

**Heritage Lakes
Board of Directors Meeting
Minutes from May 15, 2006**

Meeting was called to order at 6:48 p.m.

Attendance: **Barbie Chandler, Diane Rogers, Tony Petrone, Roberta Bohnet, and Laurie Rilling. Linda Arquilla and Fred Shapiro represented SBB Management Company**

APPROVAL OF MINUTES OF FEBRUARY 6, 2006 MEETING

The official meeting was preceded by a trip to the spillway area off Truman to examine the fence and collection of debris along the water line.

1. **Call to Order:** the meeting was called to order at 6:48 p.m.

2. **SBB Management Role:** Fred Shapiro, President of SBB attended the meeting to report on SBB management's role with the Board and Heritage Lakes and the transition of managers from Matt Moore to Linda Arquilla. Mr. Shapiro indicated that Linda Arquilla would be the primary manager for Heritage Lakes, taking over from Matt Moore. Linda has other communities in the area and works directly out of Frisco office. Mr. Shapiro assured the Board that they are trying to make this a seamless transition. Mr. Shapiro attending the meeting to discuss Linda's management style and to answer any questions/concerns the Board might have concerning the transition along with the new management agreement.
 - a. **New Management Agreement** – Mr. Shapiro indicated that the new agreement is more detailed, and better clarifies specific responsibilities; that it is a fair-bargained contract and in line with what is typical nationwide.
 - **Item D2- Prevailing Industry Standards** – the Board asked what were the industry standards and were they published. Mr. Shapiro indicated he would run this by the legal department at SBB and get back to the Board with the information.
 - **Item D3 – Why is SBB not responsible for any expenses due to loss? What if SBB is at fault?** Mr. Shapiro explained the agent/principal relationship. SBB is not responsible for expenses

if we do not remain within budget. Does SBB have liability if their employee does not have work done to board standards i.e. bollards, gym floor, annuals v. perennials, alley gravel? Mr. Shapiro indicated that SBB is willing to review and resolve such issues individually and will step to line if they do not do what is expected. SBB is indemnified for negligence, not mistakes.

- Item D4 – Can the contract cancellation clause be reduced from 60-days to 30-days? Mr. Shapiro indicated that a 30-day cancellation makes it difficult to gear up for transition; and feels that a 60-day cancellation notice allows for sufficient time to adequately transfer records. The Board agreed to the inclusion of the 60-day cancellation clause.
- Item iii (6)(3) - Quarterly Bank Statement – the Board requested to receive a reconciled copy of the quarterly bank statements. SBB agreed to provide the Board with a copy of the reconciled bank statement and dated envelope of receipt at no additional charge.
- Item 6 (2) – Clarification of weekly site visits. Linda Arquilla will visit the community weekly and provide a weekly update/report to the board of action item progress along with new areas of concern.
- Item iv (3) - Town Hall Meetings- The Board would like Town Hall meetings to be included in the scope of work for the manager, as well as extending the meeting attendance hours past 9 p.m. at no additional cost. Mr. Shapiro indicated that this is included as an incentive to keep meetings shorter. The new standard in industry is to charge for meetings. Linda does not traditionally attend Town Hall meetings. When meetings go beyond their specified time, the Manager retains half the money from meeting fees.
- Item 7.a.vii – The Board would like the term that we can hire an SBB employee to be within one year after termination of the management contract between SBB and Heritage Lakes.
- Fees – upon termination of the management contract, the Board does not want to pay more than \$1,000 or 1/3 of monthly fees to obtain electronic copies of the records. Mr. Shapiro indicated that Management Companies generally does not share electronic information, only hard copies. Fred will consider the removal of this clause/cost from the contract.

