

Board of Directors

Fort Clark Springs Association, Inc.

Regular Meeting

August 19, 2020



The Board of Directors of Fort Clark Springs Association Inc., met in a regular session on Wednesday, August 19, 2020, in the Boardroom, Fort Clark Springs, Kinney County, Texas. The meeting was called to order at 9:30 a.m. by President Sandee Hagen. The following directors constituted a quorum: President Sandee Hagen, Vice-president Dustin Smith, Treasurer Bill Herman, and Secretary Robert Mumme. Also present was Executive Officer/General Manager, Alan Peterson and Executive Secretary, Julie Moreno. Director ReAnna Hay was unable to attend and her absence was excused by vote of the Board of Directors.

President Sandee Hagen asked for a volunteer to say the invocation. Kate Brown volunteered.

APPROVAL OF MINUTES from Regular Board Meeting on July 15, 2020. Motion to Approve - Treasurer Bill Herman; 2nd - Secretary Robert Mumme. **Motion carried 3 for and 1 abstention by Dustin Smith.**

SECRETARY'S REPORT: Secretary Robert Mumme reported there was no correspondence at this time.

TREASURER'S REPORT: Treasurer Bill Herman reported that as of August 18, 2020 Texas Community Bank checking balance was \$138,386.62, Credit Card Account balance was \$35,034.35, Money Market balance was \$3,593.61. Bank and Trust Las Moras balance was \$520.79. Restricted Fund balance was \$365,808.34. General Fund balance was \$244,696.38. Historical account balance was \$14,960.71. Tax Account was \$38,733.81. Profit and Loss statement of July 2020 for FCSA was income of \$170,600.96, expenses of \$208,996.92, and a net loss of \$38,395.96. The FCSA Profit and Loss for October 2019 through July 2020 shows income of \$1,806,162.98, expenses of \$2,075,984.89, for a net loss of \$269,821.91. The Profit and Loss statement for July 2020 for the Restricted Fund shows an income of \$5,191.20, expenses of \$1,997.91 for a net income of \$3,193.29. The Restricted Fund Profit and Loss for October 2019 through July 2020 shows an income of \$53,094.80, expenses of \$17,981.19, for a net income of \$35,114.61. Las Moras July 2020 Profit and Loss shows income of \$2,104.09, expenses of \$1,78.71, with a net income of \$1,025.38. Las Moras Profit and Loss for October 2019 through July 2020 shows income of \$19,577.46, expenses of \$27,099.98, a net loss of \$7,570.32.

President Sandee Hagen explained the breakdown of the Restricted Fund as requested by the Board. Of the \$362,967.19 in the Restricted Fund, \$152,000.00 is reserved for Letters of Credit required by the Texas Commission on Environmental Quality for the landfill, \$32,929.30 for Preservation, and \$188,037.89 for Capital Improvements and debt. President Sandee Hagen also asked Treasurer Bill Herman to read the summary of accounts with Bad Debt and Depreciation removed. During the month of July, the net loss of \$35,396.96 reflected \$11,730.75 in Depreciation and \$22,264.50 for a net loss of \$1,401.71. For the period of October 2019 through July 2020, The loss of \$269,821.91 reflected \$117,307.50 in Depreciation and \$227,814.90 in bad debt, showing a net income of \$75,300.49. President Sandee Hagen also reported on lot sales and collection efforts after the Treasurer's Report. Vice-President Dustin Smith moved to approve the Treasurer's Report and Secretary Robert Mumme seconded. **Motion passed unanimously, with one Director absent.**

PRESIDENT'S REPORT: President Sandee Hagen reported the Covid-19 count for Kinney County was 21 with 20 individuals recovered, with no known deaths. Philip Garcia, Field Operations Manager, found a pump to pull water from below the spring. Tim Ward, Ashley Collier, and an anonymous donor donated the

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funds for the pump. President Sandee Hagen reported on the ARC workshop from August 1, 2020 and the presentation by Associa Professional Homeowners Association Management group. The Board voted 3-2 by email to purchase up to \$1,800.00, or 3 million gallons of water, for the golf course. RGEC authorized a special 2019 capital retirement fund, so \$7,629.29 was credited toward upcoming RGEC utility bills.

President Sandee Hagen introduced Alan Peterson as the new Executive Officer/General Manager.

COMMITTEE REPORTS:

Airport Committee – : No Report.

Architectural Committee – Joe Alackness, (Chairman): Secretary Robert Mumme read the ARC report provided by Mr. Alackness. ARC is continuing to meet every week. House and carport permits are hot. Working with staff and Mr. Peterson to resolve paperwork issues.

