

**LE #3**  
**Quarterly Meeting**  
**October 19, 2019**  
**Minutes**

President Tena Oates called the meeting to order at 10:00 am.

- Minutes from the August 17, 2019 quarterly meeting were presented for approval. Barbara Ralston moved to accept the minutes and Donna Dean seconded. The motion passed.

**STANDING REPORTS**

**Finance** – Diana Wilson presented the Treasurer’s report for the period August 1, 2019 – September 30, 2019:

- Current savings (CDs): \$22,804.53
- Current First State Bank account balance: \$33,982.99

-Disbursements = \$1614.94	
LLWS&SSC - Water	\$ 100.50
SHECO – Pavilion/Street Lights	\$ 602.69
Toole’s Lawn Care – Point/Entrance	\$ 440.00
Tables for Pavilion	\$ 391.75
USPS box rental	\$ 80.00

-Petty Cash = \$50.00

- Tena Oates asked for a vote to accept the financial report as it stands, and it was so accepted.

**Membership** – Pappy Paprocki reported:

- There are currently 101 membership families, with the lot count still at 250.5.
- We are at 100% for membership dues/fees paid.

**Restrictions Review** – Pappy Paprocki reported:

- The Architectural Review Team (ART) received one request last quarter, and after review permission was granted to proceed:
  - Dave Foster purchased 277 N. Lakeview Drive and submitted a plan to add an addition to the existing structure.

**New Business**

- Tena Oates opened the subject of the POA’s current financial situation. Specifically, she stated that our current mandatory revenue (via fees and dues) does not meet our current yearly operating expenses without the help of fundraisers and donations. She noted that our fees have been the same since 1977; that the heavy volunteer burden of overseeing our July 4<sup>th</sup> fundraiser is falling on a small number of people, yet the whole neighborhood benefits; and that July 4<sup>th</sup> attendance is down, which adds to our financial stress as a POA. Tena had emailed the membership asking for ideas to be sent to her in advance of the meeting, and that the purpose of the remainder of the meeting was to discuss ideas and bring up any other concerns that the members in attendance had with regards to this topic. Of the emails she received, 11 of them were in favor of a fee increase and zero against. Three minutes were allotted to any member willing to speak.
  1. George Huson noted that the financial analysis completed by Diana Wilson had left off the residual funds and that this was an accounting error. He stated that the money in reserve was meant to be used as operating expenses, and that was the intention of the founding members when the by-laws were created. He also believed a crisis was being created when none existed, and that the leadership was changing the by-laws. George also said that state law indicates that we should have reserves of only 20% and that we are operating illegally.
    - a. Tena Oates responded that it was not prudent to use our savings for operating expenses but for emergencies, such as the repairs needed after the fire at the pavilion. Diana Wilson said that this was not an accounting error but an exercise to show the members that our mandatory yearly revenue was not meeting our yearly expenses, period. Board of Directors members present assured the attendees that governing documents were not going to be changed unless voted on by Members. In addition, an action item was taken by Tena Oates to verify if there was a penalty for too much money in savings accounts for POAs of Texas.
    - b. Diana Wilson pointed out that the Treasurer’s Report just presented did in fact present all of the POA’s funds of about \$56,000, and there were no accounting errors.