- Cost of Living fee increases – Mr. Shapiro indicated that we are currently below market in fees charged. He would like this in the contract as a fallback; and the fee would increase only by the CPI index or no more than 2.5.
- b. Linda Arquilla presented an overview of her management style.
- Her focus is on building the community and assisting the Board in building a strong committee base for the Board and the Homeowners Association. Linda will have a smaller portfolio than Matt Moore and will have more time to devote to the Community. Linda believes in communications and being out on the property. Linda will try to respond to emails or phone calls within 24 hours.
 - Linda will be here weekly for property inspections, checking with the access personnel, meet with vendors, contractors, and the Clubhouse Coordinator.
 - Belinda Cogburn is Linda's assistant and will be available to answer any questions. Belinda has taken on the task of the phone system research and is very proactive. Belinda is the administrator for Heritage Lakes.
 - Monitoring of Club Coordinator Job Performance – Linda will work actively with the Club Coordinator. The Board needs to provide comments and suggestions and then establish policy and procedures as a working guideline. The responsibilities for the position need to be fine-tuned. Heritage Lakes needs more than an event coordinator. The Club Coordinator position will be directly responsible to Linda. The Board would like the new coordinator to a pro-active, mature individual who will become invested and hold ownership of the position.
- c. Bank Resolutions – Fred apologized for misunderstanding and sending of documents only to Board Secretary. These are standard bank documents. Mr. Shapiro passed around the documents for signature by the Board.
3. **Approval of Minutes:** –SBB advised the Board that votes do not need motions or votes to be tallied by individual, just by the number of votes for and/or against any specific issue/resolution.

4. March Financials:

- a. General Billbacks - SBB will provide specific data. January Billbacks were underestimated. The Board would like to see comments on positive variances as well as negative variances.
- b. Expenses - Can SBB segregate accounts to give updates on expenditures by individual line items? Linda will check with accounting.
- c. April reports will be sent out in next few weeks.
- d. General Ledger reports to be emailed to all but Roberta who will receive a hard copy. SBB will endeavor to provide financial packets to the Board no later than the Wednesday prior to a scheduled Board meeting.
- e. 2004 Audit – the Board will sign off on this report.

5. Committee Reports:

- a. Communication Committee – the new website is not up yet. The delay due to a combination of miscommunications between SBB and Board as well as the set-up for new site done later than anticipated. New site will not be ready until June 1st.
- b. Safety Committee – Brandie Koch has agreed to be chairperson for this committee.
- c. ACC Committee – Todd Morrison is the chairperson for this committee. No new report at this time, Committee is up and working on each ACC submittal well within time frame outlined in CC&R's and regulations.
- d. Social Committee – Cinco de Mayo community celebration was a success, with almost 300 people attending. There is no chairperson for this committee at this time and volunteers are being sought.
- e. Pool Committee – Alvin Huerta is the chairperson for this committee. The committee has reviewed the pool rules and hours, which will remain the same as those already in effect.
- f. Golf Committee – Met last Wednesday evening and installed the fence around the Putting green. Golf ball retrieval is scheduled to begin on Tuesday, May 16th. The first tournament is to be held on Saturday, May 20th.

6. Management Report:

- a. Reserves – The Board asked how reserves are handled. When and how do we spend money from the reserves? Fred Shapiro indicated that Reserve Use is specific. The Board requested a tutorial on essence of

- spending reserves. Linda will provide the reserve study for the Board's review. (REMOVE THIS IS NOT BEING DONE – IT WAS SAID THAT THIS IS IN OUR BLACK BINDERS) Fred Shapiro will provide GAP (Guide for Association Practitioner) a 12-page booklet on reserves.
- b. ACC (Architectural Control Committee) – Update Log provided
 - c. Unanimous Consent Form –signed by the Board authorizing Henry, Oddo, Austin and Fletcher to act as the collection agent for the Association.
 - d. Spanish Summer Camp – Linda to call City to see if a permit is required, and if background checks are necessary. Linda will check insurance certificate to make sure we are covered. The Board wants to be able to review contract that parents will be signing for this class. A certificate of insurance will need to be provided and Linda will ensure that if the city requires a permit that it is obtained. The class needs to be advertised to the entire community. The Board agreed on a 25% rental discount due to this event being run as an enhancement to the community and offered to all residents. If all these parameters are met, the Board agrees to the rental.
 - e. Snakes – Cliff Moore will do a survey for \$250.00 of all lake areas – the Board agreed unanimously to this expense.
 - f. Security Camera Systems - DFW Security Solutions and Corder Communications provided bids for review. Both would like to make presentation to the board to outline the options available and what is included in the cost. Linda had them do a separate bid on the Main gate and Rushmore Gate as well, to see plates going in and out of the community. Linda will schedule the presentations for Thursday June 8th at 6:30 and 7:30.
 - g. West Crescent Spillway/Bridge – Resident Mark Cicacci brought to SBB's attention the existence of a large hole in this area. SBB contacted Legacy Links and the hole will be filled.
 - h. Fitness Facility – contractor will install rubber flooring and will move and return fitness equipment after installation of flooring at no charge. Flooring will be installed within the next 10 days. Linda will verify schematic of equipment placement and review the itemized invoice from the fitness company.
 - i. Carpet Installation – new carpet installed in clubhouse. Edges not trimmed properly, and seam not done correctly in club coordinators office. SBB will follow up with contractor. Motion was made to

