

Longleaf Community Association, Inc.
Board of Directors Quarterly Meeting
Dec 8, 2016 7 pm Longleaf Post Office

Keith Pendergrass, LCA President, chaired the meeting. A quorum was present including 4 board members: President Pendergrass, Ken Haas, Tom McCann, & Jim Morgan. Also in attendance were Jan Pylant, Judy Jenks, Gail Shoop & Terry Upton.

The minutes of the Fall quarterly meeting of Sept. 18, 2016 were reviewed & approved.

President Pendergrass announced that the "irrigation" covenant alteration had been recorded and was in effect. He also reported that the presentation by our attorney before the Harris County Commission had resulted in the reduction of our association tax base from \$96,000 to \$4,000 with a corresponding reduction in our taxes in this and future years. All present felt the legal fee was money well spent.

The association budget for 2017 was presented by Treasurer Ken Haas. Committee chairs Terry Upton (Pool & Safety) and Judy Jenks (Landscaping) discussed their needs in detail. After discussion by all present and appropriate adjustments and alterations, the budget for 2017 was approved unanimously. (see attachment)

President Pendergrass reported that the construction entrance would be moved one lot down, reworked and paid for by Callaway.

He further reported that an updating of our capital reserve study is needed in 2017 and that the cost will probably be about \$1950. All present agreed that because the present study is 10 years old and that it does not include any reserve for streets, revisiting our reserve policy is necessary. It was further noted that because of our conservative reserve policy, we do not anticipate a "shock."

There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

James Morgan

Approved

Date



Longleaf Community Association, Inc.
Board of Directors Meeting, September 18, 2016

Minutes

The Board of Directors met at the Longleaf Post Office for the third quarterly meeting on September 18, 2016 at 7:00 pm.

Establishment of Quorum

Keith Pendergrass (President), Ken Haas and Tom McCann were in attendance to meet the quorum requirement.

Approval of Minutes and Board Action

1. Minutes from the June 14, 2016 Board of Directors meeting were reviewed and approved as submitted.
2. The board action of on August 8, 2016 to dissolve the Longleaf Communications Committee was reviewed with no further action planned at this time.

Review of LCA Financial Statement

Ken Haas led a review of the financial statements through July 31, 2016. The following items were notable points of discussion.

1. The current format of the financial statements is hybrid of accrual and cash accounting and budgeting that may be confusing to residents who look at the statements. Ken will be working with our accounting firm (DLJ) on a consistent cash based accounting and budgeting process moving forward.
2. Approximately \$25 thousand reflected in the operating checking account are actually reserve funds. The true amount of the reserve is shown in the equity section of the balance sheet.
3. The summer application of pine straw exceeded the budgeted amount by approximately \$10 thousand. The winter application will be reviewed at planned working meeting with the board and committee chairpersons.
4. For now Ken will forward copies of monthly financial statements directly to residents through the community e-mail system. Financial statements are currently available to view on our community website, but several residents are having difficulty finding them. Ken will be contacting Arnie Canada for possible input to communicate to residents on use of the website.

Common Area Property Tax

The appeal of the approximately \$1500 annual property tax yielded a one-third reduction per a July 13, 2016 notice from the Harris County Board of Assessors. The board has been advised by our attorneys that there remains a strong argument for total relief from this tax. Accordingly, the board has filed for a continuation of this appeal through its attorneys. The legal fees associated with this appeal are deemed minimal by the board in light of what has already been realized and any potential savings.

Covenant Change

Ballots for the proposal to change the maintenance responsibility for irrigation equipment from the Longleaf Community to individual homeowners will be mailed on October 3. A "sample" ballot will be sent to homeowners via e-mail the week of September 19 with the intent of providing everyone the opportunity to ask questions and to familiarize themselves with the process.

2017 Budget Process

The board will schedule a pre-budgeting meeting with the respective committee chairpersons. The purpose of this meeting will be to improve the communication between the board and the various committees, to assure common goals are being pursued, and to afford the opportunity for discussion of any changes moving forward.

