

**Minutes**  
General Meeting  
River Oaks Trace Property Owners Association

Location: White County Extension Service Conference Room

Date: 3 NOV 2023

Time: 18:00 hrs

Attendees: Jim Pratt, Linda Landis (Board of Directors) and Mike Marshall (President)

Others Present: See attendee list attached

**Business Items:**

The meeting was called to order by President Marshall. Although there were numerous items on the agenda, only one subject was discussed due to its impactful importance—repayment of the debt to our roofing contractor.

President Marshall presented an abstract of events and circumstances stemming from the claim against our insurance company (Auto-Owners) for damages due to a hail storm that occurred in 2022. The Board of Directors discussed the two options—whether to file the claim or not—ultimately deciding to file the claim against a heavy financial downside. Upon filing the claim Auto-Owners assigned a professional inspector to investigate the roofs in the Trace and found twenty-six units needing full replacements and all but four of the remaining units needing some measure of repair.

At this point the Board could have withdrawn the claim and the Association could have pursued a schedule of replacements and repairs using routine operating funds. This course would have taken years to complete as the Association normally can replace two or three roofs in a year without penalizing other capital projects. Additionally, such an extended roofing project would likely fall under a new administration with a collateral degradation of its significance. The resultant could be the failure of numerous roofs in a short period of time due to neglect.

The other option considered by the Board was the prosecution of the claim and the prospect of getting all of our roofs in order and brought up to structural standard. The negative of this course is that the Association would be subject to a large deductible, about \$115,000 (current deductible is 2% of insured value). This deductible is over ten times the one we paid six years ago after our last storm (\$10,000 per occurrence in that case). About half of the money needed for the deductible could be borrowed from First Security Bank (FSB). The remainder, approximately \$57,000, would have to be paid out of pocket.

After some deliberation, the Board decided to execute the claim. Almost \$60,000 was borrowed from FSB. To help with repayment of this loan a Special Assessment of \$25/month was imposed on each member. Collection of this SA began on 1 JAN of 2023 and is anticipated to sunset at some, as yet undetermined, future date. For the remaining \$57,000 our generous roofing contractor—Precision Roofing/Shane Lowe—allowed the Association to make monthly payments to him. These payments initially were \$3,000 per month but have been reduced to \$2,000/month. To date we have paid over half of the original \$57,000 and now owe Shane Lowe approximately \$25,000 which we will pay out in about a year. The Board (and I) reasoned that it would be an acceptable risk to forego some maintenance and repair for twelve months in order to gain the benefit of hardened roofs as roofs are the critical component of the structure that affords protection to all the rest.

The next twelve months, of course, are going to be difficult as we will have little operating capital with which to do repairs. We are being diligently frugal with spending and are saving what we can towards projects which need to be done.

If the Association can pay off its roofing debt, it can likely reduce its monthly payout and retain more money to apply to our maintenance/repair obligations. To this end Keith R (#29) is going to take our loan request to the bank from which he recently retired and still has connections. The outcome of this effort should be communicated to you soon.

President Marshall also presented the Budget (appended to these Minutes as part of one document) for the current Fiscal Year 2023 (1 JUL 2023 through 30 JUN 2024). The Budget reflects the meager funds allocated to Maintenance/Repair (\$6,000 compared to \$40,000+ for most years). The Budget shows a savings in lawn care services of approximately \$8,000 gained by switching to a new lawn care service. Unfortunately, this savings is offset by an increase of approximately \$9,000 in our insurance premium which was implemented in AUG 2023. Also appended is the Treasurer's Report.

As noted in the previous paragraph, our insurance premium increased from \$13,632.95 to \$22,922.41 , an increase of \$9,289.46. Due to the poor economy we will need to be sensitive to escalating costs and reduce spending where we can. We will, therefore, respond pro-actively to the suggestion from Rose Mary J (#9) to shop our insurance immediately. I and the Board will be seeking out new providers who can give us a more competitive rate. Keith R has again offered to help with this effort.

A couple of items which were on the President's agenda but were not discussed due to lack of time were:

1. Rehabilitation of the area next to River Oaks Boulevard. The fated decision to sod this area with Bermuda grass has met with predictable results—all of the grass has died due to the prevalence of trees shading the area. This ground is now ugly and prone to erosion. When funds can be dedicated to it, the area will be tilled and seeded with shade-tolerant grass, perhaps with the addition of some topsoil to replace what has been lost.
2. The Russian Olive on the perimeter of the Trace are a nightmare. Maintaining these treacherous shrubs is brutal and expensive. Beginning with the SE corner of the Trace, these plants are going to be replaced with Pampas Grass. Pampas Grass only requires trimming once per year and can be done in house at no cost. PG also offers the bonus of a more pleasing aesthetic.