scotchguard carpet, seconded and approved by board if cost is less than \$500

7. Old Business/New Business:

- a. Clubhouse Hours – no change at this time to be made to clubhouse hours of operation. A traffic report study will be conducted after the new Club Coordinator is in position.
- b. Clubhouse Director Checklist – Linda will check on status of this list and the reporting procedures. The Board wants to see accountability.
- c. Phone System – Belinda Cogburn reviewed and researched and did a cost comparison, trying to make it work for Heritage Lakes. SBB suggested that the Board have Mr. Dudley Wilson help with research because of his knowledge of these specific systems. The Board agreed. The Board would like to know if this system approved by the City of Frisco for HOA commercial use. In addition, if the new system is approved and installed but does not work out what is cost to revert to the old system. Grande was approached about lowering their costs, and they would not negotiate, SBB will call again and retry.
- d. Clubhouse/ceiling fans – tabled
- e. Conference room chairs – need to be replaced. Eight new chairs, SBB to get model/price comparisons. Old chairs still in good condition will be used for the billiard room game table
- f. Pool Fencing – Randy Rhodes will provide bids and options in writing.
- g. Curb and pothole repairs – Randy Rhodes – bids to be obtained on all the work, work to be done all at once to save cost of two service calls.
- h. Club Coordinator Position – job advertisement to run on Sundays and Wednesdays for 2 weeks in a row. Already received responses.
- i. Summer Color/Change Colors – New plantings are supposed to be heat tolerant plants. We did not want as many annuals; more perennials were to be installed to decrease annual seasonal change expenditures.
- j. Spillway trash – Henderson to be contacted to come back and finish job.
- k. Rental Properties - Judd at SBB is reviewing – wants to make formal statement about the situation.
- l. Self-help on yards – need to establish a fees and late charges for cost of mowing untended yards and charge back to resident.

8. Town Hall Meeting – scheduled for Monday, June 12th

9. Next Board Meeting scheduled for Tuesday, June 20th at 6:30 p.m.

ACTION ITEMS

- a. Fred Shapiro will provide GAP (Guide for Association Practitioner) a 12-page booklet on reserves.
- b. Spanish Summer Camp – Linda to call City to see if a permit is required, and if background checks are necessary. Linda will check insurance certificate to make sure we are covered.
- c. Snakes – survey of snakes and status.
- d. Linda will schedule the presentations with camera vendors for Thursday June 8th at 6:30 and 7:30.
- e. Carpet Installation –Edges not trimmed properly, and seam not done correctly in club coordinators office. SBB will follow up with contractor.
- f. Motion was made to scotchguard carpet, seconded and approved by board if cost is less than \$500
- g. A traffic report study will be conducted after the new Club Coordinator is in position.
- h. Clubhouse Director Checklist – Linda will check on status of this list and the reporting procedures.
- i. SBB suggested that the Board have Mr. Dudley Wilson help with research because of his knowledge of these specific systems. The Board agreed. The Board would like to know if this system approved by the City of Frisco for HOA commercial use. In addition, if the new system is approved and installed but does not work out what is cost to revert to the old system.
- j. Conference room chairs –SBB to get model/price comparisons.
- k. Pool Fencing – Randy Rhodes will provide bids and options in writing for bringing fence into compliance to new pool rules.
- l. Spillway trash – Henderson to be contacted to come back and finish job
- m. Rental Properties - Judd at SBB is reviewing – wants to make formal statement about the situation.
- n. Self-help on yards – need to establish a fees and late charges for cost of mowing untended yards and charge back to resident.

Meeting adjourned at 9 p.m.