Golf Committee – Sandee Hagen for Katie Brown: The Cajun Tournament netted over \$8,000 for golf course projects. Del Rio Golfers wrote a thank you letter and donated \$500 to be used on our golf course. The Happy Cervantez Tournament is at the end of September, a Memorial Tournament will be held September 25 and 26. The Kinney County Church Alliance Tournament is October 31 and will be combined with the Halloween Tournament.

Preservation Committee - Linda O'Brien: Thanks to Sandy Herman and H.N. Bitter for their work at the Firehouse. The stone mason who is working on the rock wall by the Empty Saddle has offered to fix the first lintel at the Commissary for free so we can see the quality of his work. Members are removing trees from the cemetery wall.

Recycle Committee - Helena McBride: On August 6, 42 containers and 2 bales of plastic were shipped. Recycling Center is closed on August 29 for the Annual Membership Meeting. The proposal presented to the City of Brackettville is still being considered. Keep Texas Beautiful is willing to give items to groups and members of household cleaning items such as trash bags, work gloves, disposable masks, and hand sanitizer if they are willing to participate in the Keep Texas Beautiful campaign on September 11, 2020.

Las Moras Restoration Project - Helena McBride: (From Chris Hale, Committee Chair.) As reported last month, the next important step is to obtain a complete engineering study to get a better understanding as to what a complete repair price might be. Committee has submitted a grant application to fund this study. A decision on the grant should come in October. Committee is exploring different grants to accomplish the actual repairs. Repairs were started on the Las Moras Springs Historical Marker. Texas Historical Commission will be contacted to identify possible locations for the marker. The Committee will report to the Board when Texas Historical Commission's recommendation is received.

AD Hoc Bylaw Committee - Linda O'Brien: The committee met 3 times. The committee hopes to have their work completed by the end of September and report to the Board in October. Committee members include Travis Huey, Linda O'Brien, Sharon Gregor, Sandy Herman, Barbara McFadden, Memo Guzman, and Judy Winchell.

COMMUNITY COUNCIL REPORT – Linda O'Brien: Please watch for the first Saturday in September Clean-up project. Trying to complete one project each month. If your Unit needs help, please let Community

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Council know. They are willing to look at any project in any Unit. On Saturday, August 22, Community Council will be unloading the trailer that stored Community Council property when they were forced to move out of Shafter Hall. Volunteers are welcome.

OLD/UNFINISHED BUSINESS: None

NEW BUSINESS/ACTION ITEMS:

Discussion Item - Introduce Alan Peterson. President Sandee Hagen introduced Alan Peterson as the new Executive Officer/General Manager of FCSA. Mr. Peterson provided an overview of his background and work experience. He comes to us from an Ocean Front Resort in South Carolina. He stated the Association has a great amount of potential and we will be trying to get things moving forward. Mr. Peterson also stated he has an open door policy. Vice-President Dustin Smith requests that we give Mr. Peterson a few days to get acquainted with the Fort.

Email Approval - Payroll Protection Program (Payroll Protection Act). President Sandee Hagen provided an overview of the Payroll Protection Program and stated that we were not in a position as a Board to apply during the first round since we were just seated on the Board. Our accountant determined that Fort Clark Springs qualified due to loss of motel, rentable venues, and rv park revenue. This wasn't determined until the week before the Board meeting, so an email vote had to be taken. **The vote to file for the forgivable loan was taken and approved.** Bank and Trust submitted the loan and it was approved. The loan amount is based on 2.5% of payroll. One hundred percent of the loan will be applied to payroll. The bank will move the amount of \$192,572.90 into a separate account to better track the money. We have the paperwork to file at the appropriate time for loan forgiveness. The benefit to the Association is that if the loan is forgiven, we will have \$192,572.90 for projects that would normally have been assigned to payroll. If the loan is not forgiven and we must pay it back, the interest rate on the funds is 1%. After the first of the year, we will be required to dig a new cell at the landfill. This is a very expensive proposition. The timing of this loan will help us take care of this need.

Action Item 1 - Reintroduce Saturday Board Meeting. President Sandee Hagen stated this was not a piece of old business because the motions lacked the necessary second required for taking a vote at the last meeting. The agenda item was called for by Director ReAnna Hay, but since she would not be available at this meeting, she thought we should table the matter. President Sandee Hagen asked Secretary Robert Mumme to address the issue he is going to have with attendance at Wednesday meetings because of a decrease in substitutes available in his school district due to Covid-19. Vice-President Dustin Smith said he would not comment on the issue, but would vote to table the matter since the Director who wanted to discuss it was not at the meeting. Vice-President Dustin Smith's comment was taken as a motion and Treasurer Bill Herman seconded it. **The vote was unanimous to table this action item, with one Director absent.**

