down so the areas could be mowed. The common areas where significant work was done were: Glen Valley, Wood View, Valley Oak, Spring Creek, Briarwood, Antler Circle, Tawny Oak and the mail box area. More work will be done in 2018. The budget for 2018 is \$4,000 for trees and \$3,000 for beautification. We plan to continue trimming and clearing trees during 2018.

Social Activities: The Community Yard Sale in November was a big success again in 2017. The POA will continue this activity since it was appreciated by the community. The POA golf tournament that was scheduled to be held on January 21, 2018 has been postponed and will be rescheduled at a later date. The members can look forward to some new, fun and creative opportunities to get to

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Social Activities, (Cont'd.): know one another and enjoy our neighbor's company. Information on future activities will be posted on the POA Facebook Page, emails and the minutes of the meetings.

Finance Committee: The committee members are: Penny Bateman, Liz Lawlis, Austin Christenson, Larue Bashaw and Bob Bashaw. The committee was formed last spring and the goal was to look at the monthly statements, tax returns and other reports to see if everything looked right. The committee was also involved in the preparation of the budget. They met every time there was a spending proposal to review and recommend approval of the expenditure. Another important thing the committee is trying to do is finding ways to increase the POA's reserves. The POA needs to plan ahead for anticipated and unexpected expenditures by putting money aside in our reserve account to ensure funds are available and to avoid special assessments to property owners. The finance committee recommendation will be to move some of the money in the checking account at the end of the year to the reserve account to ensure funds are available to protect our future. A review of the Accounts Receivables indicated approximately \$43,000 in money due to the POA for members who have not paid their dues. Almost \$10,000 was received in 2017 in past due fees which was deposited in our reserve account. The 2016 tax return has just been completed. The financial statements were not totally correct, which required some things be reclassified due to things that have been going on for several years. In the future, things should proceed very well.

REPORT FROM POA BOARD CHAIRMAN

Penny Bateman said it was her goal to make it easier for future boards to conduct the business of the POA. The board is striving to develop policies and procedures that will provide guidelines for future boards to maintain the responsibilities for each committee. The POA needs volunteers who are willing to serve on the board. There are many reasons to serve on a board, but the most important reason is to protect your property values. If you are involved and understand the By-Laws and Covenants, there is a better chance that the board will meet your expectations. Volunteering can be fun and is rewarding, as well as a way to give back to the community.

The Amenities Survey that was done last spring provided a great deal of information on the activities the community was interested in. The four most popular Ranch amenities were the water park, the putt-putt, the creek side and then the pool, even though 69% of the respondents never used any of these amenities. Respondents estimated they spent over \$14,000 on food and drinks and over \$16,000 on adult beverages at the water park. Twenty-five percent of the respondents thought the POA should spend the money to build our own amenities in the common areas, but 41% thought we should instead purchase access to the Ranch amenities and not build our own. Sixty-three percent felt the amenities package would increase the value and marketability of their properties.

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Chairman Report, (Cont'd.): Less than 12% of the household members are between the ages of 30 and 50; nearly 70% are over 50 years of age and likely to have grandchildren; and less than 9% of the household respondents are under the age of 13. These numbers are changing rapidly. Four new homes were built last year, and there are three spec homes planned for construction this year. Texas was ranked second in 2015 for relocation of new residents and I believe the Flying L Ranch is one of the most desirable and affordable places to live in the hill country.

NEW BUSINESS

Elect Three (3) Board Members for 2018-2019 Term: The results of the board member election will be announced after the ballots have been counted.

Proposed Changes to By-Laws and Covenants: The ballots for the proposed changes to the By-Laws and Covenants were mailed to property owners in December, 2017. The results will be announced when they have been tallied.

OTHER BUSINESS

Annual Assessment for 2018: The board voted to increase the dues to \$150 per lot per year for 2018, which is a 10% increase over last year. According to the By-Laws, the board is authorized to determine the assessment needed by the POA. At this time, the board does not anticipate increasing the dues again. The \$150 paid for dues per lot is budgeted as follows: \$83 road maintenance; \$5 insurance; \$9 legal; \$4 administration; \$2 community events; \$12 reserve fund; \$14 management expenses; \$10 amenities package; and \$11 POA maintenance.

Date of 2019 Annual Membership Meeting: A motion was made by Liz Lawlis and seconded by Liz Koeninger to schedule the Annual Membership Meeting for next year on Saturday, January 19, 2019.

Annual Newsletter on Web Site: Due to the expense of mailing the annual newsletter to all property owners, the newsletter will be posted on web site. The newsletter will summarize the activities that were done during 2017.

Service Awards: Service Awards were given to three outgoing board members: Bob Bashaw, Matt Haecker, and Jamie Murray. Bob Bashaw has had a tremendous impact on our board. He has had considerable experience serving on HOA and POA boards and is an honest and knowledgeable person. He has been invaluable in forming the finance committee and has volunteered to continue to serve on the finance committee for 2018. Matt Haecker and Jamie Murray were unable to attend the meeting today. They volunteered to serve the remaining year of the term of a board member who resigned. They were both very instrumental in developing the amenities package that was provided to property owners, as well as serving on the committees as needed. They have very busy lives and have chosen not to run for a board position this year.

PUBLIC FORUM

No one addressed the board during the Public Forum.

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**BALLOT
RESULTS**

Introduce the Tabulation Team: As the Executive Secretary of the Board, Bob Bashaw is responsible for overseeing the election procedures. The following property owners volunteered to assist in tabulating the ballots for the board member election and the ballots for the proposed changes to the By-Laws and Covenants: Louise and Larry Henson, Marilyn Dawson, Kathleen Segura, John Simmons, Garry Schneider, Larue Bashaw, Liz Koeninger and Bob Bashaw. He described the procedure that was followed to count the ballots. The nine people who were involved were divided into three teams. They opened the ballots, checked the official list to verify their eligibility to vote, and counted the ballots for the board election, the By-Laws, and the Covenants ballots. About 100 ballots were received, but 20% did not have signatures so they were not counted. That did not affect the outcome of the election.

Announce Board Member Election Results for 2018-2019 Term: Bob Bashaw reported the following results of the board member election:

Glen McComb	274	Marilyn Dawson	6
Allen Pollard	244	Leslie Rector	4
Diane Segura	257	John Simmons	2

Based upon the results of the board member election, Penny Bateman announced that Glen McComb, Allen Pollard and Diane Segura have been elected to serve as board members for 2018-2019.

Announce Results of the Proposed Changes to the By-Laws: All six of the proposed amendments to the By-Laws passed by more than 67% of the property owners who voted.

Announce Results of the Proposed Changes to the Covenants: All twelve of the proposed amendments to the Covenants passed by more than 51% of the property owners who cast ballots.

ADJOURNMENT

A motion was made by Bob Bashaw and seconded by Dan Chapa to adjourn the meeting at 11:19 p.m. The motion carried unanimously.

Respectfully Submitted:

Kathy Antwine, Recording Secretary