

Oakwood Glen Homeowners Association

Board of Directors Meeting

February 17, 2015

The meeting of the Board of Directors of Oakwood Glen Homeowners Association was held on February 17, 2015, at 7:00 p.m. at 17902 Hawn Haven Lane at the community clubhouse.

In Attendance:

Board members in attendance were Greg Gillis, Mike Harris, Linda Clarke, Jill Colbert, Jack Eannarelli, Ken Clark, Mike Martini, Patty Inzana and Martha Buckner. Management in attendance was Rebecca McCleary and Betty Waldheim.

Call to Order:

Due notice of the meeting had been given and a quorum was present, the meeting was called to order at 7:04 p.m.

Homeowners in Attendance:

There were 5 homeowners in attendance.

Approval of the Minutes:

The Board of Directors reviewed the minutes from January 20, 2015 as presented and voted to approve via email vote then posted to the website.

Action Between Meetings:

- * No actions between meetings

Security Report:

Deputy Tomte was present to give a report. He also gave information about a home security review and how homeowners may be able to save money on their home insurance as well as protecting their home.

Mike Martini gave an update that several homeowners met for the security committee to discuss goals, contracts, neighborhood awareness etc.

Open Forum:

15 minutes for owners to voice their concerns to the Board of Directors.

Old Business:

Need to get a charter filled out so that the Board knows what each committee is doing. It was agreed to review it by email.

Martha Buckner presented her attorney search via email. Her suggestion was to narrow the list down to Holt and Young and North Law to get prices from and then compare. All unanimously agreed.

Martha Buckner updated her status on the deed restriction committee and what they are doing with Action Property Managements inspection report but it's still in progress at this time.

Greg Gills stated that there was never an assigned chairman of the AC Committee. It has been slow and not much has been submitted.

Conflict of interest policy is deferred until next month.

Nothing to report on communication committee.

An additional volunteer for security committee was added.

Jill Colbert gave an update stating that a dead branch was removed; ant hills at the park area will be addressed. Also, on the baseball field line, the grass is encroaching and needs to be mowed. Also, on the Five Forks entrance, so it was suggested that a rock scape be installed so it would keep that area really clean and neat without needing to be watered. The landscaping company will get bids on different items to place there. Action Property Management will also get bids for landscaping contract that will expire this June. March-October, ask the vendors to include cleaning the volleyball court every trip.

Action Property Management was sent the specs on tennis court repairs and will get bids to review in March.

Mike Harris gave an update stating that their MUD does not participate in extra funding for HOA's.

Linda Clarke stated that 1120H tax return which needs to be filed by March 18, 2015, Canady and Canady will charge \$350.00, another vendor was \$400.00 and then Ken Dunn who filed last year was \$250.00. Patty motioned to have Ken Dunn file the taxes. Martha Buckner seconded the motion. All unanimously agreed.

No update at this time for changing the accounting method from cash to accrual.

Reserve Advisor and Kipcon Texas bids for a reserve study were reviewed. Mike Martini made a motion to accept the Reserve Advisors bid in the amount of \$3,300.00. The motion was seconded by Ken Clark. The motion was unanimously passed.

Upcoming contracts were reviewed.

- Donald Electrical bid was reviewed. There is a light out in the back park corner parking lot that is out.

- Insurance bids are pending from Philadelphia, Willis and Har-Co will be presented at the March meeting. Martha Buckner stated that she sent Action Property Management all prior year ends from Peachtree via email when they switched from self managed to manage.
- Lone Star, Texas Aquatics, GHPM and Aquatic Management of Houston bids were reviewed. Martha Buckner made a motion to stay will Texas Aquatics and Pool Service in the amount of \$29,862.76. Clark seconded the motion. All unanimously agreed.

New Business:

There was an issue regarding the clubhouse cleaning services provided by Maid Service. Please see the enclosed recorded statement brought into record on last page of these minutes. Patty Inzana made a motion to have Maria Resendez with Maid Service to continue cleaning the clubhouse once a month at the same rate of \$125.00. Mike Martini seconded the motion. Jill Colbert opposed and all others agreed.

An issue regarding the rental rate was discussed. For the last three years, the rate has been \$125.00 with a \$250.00 refundable deposit. Linda Clarke supplied a spreadsheet on surrounding clubhouse rental and deposit fees. APM reported the 2014 clubhouse income as \$3,864.71 which was incorrect due to incorrect coding. The correct clubhouse income for 2014 was \$1,875.00. Greg Gillis made a motion to lower the rental rate to \$75.00 and the refundable deposit of \$200.00. Martha Buckner seconded the motion. All unanimously agreed.

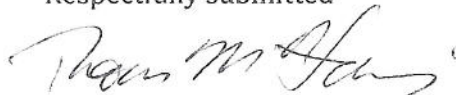
Pool repair discussion will be deferred until March meeting.

The board recessed into executive meeting at 9:44 pm. Regular meeting was reconvened at 10:28 pm. Met with one homeowner to discuss financial issue, discussed another owners financial issue and one deed restriction.

Adjournment:

Being no further business to come before the board, a motion to adjourn the regular meeting was made by Greg Gillis and seconded by Ken Clark at 10:30 pm.

Respectfully submitted



Mike Harris, President
Oakwood Glen Homeowners Association

In the interest of full disclosure, and to provide documentation for an issue found and actions taken to correct that issue, I am reading this into the Minutes of the Regular Board Meeting of the Oakwood Glen Association. From our understanding of the sequence of events, we believe this to be a situation where an honest attempt to save the Association money was not completely thought through. At some point in 2013 the previous Board found the estimates from local maid services for cleaning the club house to be excessive and elected to use our current cleaning service provider. The service provider expressed a preference to being paid in cash so the board initially paid for those services out of petty cash. At some point in 2014 this arrangement was changed where the Board began issuing checks to Patty Inzana who would then cash the check and pay for the service in cash. This transaction had been improperly coded as an asset petty cash transaction which brought it to our attention when we noticed that the petty cash account kept increasing without showing the expenditure for the cleaning service to reduce the petty cash account.

These are the potential issues these actions put into play:

1. Payments exceeding \$600 trigger a requirement to file a 1099 for the service provider with the IRS.
2. We did not have a W9 on file for this service provider giving us a social security number or tax payer ID number.
3. We have nothing in our file to prove we have actually paid for services rendered or the cash went to the service provider.
4. Initial payments out of the petty cash account were lumped into the club house maintenance account. The miscoding of the account resulted in a failure to capture the total payments in 2013 to this service provider and a failure to file a 1099 with the IRS.

Corrective actions taken:

1. We have received a signed W-9 for this service provider with a social security number.
2. We will be filing the appropriate 1099 with the IRS for 2013 as well as the current 1099 for 2014 for this service provider.
3. The service provider has signed a copy of every invoice and has stated on each invoice that she has received payment in full.
4. The appropriate coding changes have been made in our accounting.
5. The service provider has been informed that if the Association continues to use her services we will only be paying by check and those checks will only be issued in her name.

We believe all issues relating to this problem have been addressed. The IRS may, at their discretion, choose to assess a penalty for failing to file the 1099 in 2013 for this service provider. A copy of this statement is to be attached to the invoices to provide documentation should questions arise during an audit.