Action Item 2: Change in Hunt Program Fees. After the committee worked on the cost of the hunting fees, it was not published. A difference of opinion has arisen about the pricing structure. Vice-President Dustin Smith gave background on the creation of the hunt and those involved. Vice-President Dustin Smith stated that one goal was to decrease the cost of hunting to members. **Fees: Member** - \$50 per season as many does as you can get; **FRM Memberships** - \$50 per day/hunt with a limit of two does; buck fees are \$1,500.00 per buck; **Non-members** - \$100 per day with a two doe limit for that day's hunt, any does over two will be charged \$200. Matt Bland has discretionary judgement on someone who shoots an immature buck to what our fine should be or not. Whitetail cull bucks will be priced like a doe. Turkeys, javelina, feral hog, and predators will be included in the hunts. Matt Bland said we needed to increase our marketing. Matt

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Bland's fee recommendations are: Members \$100, FRM members remain on the voucher system. After the voucher is used, it would be \$100 per day. Non-members/public would pay \$100 per day with the two doe limit. Vice-president Smith made a motion to accept the proposal as typed in the hunting rules and regulations that Matt recommended with the caveat that non-member vouchers are eliminated and those 25 vouchers are used for charitable donations. Secretary Robert Mumme seconded the motion. Member comments were made by Memo Guzman, Kate Burkhart and Kathi Warm. Vice-president Dustin Smith restated the motion. **Motion passed unanimously less one absent Director.**

Action Item 3: Line Dancing at Teen Center, Rental Fee. Kate Burkhart wants to provide line dancing aerobic exercise at the Teen Center. She would like to charge \$5.00 per class two days each week starting in October. At issue was the facility rental fee. Secretary Robert Mumme made a motion to approve the line dancing classes at a rate of \$5.00 per hour for the use of the Teen Center. Vice-president Dustin Smith seconded the motion. Member comments were taken from Judy Winchell and Memo Guzman. **Motion passed unanimously less one absent Director.**

RECESSED TO BREAK: 11:17 AM

RECONVENE TO REGULAR SESSION: 11:31 AM

Action Item 4: Commercial Insurance Package Renewal. President Sandee Hagen asked the Board to switch agenda items so that Insurance consideration could be heard next. The Board consented to the change. Warren Blesh of Capital City Insurance, 8030 N. Mopac, Austin, Texas 78759, prepared the Insurance and Risk Management Proposal for the term period beginning September 1, 2020 and ending on August 31, 2021. Policies included are: General Liability, Commercial Automobile, Workers' Compensation, Commercial Property, Liquor Liability, Directors and Officers & Employment Liability Package, Fidelity, Forgery, Premises and Transit, Airport Liability, and Excess/Umbrella Coverage. After an explanation from President Sandee Hagen about the policy and coverages, Treasurer Bill Herman moved to accept the policy as presented. Vice-president Dustin Smith seconded. No member comments. **Vote was taken and the motion carried three for, none against. Secretary Robert Mumme abstained, less one absent Director.**

Action Item 5: Copier Contract. President Sandee Hagen explained that the copier contract was not set to expire until 2022. There have been significant failures in the operations of both copiers for some time. One black and white copier is located in the front office and a second color copier is located in accounting. Xerox suggested we negotiate the contract with no penalties to secure new machines. Director ReAnna Hay had concerns about the cost. The new contract would lock the Association in until August 2025. Vice-President Dustin Smith asked the new General Manager if he had read the copy. Mr. Peterson answered that he had not read it. Vice-President Dustin Smith had several concerns. First, this was only the first offer that we obtained for copy machines. He also stated that Provision 4 in the fine print said that the contract is non-cancelable. Vice-President Dustin Smith stated he believed that we should continue in our current contract until our General Manager is able to look into this and decide if it is in the best interest of the Association or if he can find a better deal elsewhere. Vice-President Dustin Smith made a motion to table this item until such time that the new General Manager could bring a proposal before the Board. Secretary Robert Mumme seconded the motion. Member comments from an unidentified member, Memo Guzman, and Steven Foxx. **Motion to table passed unanimously, less one Director absent.**

Action Item 6: 2018 - Consumer Price Index 2020-2021 Assessment Recommendation. Secretary Robert Mumme asked to move this agenda item following the Executive Session for private consultation. Board asked Secretary Robert Mumme to make a motion to move the action item until after the Executive Session. Motion had no second. Other Board members questioned Secretary Robert Mumme on why he wanted to