Board of Director nominations were conducted with the following three members nominated:

- Position 1...Huberta D'Auteuil was nominated to fill the seat vacated by Carrie Owens Friar.
- Position 2...Jim Pratt was nominated to remain on the Board.
- Position 3...Linda Landis was nominated to remain on the Board.

In this case where there is only one nominee per position, no vote is necessary. We will, however, do the formal thing and have a show of acclamation. I will send out a group text to accomplish this.

**ADDENDUM:** Ya know, it is not that uncommon, nor is it illegal, for members to loan money to their homeowners associations. So, if you have \$15K, \$20K, or \$25K lounging in your sock drawer and would like to see it earn its keep, you could loan it to ROT and watch it grow by, say, 6%. We could even discuss compounding that. Payback would be under 18 months. This money would pay off our debt to our roofing

contractor and give us a little more capital for repairs/maintenance. Give me a call at 501-230-3652, if interested. Thanks...mm

19:30 hrs...Having discussed the most pressing issue(s) facing the Association, President Marshall motioned to adjourn the meeting. The motion was seconded and approved by voice vote.

Mike Marshall, President 501-230-3652 #48

**Board of Directors**

Jim Pratt, Treasurer 214-542-3636 #20

Linda Landis 501-593-8170 #46

Members attending the meeting are as follows:

- Donna Welch #14
- Betty Wright #21
- Shirley Burkett #23A
- Mike Robinson #27
- Nancy O'Brien #39
- Karen Patten #2
- Bill Sivia #34B
- Rose Mary Jackson #9
- Gloria Treat #7
- Frank McKenney #49
- Paul and Carrie Friar #12
- Keith and Terri Riley #29

# River Oaks Trace Property Owners Association FY 2023

## Budget Report

<b>Funds available at beginning of financial year (07/01/2023)</b>			<b>\$9,754.92</b>
<b>HOA Dues</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
HOA Dues	\$116,604.00	-	\$116,604.00
<b>HOA Dues Totals</b>	<b>\$116,604.00</b>	<b>-</b>	<b>\$116,604.00</b>
<b>Other Income</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
Late Fees	-	-	-
Special Assessments	\$14,100.00	-	\$14,100.00
<b>Other Income Totals</b>	<b>\$14,100.00</b>	<b>-</b>	<b>\$14,100.00</b>
<b>Operating Expenses</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
Lawn Care	-	-\$46,095.00	-\$46,095.00
Maintenance/Repairs	-	-\$6,000.00	-\$6,000.00
Pest Control (Termite)	-	-\$3,611.00	-\$3,611.00
Accounting	-	-\$2,070.00	-\$2,070.00
Misc	-	-	-
Reimbursements	-	-	-
<b>Operating Expenses Totals</b>	<b>-</b>	<b>-\$57,776.00</b>	<b>-\$57,776.00</b>
<b>Administrative Expenses</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
Insurance	-	-\$23,000.00	-\$23,000.00
Legal	-	-\$500.00	-\$500.00
Office Supplies, Postage	-	-\$260.00	-\$260.00
Property Taxes	-	-\$260.00	-\$260.00
MoneyMinder Treasurer Software	-	-\$179.00	-\$179.00
Bank Service Charge	-	-\$60.00	-\$60.00
Utilities--Entergy, Searcy Water	-	-\$6,400.00	-\$6,400.00
Loan-FSB	-	-\$9,864.00	-\$9,864.00
Charities/Funerals	-	-\$200.00	-\$200.00
Rental	-	-\$900.00	-\$900.00
Taxes	-	-	-
<b>Administrative Expenses Totals</b>	<b>-</b>	<b>-\$41,623.00</b>	<b>-\$41,623.00</b>
<b>Roofing Project</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
Insurance Payment	-	-	-
Roofing Repairs	-	-\$31,000.00	-\$31,000.00
Roofing Escrow	\$1,500.00	-	\$1,500.00
<b>Roofing Project Totals</b>	<b>\$1,500.00</b>	<b>-\$31,000.00</b>	<b>-\$29,500.00</b>
<b>Reserves</b>	<b>Budgeted Income</b>	<b>Budgeted Expenses</b>	<b>Budget Net</b>
Reserves	-	-	-
<b>Reserves Totals</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Grand Totals</b>			
	\$132,204.00	-\$130,399.00	\$1,805.00
<b>Projected bank balance if on budget</b>			<b>\$11,559.92</b>