Other Business

There being no other items of business for discussion, the meeting was adjourned.

Minutes prepared and submitted by:

Tom McCann
September 19, 2016

Minutes Approved

Date

Longleaf Community Association, Inc.
Board of Directors Meeting
June 14, 2016 6:30 pm Longleaf Post Office

Keith Pendergrass, LCA President, chaired the meeting. A quorum was present including board members: Ken Haas, Tom McCann & Jim Morgan. Also in attendance were Landscape & Beautification Committee chair Judy Jenks, Communications Committee Chair Peggy Roblyer, Bill Wiencke, Pamela Pendergrass, Jan Pylant & Gail Shoop.

The minutes of the February 22 Board of Directors Quarterly Regular Meeting were reviewed by all board members present & approved.

Longleaf Board Treasurer Ken Haas reported on a suggestion from Dougherty McKinnon & Luby (our accounting firm) to change the format of our financial reports for GAAP compliance and for clarity. By changing to a columnar presentation, with one column the operating fund and a second column the reserve fund our reports might be clearer & more easily interpreted by most viewers and also in compliance with GAAP without requiring notations. This suggestion was approved by the board.

Also discussed was a modification to our future monthly income statements. Since our income is billed and collected twice a year, accrual accounting confuses the state of our income. Future statements will be on a modified cash basis to more accurately reflect the income side of the association's financials.

Longleaf Community Association homeowner credits (generally in the amount of \$25.00) remaining from a previous over charge were discussed. Reconciliation is slightly complicated with the recent separation of billing by our Association and the Callaway Community Council (previously billed together.) Treasurer Haas was empowered by the board to coordinate with the Community Council in reconciling these accounts.

Agenda items discussed included:

Longleaf Parking: The board discussed several recent parking issues in Longleaf: parking on pine straw in yards, multiple cars parking along streets for several days, parking obstructing traffic. We have had no problems that failed to resolve easily with simple discussion. While no decision was reached at this meeting all agreed that as Longleaf builds out, as we have more permanent residents, and as we have more older residents we may begin to have more issues with parking. Discussions included defining guidelines for parking and also possibly building additional small communal parking areas. Possibilities mentioned included the bottom of our communal area (below the playground) and space near the walk through to the Lodge. For the present the Board will simply continue to be aware of and to monitor the issue.

Design Review Consideration: Chairman Pendergrass reported mentioned two recent issues of failure of compliance with design review guidelines (1 regarding a garage and a 2nd

regarding replacement windows.) Both of these instances have been handled by the existing Design Review Board (structured by Cousins-Callaway.) He further stated that the Longleaf Community Association has been offered the authority of design review within Longleaf, other than for new construction and additions (such as garages,) which authority which would be retained by the present Design Review Board. After thorough discussion by the Board this authority was declined. The three reasons for rejection were: first, the possible ill will and politics generated within the community by residents judging the tastes and wishes of other residents, second, the lack of architects and real estate professionals within our community to do design review and third, simply the feeling that judgements of this type are best made by a neutral and professionally qualified third party.

Consideration of Covenant Change (Homeowner Irrigation): The Longleaf covenant obligating the association to pay for repairs and maintenance of unmodified irrigation systems continues to be a problem. There is no limit to the frequency or the cost of any repair or maintenance of any individual system. As of early this year 37 homeowners report unmodified systems and 29 use the communal "turn on, shut off" service for their irrigation. Thus approximately 3/4 of Longleaf residents receive no benefit from this communal obligation but are subject to the liability of a higher cost for our community landscaping service.

Chairman Pendergrass has investigated the legal requirements for modifying our community covenants. These requirements are somewhat complicated but are understandable and achievable. The Board discussed the issue and decided to pursue this change in the covenants with the joint purposes of reduction of communal landscaping costs and of fairness to all residents. An Ad Hoc Committee will be appointed to develop strategy regarding this issue.

