

**Board of Directors  
Summary Meeting Minutes  
Summit Estates at Fischer (SEF)  
Thursday, December 1, 2022  
706 Stars and Stripes, Fischer, TX 78623**

**Board Members Present:**

William Conrad, President  
Steve Ferrell, Vice President  
Nancy Carr, Treasurer  
Secretary (Vacant)

**General Membership and Guests Present:**

Trena Beckman  
Michael Nolen, SMTX Management (via phone)  
Joan Conrad (to record/transcribe minutes)

**1. Call to order and certify quorum**

The board meeting for the Summit Estates at Fischer (SEF) was called to order at 9:10 am and quorum was met.

**2. Ground Rules**

- a. Follow Roberts Rules of Order
- b. Respectful Dialog
- c. Engaged and Active
- d. One person speaking at a time

**3. Comments from Summit Estates at Fischer Members**

There were no comments from members.

**4. Old Business**

**a. Treasurer's Report**

Ms. Carr presented copies of three reports: Quarterly Report ending September 30, 2022, October/November 2022 monthly reports, and projected expenses for the remainder of 2022.

As Ms. Carr read the Third Quarterly Report (July 1 through September 30, 2022) to the board, Mr. Conrad inquired why there was a \$2,083 transfer out of the SEF bank into an unknown bank account without documentation. Mr. Nolen explained that this was to reimburse SMTX Management for management fees and mailing expenses. Referring to the most current delinquency report, Mr. Conrad asked Mr. Nolen to confirm that SEF's delinquencies had not changed since September. Mr. Nolen responded that was correct.

Ms. Carr moved on to the monthly reports (October and November 2022). Discussion ensued regarding gate replacement cost and reimbursement from SEF's insurance company. Reimbursement was received from the insurance company, less deductible, but that balance will be recovered once the insurance company recovers it from High Sierra Toilet Company.

## **b. Update Budget**

The board discussed the status of SEF's lots:

- ✓ There are 266 lots, including subdivided lots, but not including SEF owned lots.
- ✓ Approximately 56% or 149 of SEF's lots are built out.
- ✓ Approximately 22 lots have active permits issued through the ARA (Architectural Review Authority).
- ✓ Twenty-seven (27) road deposits, at \$1,000 each, are currently being held.
- ✓ Funds from those 27 road deposits are included in the SEF's budget's *Total Cash on Hand* line item.
- ✓ Any ending cash balance must not include road deposits.

Mr. Conrad stated, for the record, it is the responsibility of the SEF Board of Directors to keep separate any funds that are to be refunded to SEF members. The current cash balance is \$67,625.42; however, \$27,000 of those funds are for road deposits and cannot be spent. Therefore, \$27,000 should be moved to a separate line item within the budget. The cash balance remaining is \$40,625.42

From the remaining cash balance of \$40,625.42, an emergency cash reserve of \$26,000 should be withheld, leaving a current cash balance of \$14,625.42. This makes it clear to the board that SEF's basic expenses require every dollar collected, with no funds available for major road repairs.

Mr. Conrad informed Mr. Nolen that the new (3-weeks old) gate was damaged again and bids for repair have been requested. The Board has videos (with multiple views) of the damage as it occurred. An Amazon box truck raced through the partially opened gate, attempting to pass through before it closed. Instead of stopping, the Amazon driver continued and dragged the gate through the opening. There is another view of the driver stopping to examine the damage as he was exiting SEF. Mr. Conrad has filed a claim with Amazon and believes that Amazon will pay all expenses required; however, there is no way to know how long it will take.

Mr. Conrad stated that he has sought bids on road repairs for Stars and Stripes from Freedom to Let's Roll. Mr. Conrad believes that, if that portion of road isn't repaired immediately, SEF could lose it completely. He is also concerned about the pothole at the entrance to SEF. It has been continually patched, but must be properly repaired soon. However, with the lack of funds available, these expenses may need to be pushed to next year.

