

Flaming Oaks Homeowners Association

• Annual Meeting Agenda •

8 January 2019, 7:30 p.m.

2nd attempt at quorum, with discussion of possible changes in Annual Dues

- 1) Call to Order – Pledge of Allegiance. Recognition of veterans.
- 2) Roll call and determination of quorum (39/64) – Secretary: Monica Siklosi.
- 3) Minutes – (2017 annual meeting) – Secretary: Monica Siklosi.
- 4) Officer and Board introductions
 - i) President: Kerry Magruder
 - ii) Vice President: Amil Lyon
 - iii) Secretary: Monica Siklosi
 - iv) Treasurer: David Jones
 - v) Block representatives:
 - B-1: Chris Reeves
 - B-2: Paul Jackson
 - B-3: Ron Lowell
 - B-4: Tom Welk
 - B-5: Florence McCann
 - B-6: Xuan Le
 - B-7: Miles Pabst
- 5) Welcome new neighbors! Introduction: Kerry Norman
- 6) Election of Board of Directors
 - President Nomination: Kerry Magruder
 - Vice-President Nomination: Amil Lyon
 - Secretary Nomination: Monica Siklosi
 - Treasurer Nomination: David Jones
 - Block representatives; odd numbered blocks (two year term)
 - B-1 Nomination: Chris Reeves
 - B-3 Nomination: Ron Lowell
 - B-5 Nomination: Florence McCann
 - B-7 Nomination: Leonard Olona
- 7) Business
 - i) Road & Streets Committee Annual Report: Amil Lyon, Chair
 - Unexpected bridge replacement and preventive road maintenance has set us back for funding an overlay; an increase in funds is needed to minimize likelihood of a special assessment.
 - ii) Treasurer Annual Report.
 - iii) To fund an overlay in Jan 2022, discuss 2019 Dues options below (*explanation on back*):
 - Option A: \$540/year = \$45/month + special assessment Jan 2022 of \$724/lot
 - Option B: \$600/year = \$50/month + special assessment Jan 2022 of \$544/lot
 - Option C: \$660/year = \$55/month + special assessment Jan 2022 of \$364/lot[‡]
 - iv) flamingoaks.wordpress.com (password, purpose)
 - v) Recommendation to consider full-cutoff lighting fixtures: Eileen Grzybowski.
 - vi) Recycle proposal status update: Kerry Magruder.
 - vii) OEC Fiber optic internet is coming here; check their plans/sign up for info at oecfiber.com.
- 8) New Business: Other business items from membership
- 9) Adjourn

‡The special assessment might be lower or not needed if the overlay should come in less than the 2018 estimate, or if repairs in 2019-2021 are lower than recent years (see explanation on back).

Explanation of Options to Fund Overlay Jan 2022

Your input is needed at the annual meeting. We will discuss how to fund an overdue road overlay. An in-depth report will be presented. We invite queries beforehand to help prepare for discussion. If you cannot attend, please communicate your thoughts to your block representative or any officer of the Board.

Maintaining roads and streets is the primary function of the HOA. To cover the costs of road repairs and maintenance (including overlays) is the reason for FOHA dues. If roads degrade, property values will suffer. If we forego regular repairs and targeted maintenance, the eventual cost increases significantly.

A fresh overlay of the roads should be performed every 20 years. The last overlay was 26 years ago, in 1992. The overlay consists of (1) reconstruction of the road base to stabilize it as needed, and (2) the addition of a new surface layer. Without the overlay, road degradation will accelerate faster than we can repair on an *ad hoc* basis. We are past due for a new overlay. In theory, the current annual income would be sufficient for a new overlay every 20 years, but in practice there are unpredictable costs of maintenance and repairs. For example, about \$90,000 was spent on two new culverts in 2012 and 2015.

If needed, the Covenants and Restrictions instruct that a special assessment be collected from all homeowners for road repairs if the income from annual dues proves insufficient to cover road expenses. *Our goal is to minimize the need for a special assessment in the near future by taking steps to enable us to fund an overlay beginning in January 2022 on the basis of annual dues.*

1. \$350,000. Overlay estimate (2018).
2. \$50,000. Estimated repairs for 2019, 2020, 2021 (until overlay) + min. balance to maintain in reserve.
Road expenditures last 5 years: \$100 in 2013; \$41,700 (Crooked Oak bridge) in 2015; \$44,500 (sealcoat) in 2016; \$1,100 (general maintenance) in 2017; \$8,200 (patches) in 2018. Ave: \$20K/yr.
3. \$400,000. Target amount needed in bank to begin overlay (#1 + #2).
4. \$250,000. Current FOHA balance in CDs and savings account.
5. \$150,000. Additional funds needed to begin overlay (#3 - #4).

Options to raise \$150,000 by Jan 2022:

- A₁. \$34,560. Annual income at current 2018 dues (\$45/month = \$540/lot/yr * 64 lots).
A₂. 4.34 years: Time to raise \$150,000 (#5 ÷ #A₁).
A₃. \$353,680: Balance on 12/2021 to fund overlay in Jan 2022 (#4 + #A₁*3).
A₄. \$724/lot: Special assessment January 2022: (#3 - #A₃) / 64 lots = \$46,320/64
- B₁. \$38,400. Annual income with \$5/month dues increase (\$50/month = \$600/lot/yr * 64 lots).
B₂. 3.90 years: Time to raise \$150,000 (#5 ÷ #B₁).
B₃. \$365,200: Balance on 12/2021 to fund overlay in Jan 2022 (#4 + #B₁*3).
B₄. \$544/lot: Special assessment January 2022: (#3 - #B₃) / 64 lots = \$34,800/64
- C₁. \$42,240. Annual income with \$10/month dues increase (\$55/month = \$660/lot/yr * 64 lots).
C₂. 3.55 years: Time to raise \$150,000 (#5 ÷ #C₁)
C₃. \$376,720: Balance on 12/2021 to fund overlay in Jan 2022 (#4 + #C₁*3).
C₄. \$364/lot[‡]: Special assessment January 2022: (#3 - #C₃) / 64 lots = \$23,280/64

‡The special assessment might be lower or not needed if the overlay should come in less than the 2018 estimate, or if repairs in 2019-2021 are lower than recent years.