Property Tax Update: The Board discussed the ongoing issue of what is felt to be unduly high taxation of the communal property of the Association. Legal council suggests that this overvaluation and over taxation is common with many homeowner associations. The value of amenities is already added to the homeowner property valuation and taxation and should thus not be taxed a second time. The Board authorized chairman Pendergrass to continue to pursue this issue, working with the law firm of Weissman, Nowack, Curry & Wilco, P. C.

Additional items discussed:

Addition to Capital Reserves: The Longleaf Capital Reserve Study, done in 2009, did not include reserve for roads. The study suggested increasing reserving \$10,000 per year in 2015 and again in 2022 to a total of \$120,000 per year. This reserving has been described as "very generous" and high enough to avoid the unpopular need for assessments. An important note is that our reserve is a "general reserve," not restricted to any particular areas or structures, and may be used to fund any capital expenses. Since our roads will need to be "sealed" in 4 to 5 years at a cost of \$35,000 to \$40,000 and repaved in 10 to 15 years at a cost of \$180,000 to \$200,000 or more, the Board feels that beginning with our 2017 Budget Longleaf will need to increase our yearly contribution to reserves to allow for expenses associated with roads, the amount to be determined.

Landscape & Beautification Committee: Committee Chair Judy Jenks discussed recent problems with excess roadside "pick up" items requiring what Outdoor Detail considered unexpected time and effort from their personnel, diverting them from normal duties. After much discussion consensus was reached that much of the recent excess was probably due to old pine straw removal in preparation for a full application of new straw (a once a year event.) This

is a service needed by most owners and should be provided. Also agreed was that owners removing large trees or large amounts of shrubbery should make separate provisions for disposal of cuttings. More specific rules regarding pick up might be developed by the committee as needed.

The chairman also reported that the committee is in the process of developing a new set of guidelines regarding approved plants for Longleaf homes. The guidelines will not require native plants but will certainly ban invasive plants and others felt to be inappropriate to our area and community.

There being no other business to come before the Board the meeting was adjourned by Chairman Pendergrass at 8:15/

Respectfully submitted,

James Morgan

Approved

Date

Longleaf Community Association, Inc.
Board of Directors Special Called Meeting
March 20, 2016 8:00 pm Longleaf Post Office

Keith Pendergrass, LCA President, chaired the meeting. A quorum was present including board members: Ken Haas & Jim Morgan. Tom McCann was present by conference call. Also in attendance were Landscape & Beautification Committee chair Judy Jenks, Pamela Pendergrass, Jan Pylant & Peggy Elder.

The purpose of the meeting was to discuss a request from the Landscape & Beautification Committee for an additional \$2,200.00 for the entrance flower bed in addition to the \$2,000.00 previously budgeted. The budgeted funds cover the cost of purchasing plants but *do not* cover the labor of planting. Apparently since this is the first year that planting the entrance area was not covered in the master landscaping contract, some confusion existed during the budgeting process. Peggy Elder pointed out that since A Cut Above pre-billed for all work and Outdoor Detail was paid after completion and since A Cut Above was thus paid for January care during the 2015 budget year, and since LCA's expenses are on a cash basis, LCA would only pay for 11 months of landscaping care during 2016. Our landscaping budget will thus allow for the extra expense without additional funding.

After discussion of the fact that as a new organization we are all still in a learning phase all present agreed upon the importance of the board meeting with all committee chairs to discuss and clearly define committee duties, powers, responsibilities and limitations to help avoid confusion in the future.

A resolution was then duly moved, seconded & passed by the board that Rachael Brawner, employed by Outdoor Detail, was to continue to maintain the entrance plantings and that additional funds, not to exceed \$2,200.00 be approved for this service.

Jim Morgan mentioned the concern of some residents about the relocation of the construction entrance. He also suggested that LCA needs to consider the consequences in the future when Longleaf is fully built out if there is no construction entrance. Moving vans & heavy equipment used in any remodeling or repair work will become problems for our entrance area. Consideration might be given to developing one lot as a permanent construction and moving van entrance which could be landscaped and used as a visitor parking area when not open. The concept was briefly discussed.