# River Oaks Trace Property Owners Association FY 2023

## Treasurer's Report

07/01/2023 - 06/30/2024

HOA Dues	Income	Expenses	Year to Date	Net Budget	More/-Less
HOA Dues	\$42,508.00	-	\$42,508.00	\$116,604.00	-\$74,096.00
<b>HOA Dues Totals</b>	<b>\$42,508.00</b>	<b>-</b>	<b>\$42,508.00</b>	<b>\$116,604.00</b>	<b>-\$74,096.00</b>
Other Income	Income	Expenses	Year to Date	Net Budget	More/-Less
Late Fees	-	-	-	-	-
Special Assessments	\$75.00	-	\$75.00	\$14,100.00	-\$14,025.00
<b>Other Income Totals</b>	<b>\$75.00</b>	<b>-</b>	<b>\$75.00</b>	<b>\$14,100.00</b>	<b>-\$14,025.00</b>
Operating Expenses	Income	Expenses	Year to Date	Net Budget	More/-Less
Lawn Care	-	\$19,846.09	-\$19,846.09	-\$46,095.00	\$26,248.91
Maintenance/Repairs	-	\$800.51	-\$800.51	-\$6,000.00	\$5,199.49
Pest Control (Termite)	-	-	-	-\$3,611.00	\$3,611.00
Accounting	-	\$540.00	-\$540.00	-\$2,070.00	\$1,530.00
Misc	-	-	-	-	-
Reimbursements	-	-	-	-	-
<b>Operating Expenses Totals</b>	<b>-</b>	<b>-\$21,186.60</b>	<b>-\$21,186.60</b>	<b>-\$57,776.00</b>	<b>\$36,589.40</b>
Administrative Expenses	Income	Expenses	Year to Date	Net Budget	More/-Less
Insurance	-	\$6,922.67	-\$6,922.67	-\$23,000.00	\$16,077.33
Legal	-	-	-	-\$500.00	\$500.00
Office Supplies, Postage	-	\$132.00	-\$132.00	-\$260.00	\$128.00
Property Taxes	-	-	-	-\$260.00	\$260.00
MoneyMinder Treasurer Software	-	-	-	-\$179.00	\$179.00
Bank Service Charge	-	\$31.30	-\$31.30	-\$60.00	\$28.70
Utilities--Entergy, Searcy Water	-	\$3,369.69	-\$3,369.69	-\$6,400.00	\$3,030.31
Loan-FSB	-	\$3,287.92	-\$3,287.92	-\$9,864.00	\$6,576.08
Charities/Funerals	-	-	-	-\$200.00	\$200.00
Rental	-	\$505.00	-\$505.00	-\$900.00	\$395.00
Taxes	-	\$267.96	-\$267.96	-	-\$267.96
<b>Administrative Expenses Totals</b>	<b>-</b>	<b>-\$14,516.54</b>	<b>-\$14,516.54</b>	<b>-\$41,623.00</b>	<b>\$27,106.46</b>
Roofing Project	Income	Expenses	Year to Date	Net Budget	More/-Less
Insurance Payment	-	-	-	-	-
Roofing Repairs	-	\$8,000.00	-\$8,000.00	-\$31,000.00	\$23,000.00
Roofing Escrow	\$2,500.00	-	\$2,500.00	\$1,500.00	\$1,000.00
<b>Roofing Project Totals</b>	<b>\$2,500.00</b>	<b>-\$8,000.00</b>	<b>-\$5,500.00</b>	<b>-\$29,500.00</b>	<b>\$24,000.00</b>
Reserves	Income	Expenses	Year to Date	Net Budget	More/-Less
Reserves	-	-	-	-	-
<b>Reserves Totals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Grand Totals**

	\$45,083.00	-\$43,703.14	\$1,379.86	\$1,805.00	-\$425.14
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Bank Account Balances	07/01/2023	06/30/2024	Last reconciled	Summary for the Period	
First Security Bank Checking	\$9,754.92	\$11,134.78	10/31/2023	Starting Total	\$9,754.92
<b>Totals</b>	<b>\$9,754.92</b>	<b>\$11,134.78</b>		Income	\$45,083.00
<i>Review Reconciled Bank Statement Reports along with this Treasurer's Report to ensure its accuracy.</i>				Expenses	-\$43,703.14
				Ending Total	\$11,134.78

Submitted by:

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_