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wait until after the Executive Session and if the issue could not be held in front of the membership. He withdrew his motion. President Sandee Hagen read from the Declarations of Protective Restrictions on how the CPI is used to calculate regular assessments. The allowable increase in assessments since the last increase is \$1.00 per membership. Vice-President Dustin Smith stated that the increases are built into our governing documents. Vice-President Dustin Smith said that they could be automatic, but he does not like that idea. He believes that the cost of doing business has gone up and we are probably due an assessment increase. He said he was not comfortable with his level of financial expertise and adequate financial reports to make such a decision. President Sandee Hagen interjected that assessment increases are discussed during the August meeting so they can be considered in the next year's budget and coupon release. Secretary Robert Mumme stated that he would be amenable to the \$1.00 assessment increase if an Ad Hoc Financial Advisory Committee were formed to work with Mr. Peterson on the creation of the budget. Treasurer Bill Herman said he could justify the increase by looking at the increase in cost on our insurance coverage. President Sandee Hagen provided a final argument for assessment increase and said that the financial advisory committee had been tried before and failed, but the new General Manager may have a different opinion and be able to make it work. Vice-President Dustin Smith said he was not in favor of the Financial Advisory Committee because they do not have a vote and if we did not take their recommendations, they would be very offended. He continued that if we decide to accept their recommendations we are delegating our fiduciary responsibilities and we should not be delegating our core duties as a board. Vice-President Dustin Smith was also concerned about the credit card fees charged by the credit card companies to the Association when members use their credit cards to pay fees. Treasurer Bill Herman repeated President Sandee Hagen's arguments about needing to redo the assessment collection process if we did not increase the assessments this meeting. President Sandee Hagen gave more information about the failed ad hoc financial committee. President Sandee Hagen asked Mr. Peterson for his input. He stated that he had worked with several ad hoc committees and the key is their temporary nature. He stated that he had looked through our documentation and that he would admit that there are some people who have even more experience than he does, with perhaps a better understanding of Quickbooks and how things go here that might want to help out. He went on further to say that it is very unusual for an HOA to spend less money that it did the year before. With his experience, HOA rates typically increase a little each year. Treasurer Bill Herman made a motion to increase assessments by \$1.00. President Sandee Hagen asked for a second. Secretary Robert Mumme stated that he would only second the motion if it was reworded to include the Ad Hoc Financial Advisory Committee to work with Mr. Peterson. Secretary Bill Herman revised his motion to include the creation of the ad hoc committee to work with Mr. Peterson. Secretary Robert Mumme seconded the motion. Members comments by Lisa Vale, Memo Guzman and Steve Foxx. Vice-President Dustin Smith stated he was not opposed to the increase, he just wanted positive proof that it was necessary. President Sandee Hagen again said it was just \$1.00 and that we would be fiscally irresponsible not to have assessment increases when they are warranted. Secretary Robert Mumme asked if the motion passes as presented and amended, who would appoint the ad hoc committee? Vice-President Dustin Smith stated that the Board would set up procedures and that there were parts of accounting that they would not have access to. Secretary Robert Mumme stated that everything would go through Mr. Peterson. The committee would not come into contact with employees or gain access to computers. President Sandee Hagen also stated they would have no access to individual payroll, just gross payroll. Treasurer Bill Herman repeated his motion and a vote was taken. **Motion failed. Director Bill Herman and Secretary Robert Mumme voted for the proposition, while Directors Sandee Hagen and Vice-President Dustin Smith voted against with one director absent.**

ANNOUNCEMENTS: President Sandee Hagen announced the Annual Meeting will be held on August 29, 2020 at 8:30 AM in the Amphitheater. Restrooms will be available. Social distancing will be enforced. Golf carts are welcome and family members may sit together. Although it is an outdoor activity, masks are strongly recommended. Due to Covid-19, no food will be served, but beverages will be served. Vice-

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president Dustin Smith requested a list of individuals that have donated to emergencies that have arisen throughout the year. Committee members will also be named at the Annual Meeting.

ADJOURN to Executive Session: Member Issues

12:46 PM

RECONVENE TO REGULAR OPEN SESSION:

2:24 PM

Discussed several employee issues that cannot be discussed in regular session. The only other issue was a request from a member who is now deceased to have the property transferred to the parents of the late member. The parents would like to renovate the property and have asked for a waiver for assessments and penalties owed against the property. The Board determined that additional information was needed, so no action was taken until the research has been concluded. The next regular meeting will be held Wednesday, September 16, 2020 at 9:30 AM in the Boardroom. Vice-President Dustin Smith made a motion to adjourn. Secretary Robert Mumme seconded the motion. **Motion passed unanimously less one absent Director.** Meeting was adjourned at 2:25 PM.

NEXT REGULAR BOARD MEETING: Wednesday, September 16, 2020, Fort Clark Boardroom, 9:30 PM. Seating will remain the same unless notified that there are changes with the COVID-19.

ADJOURNMENT:

2:25 PM

ROBERT MUMME - Secretary