There being no further business the meeting was adjourned at 8:45.

Respectfully submitted,

James Morgan

Approved

Date

Longleaf Community Association, Inc.
Board of Directors Called Meeting
March 5, 2016 3:00 pm Mountain Creek Inn

Chairman Keith Pendergrass called a special meeting of the LCA Board following the Annual Meeting of the LCA. All board members were present at the annual meeting and all attended the special meeting.

The first item for consideration was the creation of an interest bearing account for LCA funds. Currently over \$250,000.00 are in a non-interest bearing account at First Peoples Bank. The board approved Chairman Pendergrass's suggestion to move a majority of the funds to a new interest bearing commercial account at First Peoples Bank. The board resolved that no account should contain more money than would be federally insured (currently \$250,000.) This action will assure that all funds are fully Federally insured and will also provide some income (currently 0.1 %) for the LCA from these funds. Also the name of Ken Haas, our current treasurer, was added as a signer at the bank and the name of Bob Mulder, a previous signer no longer on the Longleaf board, was removed.

The second item was consideration of signage for the Longleaf pool. After consideration and discussion a sign was approved. (see attachment) This will be sent to Terry Upton, chairman of the IPS Committee to be certain that this committee is comfortable with the wording.

With no further business, the meeting was adjourned.

Respectfully submitted,

James Morgan

Approved

Date

Longleaf Community Association, Inc.
Annual Meeting

March 5, 2016

9:00 am

Mountain Creek Inn

The first annual meeting of the LCA was called to order by chairman Keith Pendergrass. He announced that a quorum was present and thanked all those present for their attendance.

He mentioned the names and addresses of Longleaf residents new in the past year and welcomed all of them to the community.

He listed the board members of the LCA, their terms of office and their board functions.

LCA Treasurer Ken Haas then gave the Treasurer's Report. He presented and explained the LCS Income Statement and Balance Sheet. He explained that, as our association has generally run a surplus, we will lose only minimal revenue from the developer with our new organization. He reiterated our advantages as a Property Owners Association in collecting delinquencies. He discussed the state of our Reserve Fund and answered questions from the owners.

Landscape and Beautification Committee Chair Judy Jenks then presented her report. She mentioned that our new provider, Outdoor Detail, will have 2 men working 5 days per week at Longleaf. She and her committee feel that Outdoor Detail is off to a good start and that we should have hopes for a long relationship with them. She discussed and answered questions on Outdoor Details scope of work. She also discussed the LCA's obligation, because of Longleaf's original covenants, to repair "original" drip irrigation systems. Because the current number of "original" systems has gradually dropped to 37, her suggestion was that this obligation should be dropped from future landscaping contracts. Since dropping this provision would require a vote of two thirds of property owners, she suggested that such a vote be planned and that an aggressive attempt be made to secure passage. Chairman Pendergrass stated that he would take this suggestion to the Board for implementation.

Infrastructure, Pool and Safety Committee Chair Terry Upton presented his report. He provided hand outs for all attendees and discussed the opening of the Longleaf Pool for the season. He discussed the pool and grill area guidelines. He stated that the guidelines are to maximize safety, minimize liability and assure that all residents and guests are able to enjoy the pool facilities. He stressed the responsibility of all residents to adhere to pool usage guidelines and to educate guests as to the guidelines. He furthermore stressed that each resident will ultimately be held responsible for the actions of his / her guests. He stated that new signs will be posted at the pool soon to summarize the rules.

Communication, Social and Welcoming Committee Chair Peggy Roblyer then presented her report. She explained the functions of her committee and thanked her subcommittee chairs for their work. Welcoming functions included welcome baskets for new residents and a planned "new neighbors" party on April 16 at the home of Lorraine Berry. Her committee also maintains the Longleaf Directory (Margaret Kee,) the Longleaf Web Site (Arnie Canada) and the Preferred Providers List (Pat Shuman.) Peggy, who edits the Longleaf newsletter herself, thanked those who have cooperated to make it a success.

