

Hot Springs Village Townhouse Association
Annual Meeting of the Board of Directors
June 19, 2020

The Board of Directors Annual Voting Meeting was called to order by Charles Derryberry at 9:30 am. Board members also present were O. J. Miles, Joan Smith, Larry Patrick, Jean Woodworth, Larry Draeger, and Dennis Simpson. Sandy Smith had provided a proxy. Julianne Henderson was unable to attend. A quorum was present.

The Pledge of Allegiance was recited. Charles Derryberry led the prayer. There were 12 audience members in attendance.

Logan Cole and Christine Ellis with Jordan, Woosley, Crane, & Keaton, LLC, auditors, were introduced. Mr. Cole presented the THA 2019 Independent Auditors Report. In the "representative letter" he distributed along with the audit, it was stated the audit report is comprised of "the balance sheet as of December 31, 2019 and the related statements of revenues and expenses, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)." Mr. Cole said he sees no issues and the financials are monetarily correct. The full report is available upon written request to the THA office.

Director Dennis Simpson suggested that the Board research the Association's rights in addressing owner replacement of townhouses that are damaged or destroyed by fire, weather, etc. Older units that do not have insurance for replacement value, for instance, may not be sufficiently covered, or if not mortgaged, no coverage at all. O. J. Miles made a motion to research the issue of replacement insurance for townhouses and notifying the membership of the need. Larry Draeger seconded it and it passed unanimously.

Owner, Dan Boehmke, asked if the THA should have a line item in the financials regarding the cost of collecting delinquent fees. Laura Blocker, with Best Management Co., LLC, said there is one in place.

Ann Fuller, owner, and Laura Blocker, Financials Manager, were introduced. They represent Best Management Co., LLC, property management company for the THA. Ms. Fuller reported that Best Management manages 20 associations. She relayed that she and her company have enjoyed working with the THA. She said the previous company had experience in managing associations, but not in bookkeeping or accounting. It has taken Best a period of time to organize and accurately report the accounting side of the THA, but now all is functioning in a much better and professional manner. Director Simpson asked if the accounting aspect of the THA with Best Management could be linked to Quick Books instead of Condo Manager. She explained that it is preferred to be kept "in house" to protect owner privacy. Keith Abram, owner, asked what Condo Manager was. It is the accounting software that handles the THA financials. Cheryl Boehmke, owner, said she has been requesting financials for her court and all of the Association. Ms. Boehmke said she has received her court's report, but not one for the entire Association. Ms. Blocker explained management companies don't make the determination about whom to give reports to. The companies represented make that decision. She said Best Management will attend the next voting meeting and will have a report for the Board.

The Board welcomed Marcy Mermel as the POA Liaison to the THA. Ms. Mermel reported she is the volunteer Corporate Secretary to the POA Board of Directors. She distributed a note from Todd Noles, the POA Forestry Director to the THA Board members regarding tree issues in the Village to keep the THA in the loop. She said she is happy to attend all the THA Board meetings. Director Charles Derryberry suggested she attend all meetings at her convenience, and the Voting meetings in particular. Mr. Derryberry confirmed that all Board meetings are open to the public. Discussion followed regarding establishing a THA liaison to the POA. Mr. Derryberry and Ms. Merkel will work it out.

Joan Smith, secretary, made a motion to accept the minutes from the January 7 Working Session meeting, the January 17 Voting Meeting and the March 3, 2020 Working Session. Jean Woodworth seconded the motion; motion carried unanimously.

Charles Derryberry, reporting for Treasurer, Sandy Smith, called attention to the operating expense report the Board was given from Sandy. He made a motion to accept the report. Joan Smith seconded it and it passed unanimously.

Gary Smith reported for the Standards, Control and Capital Improvement Committee (SC&C). He pointed out that there are twenty-one court reps and there is only one in attendance at the meeting today. He suggested it might be the time to re-think the SC&C. His thought is maybe there are other programs that can be implemented to approach representation from the various courts and how conditions in the courts are monitored. Board directors asked to have this issue added to the agenda for the next working session meeting. Mr. Smith also reported there are only a few infractions outstanding. People are responding promptly and taking care of issues. Roofing and painting applications are being submitted in good numbers.

In response to a question from Director Woodworth, Superior Sanitation is the company that picks up trash for the THA. This company is true to its name and does a great job. Superior has a contract with the THA that runs through 2027, as stated in the minutes from the January 7, 2020 Working Session. No further discussion needed.

Reporting for the Ad Hoc Collections Committee, Chairman Gary Smith relayed that the outstanding assessments in arrearages is approximately \$46,000.00. However, approximately \$42,000.00 of that is under liens and/or judgments. So, the actual month-to-month past due is minimal. Payment Plans have been put in place for \$18,000.00, but even though payments are being made, the assessment is still being charged every month. The Board should discuss making a decision regarding this "bad debt".

Director Charles Derryberry, reporting for the Ad Hoc Legal Committee, said he has been playing phone tag with the Divino Court lawyer. The attorney has said this is going to be a long, protracted, complicated issue. The "other side" has not made effort to pursue the matter. Divino Court would have to have a "pot of money" to become part of the HSV Townhouse Association which could be quite a financial hit for the Divino owners.

Director Woodworth asked about the Finance Committee. It was reported that Dennis King, committee chairman, is working with Sandy Smith regarding preparations for the next THA Budget cycle.

Anne Kasten, owner, reported there is a drainage issue in the front yard at her townhouse in Majorca 2 Courts. She was advised to call the office so the issue can be recorded. This communication will be passed on to the General Manager for review. In discussing the actual land deeded to an owner, it was suggested that title companies might have plat maps because the maps accessible via the POA are not easily read. The plat maps through the county show only the land and not where the structure fits on the land. Ms. Merkel said she would look into the issue with the POA plat maps. Owners can have their lots surveyed, but there is a cost for that. Even that can be difficult, depending on where the townhouse is located in the court.

Gary Smith read an e-mail from the court rep in Magellan Courts complimenting the THA staff for the prompt and courteous response she gets when she has to call the THA office.

The agenda was set for the Working Session on July 7, 2020 at 9:30 am here in the THA Community Center. Joan Smith made a motion to adjourn. O. J. Miles seconded. It passed unanimously and the meeting was adjourned at 10:55 am.