- c. Post meeting note: There is no limit to what a POA or non-profit can have in accounts as long as the board of directors and members are not profiting from said monies.
2. Sam Paprocki said that she believed this was not an emergency and that all changes to the by-laws should be made in order to keep moving forward as an organization, that we should be thinking forward and not in the past. She said that though we have repairs starting (to the roads, ditches, etc.), we will always have such neighborhood infrastructure maintenance and that she was in favor of moving forward with a sounder financial plan in order to address issues as they arise. (Sam noted that LLE#2 pays \$75/lot in fees). She also made note that the same people volunteer for most of our fundraising events.
  3. Sissy Smith said she was in favor of a dues increase and that she would be even willing to increase by three times our current rate.
  4. James Huson had a number of points and questions regarding this topic:
    - What is the urgency of this discussion and the possible rate increase?
    - Will the board be making all decisions in this matter or will it be a POA-wide vote?
    - What's wrong with the current process, as it has always worked and there has always been a small group doing most of the work?
    - Traditions have been lost and the fundraising spirit has changed; it would be good to go back to the original intent of the POA.
    - If we keep hiring out the work that is needed for the neighborhood maintenance needs, we will naturally have less participation.
    - He is not in favor of a fee increase and thinks the current state of affairs is working well.
    - a. Tena Oates responded that the financial analysis was done in 2017, which prompted the idea by the board to raise fees/dues in order to be more financially responsible.
    - b. The board recommended an increase of \$20/lot, but the final amount had yet to be determined. Each property owner gets two votes, simple majority rules, and all members must be given a chance to vote.
    - c. Tena said we have ongoing neighborhood maintenance issues, one of which is the improvement to our outer ring road. The county does not have money in their budget to tackle this project for another five years. If we want the road repaired sooner than that, it will cost our POA \$75,000.
    - d. Tena also said that people aren't volunteering like they used to; we have more weekenders, fewer kids, changing demographics. With these changes we need to adapt and move forward instead of looking back at how things were done in the past.
  5. Marylee Westmoreland said that she has been on the board for 17 years, and though she remembers and appreciates the efforts of the past process of running the POA, we need to recognize that this process has changed and we need to change with it. She noted that those who volunteer all the time are tired and new volunteers need to step up. She mentioned the low attendance at POA meetings, and that it is usually the same people who show up at meetings all the time. The dynamics and culture of the neighborhood has changed; we can't operate the same way as before.
  6. Barbara Ralston identified herself as a weekender, and that naturally it is easy to skip volunteering for neighborhood needs because of their own workload on their property. Also, she said we are all getting older, so she is willing to pay for maintenance issues in the neighborhood so as to enjoy her time while she is here.
  7. Marilee Tatom was not in favor of using our savings to meet our yearly budget. She said that if we had bills of \$8000.00, then that is what we should be able to raise in fees instead of relying on the July 4<sup>th</sup> fundraiser to make up the difference.
  8. Joe Westmoreland said he supports the board's direction and suggested that when looking at larger projects (such as our outer ring road), we might consider a yearly assessment per lot. Tena Oates suggested talking to Section 2 about the road repair and perhaps adding them in on the assessment.
- The discussion regarding a by-laws amendment to raise POA fees ended. Sam Paprocki moved to have the board proceed with the process of changing the by-laws and Marilee Tatom seconded. The motion passed with two abstentions. Tena Oates outlined the by-laws amendment process to the members:

1. The consensus among the Board is for a \$20.00/lot increase in maintenance fees.
2. The language of the amendment will be presented by the Board at the January POA meeting.
3. Two further meetings will take place at which the language of the changes will be discussed and reviewed.
4. If a POA member has a request for any other changes to the by-laws, the board will solicit such requests between now and April. Please approach a board member with your request.
5. A schedule of the meetings can be Jan (quarterly) Feb (special) March (special) with final vote in April (quarterly).
6. The change(s) will take effect immediately but too late for the 2020 fee assessment.
7. Each amendment to the by-laws will have a line-item vote.
8. The final vote has to be within 90 days of the initial meeting of the changed language.
9. A simple majority of members present (or proxy) is required for revision.
10. Each member gets two votes period (not two votes per lot owned).

Post meeting note: Changing governing document(s) was approved by a majority of the members present. Which documents and final schedule of meetings for adoption will be finalized after legal procedure of said changes are researched and developed. To date, By-Laws dated 2012 does not cover Maintenance Fee Assessment but the Deed Restrictions of 2013 do, so only one document has to change. In addition, the Constitution that was adopted in 1994 is out of date with the current Yearly Assessment and precedent indicates that this document does not need to be revised. Just to remind everyone, the LLE#3 POA has four (4) governing documents:

1. Constitution (meant for establishment and vision statement) last dated 1994;
2. Restated Certificate of Formation dated 2012;
3. By-laws (meant for administration guidelines) last dated 2012;
4. Reservation, Restriction and Covenants (Deed Restrictions governing physical aspects of the properties) dated 2013.

- James Huson asked if this could be a time to look at changes to be made to other deed restrictions as well. His case in point was the difference between the setback for the interior lots vs. the lake-front lots (lake front lots have zero foot setback at the road and interior lots have a 20 ft setback from the road). Joe Westmoreland noted that the lake front lots have their setback at the water, which is set by the TRA. Tena Oates said she would investigate.

Post meeting note: set-back lines are dictated by the Trinity River Authority (TRA) and not up for debate.

- Seth Smathers asked about the health and recovery of Janice McCollum. Kathy Dyer reported that she is staying with her son Mike and that she is improving and may be moving home soon. She may have a caretaker named Alma looking after her. Sadly, Janice's dog Buddy passed away.
- Don Thomas mentioned that Don Robinson, his neighbor behind him, is now in an assisted living facility.
- Carole Barr thought it was a good time to start July 4, 2020 planning discussions. Ideas for other fundraisers also surfaced, including a casino night, Bingo, a second poker run. Tena Oates mentioned that again, these events will only happen if new volunteers step up, and even events like July 4<sup>th</sup> are in a precarious situation if we don't get more and new volunteers. Marilee Tatom said the current group of volunteers are burned out on running the July 4<sup>th</sup> celebration. We need new volunteers to make these events happen!
- Darlene Valiant thanked all the volunteers and the board for the hard work they've put in.

Sam Paprocki moved to adjourn the meeting. Don Thomas seconded, and the motion passed. The next quarterly meeting will be January 18, 2020. There being no other business, the meeting was adjourned.

Respectfully submitted,

Teri Sentz  
Secretary