LCA Chairman Pendergrass thanked the committee chairs and the committee members for their good work. He then discussed several items for consideration by LCA.

First he stated that he has informed the Post Office in Pine Mountain of the problem with mail frequently being placed in incorrect mail boxes. He is currently in discussion with the Postmistress regarding a solution to the problem.

Second he confirmed his intention to have the LCA Board plan a vote on resolving the sprinkler issue.

Third he discussed the Longleaf streets. This subject involves 4 separate items:

1) Some surface defects are already appearing in the recently repaved roads. He has discussed this with the pavers, Piedmont Paving, and been assured that the paving work has a 12 month warrantee and that these defects will be corrected as needed.

2) He has been told that for our paving to enjoy the longest possible life span our streets should be sealed every 5-7 years. The current cost of this would be around \$35,000.

3) He mentioned and discussed that our roads would last longer if we had concrete siding. He does not know the cost of this but suggested that this improvement be studied and cost estimates be obtained.

4) He reminded the owners that our current reserve fund was designed to cover the cost of maintaining the structures of Longleaf ... primarily the pool, pool house & post office. Now that road maintenance is the responsibility of the LCA we must recalculate our reserve needs to provide for this responsibility. For reference, the cost of the recent paving was around \$200,000.

There being no further business to come before the meeting, the meeting was adjourned.

Respectfully submitted,

James Morgan

Approved

Date

Longleaf Community Association



**Annual Meeting
March 5, 2015**

Agenda

- Welcome
- New residents
- Board members
- Financial report
- Working committees
- Issues in 2016

New Residents

- Lance and Christina Bedgood 162 Maple Trace
- Steve and Sheri Bland 314 Birch
- Martha Sue Blythe 304 Loblolly
- Rob and Lynda Bulloch 257 White Oak
- Sam and Laurie Combs 241 White Oak
- Barry and Cathy Erwin 120 Longleaf Way
- Ed and Leslie Hudson 132 Longleaf Way
- Kevin and Melanie Lynch 160 Maple Trace
- Mitch and Donna Miller 328 Dogwood Way
- Jeff and Julie Register 172 Maple Trace
- Rich and Barb Rindo 114 Longleaf Way
- Philip and Donna Sholar 316 Birch

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Board of Directors

- Keith Pendergrass (A) President
- Tom McCann (B) Vice President
- Jim Morgan (B) Secretary
- Ken Haas (A) Treasurer
- Fran Rogers Callaway appointed

Term ends with election of new board at the annual board meeting:

(A) 2018

(B) 2017

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**Longleaf Community Association
Income Statement (Draft)
Calendar Year 2015**

	Actual	Budget	Variance
Assessments	335,427	341,370	(5,943)
General, administrative	61,094	65,760	2,666
Taxes, insurance	7,120	5,088	(2,032)
Recreation area	12,227	11,454	(773)
Landscaping	171,389	191,514	20,132
Utilities	32,565	35,040	2,475
Maintenance	5,814	6,920	1,106
Total operating expenses	292,209	315,776	23,573
Net operating income	43,224	25,594	17,630
Capital expenditures	3,691	4,961	1,270
Transfers to reserve	24,863	24,450	(413)
Transfers from reserve	(4,473)		4,473
Capital reserve total	24,081	29,411	5,330
Net income	19,143	(3,817)	22,960

**Longleaf Community Association
Balance Sheet (Draft)
At December 31, 2015**

Assets	
Cash	308,792
AR - residents	14,796
AR - CRDA	66,812
Total assets	<u>390,400</u>
Liabilities	
Prepaid dues	5,324
Payable DML	7,625
Reserve	239,987
Total liabilities	<u>252,931</u>
Equity	17,469
Total liabilities and equity	<u>290,400</u>

Working Committees

- Landscape and Beautification
 - Infrastructure, Pool and Safety
 - Communication, Social and Welcoming
 - Longleaf Directory
 - Longleaf Web Site
- Judy Jenks
Terry Upton
Peggy Roblyer
Margaret Kee
Arnie Canada