***Mr. Conrad asked Mr. Nolen to ensure that the current budget is posted on Summit Estates at Fischer's (SEF's) website for all members to view prior to the Emergency Annual***

**Meeting. He also wants the information regarding the lots previously discussed during this meeting to be posted on the website so that it is available to all members.**

Mr. Conrad reiterated that he still wants two separate budgets: Operating and Capital Improvement. The Capital Improvement Budget should include \$27,000 road use fees, as well as expenses for gate repair, mailboxes, some landscaping expenses specific to maintain roads and bridges, and road repairs. Mr. Nolen will provide that report by close of business today.

Mr. Ferrell requested clarification from Mr. Nolen with the following concerns:

- What is the status of the outstanding delinquencies totaling \$3,000? Mr. Nolen responded that he sent certified letters to twenty-one (21) lot owners in September 2022, and none of the letters were returned to SMTX Property Management. He used the Comal County and Comal County Tax Assessor Collector websites and those addresses match SMTX's records.
- What documentation does SMTX Property Management have to justify spending \$90,000 for 2021 road repairs? Mr. Nolen explained that the previous SEF Board of Directors initiated bids, authorized repairs, and presented the invoice to him for payment. The invoice was not itemized. Very little documentation regarding this transaction was provided by the previous board or the vendor.

Mr. Ferrell asked Mr. Nolen why SMTX Property Management would pay such a large amount without any back-up documentation or written authorization. Mr. Conrad asked specifically if there was a Resolution, SEF 2021 Board of Directors' meeting minutes, or any other documentation authorizing approval of this payment.

Mr. Nolen responded that he was made aware that the three board members were planning this expenditure for the stretch of Stars and Stripes as well as a few other repairs; they were soliciting bids; and they approved the work to be done. He was not provided with a quote or final bid from this vendor or from other vendors. Mr. Nolen stated that the previous SEF President, Shawn Rosendahl, presented him with the two invoices, for approximately \$90,000, with instructions to pay them.

Mr. Conrad requested copies of all correspondence and documentation regarding this \$90,000 expenditure, including companies that may or may not have been invited to submit a bid. He requested this information by the close of business Monday because questions are coming from members, and some of the questions are coming from these previous board members.

Mr. Conrad stated that part of his concern is ***because state law requires board approval of expenditures over \$50,000, with multiple bids, and specific board approval.*** Our bylaws limit our treasurer to spend a maximum of \$1,000 without

board approval. ***At this point, the activity of our previous board puts SEF at risk for litigation for failure to properly document and properly act upon this transaction.***

**A motion was made by Mr. Ferrell and seconded by Ms. Carr to approve the updated Treasurer's Report as presented. Motion carried.**

**c. Review and approve Minutes from 10/12/22 and 11/7/22**

**A motion was made by Ms. Carr and seconded by Mr. Ferrell to approve the meeting minutes from 10/12/22 and 11/7/22. Motion carried.**

**d. Discuss and take actions to prepare for 12/11/22 Emergency Annual Meeting**

Mr. Conrad stated that SEF Bylaws require that an annual membership meeting be held between January 15th and March 1st of each year, but the bylaws also state that the board can call special meetings (without stipulating additional guidelines as to the purpose or name). Therefore, the board has determined that this will be called *Emergency Annual Meeting* for the purpose of discussing fee increases and to authorize the board to act upon those increases.

**i. Pre-meeting information sharing and member involvement**

Mr. Conrad asked the board to be diligent in responding to members' questions.

Since the fee increase is not the only issue to be determined at this meeting, there may be many questions regarding recommended revisions to the Restrictions. Mr. Conrad asked Mr. Ferrell to lead the discussion on Restrictions and to respond to those questions.

Mr. Conrad volunteered to lead the discussion and to respond to questions regarding fee increases, but asked Ms. Carr to be prepared to answer questions regarding available funds or other treasury issues.

**ii. Facility setup and cleanup**

Mr. Conrad, Mr. Ferrell, and Mr. Moe met at Fischer Store School Community Center to determine logistics for the upcoming meeting.