2016 Issues

- Repair of newly paved streets
- Review future capital reserve needs
- Irrigation system repairs
- Post office mail sorting errors

Longleaf Community Association, Inc.
Board of Directors Regular Quarterly Meeting
February 22, 2016 7 pm Longleaf Post Office

Keith Pendergrass, LCA President, chaired the meeting. A quorum was present including all board members: Ken Haas, Tom McCann, Fran Rogers & Jim Morgan. Also in attendance were Pamela Pendergrass, Jan Pylant, Judy Jenks, Gail Shoop, Karen Comer & Terry Upton.

The minutes of the December 12th Special Election Meeting & of the December 14th Called Organizational meeting were reviewed by all board members & approved.

The Dougherty McKinnon & Luby review of Longleaf transition financials was discussed. The consensus of the board was that asking the accountants to investigate the small amount of money not precisely accounted for (less than \$450) would cost more than the amount in question. The report was accepted.

The treasurers report, including the current status of delinquencies, was distributed, discussed & accepted.

Agenda items for the annual meeting were discussed:

Homeowner Irrigation: The consensus of those present was that another vote should be taken to remove homeowner irrigation servicing from the Longleaf landscape contract. Many homeowners currently either do not use the irrigation, service their own irrigation or pay an outside firm to service the irrigation. Providing this service in the Longleaf contract thus is a very unequal benefit & an unfair expense.

A specific bill received from A Cut Above for a covered irrigation repair was discussed with the result that payment for the service was approved but separate service call charges by A Cut Above were denied (the feeling being that since A Cut Above is on site, service call charges are inappropriate.)

Streets: Some early degradation of the recent street paving has been noted. This will be brought to the attention of Piedmont Paving and hopefully corrected soon. Also the need to reconsider the amount of our capital reserve to include street maintenance was discussed with a feeling that revisiting our capital reserve planning is needed.

Construction Work Times: Whether limits should be placed on the days and/or times at which construction is allowed in Longleaf was discussed. No consensus was reached. While some present felt that construction should not be allowed on Sundays except in emergencies, others pointed out that this limitation could increase construction costs and, especially in periods of bad weather, unnecessarily delay construction. Only working during daylight and not beginning construction before 8:00 am were generally agreed upon. There was felt to be no difference between new construction & remodeling or repair, except in the case of emergencies. The importance of heavy loads using a construction entrance was agreed upon.

Pool, Grill & Post Office Rules: Terry Upton presented an initial draft of rules developed by the Infrastructure, Pool & Safety Committee. The drafts included 1) guidelines for reserving & for using the Post Office & the Pool Grill Area, 2) Playground Area rules, 3) Pool Rules, 4) Pool Rules signs to be posted in the pool area & 4) Homeowner Responsibilities & Compliance rules.

The guidelines for reservation, the playground area rules & the pool rules were little changed from past years and generally felt to be appropriate. The proposed Pool Rules sign was felt to be too detailed with excess verbiage and thus likely to be unread and ignored. The sign will be reconsidered, revised & made more concise by the committee.

The draft of the Homeowner Responsibilities & Compliance paper (a new document) was discussed. The purpose of the document is to stress to each homeowner that he/she is ultimately responsible for the behavior of any family members or guests using the pool, playground or grill areas. All present at the meeting fully agreed with this sentiment. The document included a threat to call law enforcement in the case of unruly behavior. This language was felt by the board to be unnecessarily chilling and thus deleted. The regretful possibility of needing to call Callaway Security or Pine Mountain Police was discussed and acknowledged.

Other items discussed included the continued confusion of some Longleaf homeowners with the separate billings from LCA and CCC/CROA and the problem of mail being placed in incorrect boxes. The possibility of a new provider of high speed internet for the Longleaf community was mentioned and briefly discussed.

Respectfully submitted,

James Morgan

Approved

Date