- No water or refreshments will be made available.
- Tables will be folded and stored so there is more room for seating. A stage probably won't be provided, but a table can be positioned at the front to seat the board.
- Volunteers will be recruited to clean up and return the facility to the original setup.
- There is room inside for seventy (70) attendees; overflow need to stand outside. A sound system will be set up outside to allow attendees to hear all discussions.

### iii. Roster, Documents, and Voting Procedures

- Any time anyone asks a question, a board member needs to repeat the question before answering.
- State law requires that any ballots determining fees must provide written ballots that include names, addresses, and signature of the person voting. Mr. Conrad asked Mr. Nolen to bring a roster, listing every member by lot number, to use as a sign-in sheet. If a proxy is voting for a member, there should be a line for the name of the person who holds the proxy and his/her signature. One vote is provided to each lot owner. Replatted lots are one vote.
- The voting procedure will follow Roberts Rules of Order, except everything will be on a written ballot.
- Mr. Conrad asked Mr. Nolen to provide a second roster to tally each motion presented (at least five or maybe six columns) listed by name, lot number, and address.

### iv. Motion(s), Ballot(s)

Because Mr. Nolen did not have a copy of the Resolution, Mr. Conrad read it out loud in its entirety. This Resolution will be voted upon with one ballot to approve the following increases:

- 2023 Dues will increase to \$250
- 2024 Dues will increase to \$400
- 2023 Road Use fees will increase from \$1,000 to \$4,000
- 2023 Road Deposit fees will remain at the current rate of \$,1000

The board discussed increases of dues extensively. It was determined that many members will not vote on a 2023 increase to \$400 annual dues. Therefore, it was decided that the ballots will follow the dues increases as described in the Resolution.

During discussions, Ms. Beckman stressed that the board must make every effort to help members understand the urgency of road repairs and the amount of funding required to accomplish those repairs. Mr. Conrad agreed and volunteered to conduct a Road Tour the following Sunday afternoon. He will post an invitation on the SEF Facebook page and will coordinate the event.

**A motion was made by Mr. Ferrell and seconded by Ms. Carr to have one ballot for vote on the Resolution, as it is currently written. Motion carried.**

### v. Member involvement procedures

Article 3, Sections 3.4 – 3.7 of the SEF's Bylaws *implies* that board members only make a motion; however, Roberts Rules of Order allows members to make a motion. Mr. Conrad recommended that he would ask the board members to entertain a motion since he is serving as meeting Chairman.

Mr. Conrad proposed the following:

- A sign-in sheet to speak
- Three (3) minutes to speak
- Only members may address the board. Legal counsel nor other representatives may speak on behalf of a member or members.

**vi. Other**

Mr. Conrad will post a link on the SEF Facebook page to the SEF website so that members can access the Resolution, budget, etc.

**5. New Business**

**a. Replatting of Lots:**

It was discussed that dues are based on number of lots, not on size of lots. Therefore, if a property owner replats their lots into one, they owe dues on one lot. However, property owners are allowed one vote per lot.

**b. Speeding and Stop Signs**

Ms. Carr inquired about the cost of speed bumps. Mr. Conrad responded that the result of his discussions with our County Commissioner and other inquiries resulted in the following:

- Plan on \$1,500 per speed bump; and
- Emergency services may require specific standards regarding types of materials used, size, etc., that SEF must meet prior to installing speed bumps.

**6. Other Business**

**a. Block Captains Task**

Ms. Carr inquired if SEF Block Captains have been asked to remind members of the upcoming Emergency Annual Meeting. Mr. Conrad will ask Mr. Moe, SEF Block Captain Coordinator, if he would coordinate with them to undertake this task.

**b. Planning Logistics with SMTX Management**

Mr. Conrad and Mr. Nolen agreed to meet in Mr. Nolen's office on Tuesday, December 6<sup>th</sup> at 2:00 pm, to finalize types and number of documents needed for registration at the Emergency Annual Meeting.

**7. Adjournment**

The meeting was adjourned at 11:48 am.