



Minutes of Board of Directors Meeting

Date: July 6, 2008

The Board met on this date in the Community Room of LEVFD. The topic of this meeting was road repairs and how to pay for them. In attendance were HOA Directors TJ Henshaw, Joe Munsch, Jim Tucker, Tony Brill and Brad McCampbell; and Secretary, Barb Henshaw. Lands End residents were invited to participate in this board meeting and in attendance were: Jerry & Marti Busbee, Ed Cada, Arlan Jaeger, Doug & Judy Johnson, Betty Tucker, Bob McGuire and Jack Chapman.

TJ started the meeting by updating the board on the latest cost of asphalt. Because of rapidly rising oil prices, the price of asphalt had jumped three times in 2008. In February the per-foot cost of asphalt (just the top coat) was \$1.10, on June 1st the cost had increased to \$1.30 and the latest quote on June 30th was \$1.50. Two contractors quoted the same prices and neither expected the price to fall anytime soon. To properly repair (dig out, put down a new base and cover with fresh asphalt) the areas that needed it, the price was \$2.00 a foot. TJ said the large amount of rain we received this spring allowed water to get in under the base, and heavy construction trucks had done considerable damage to certain areas.

TJ reminded everyone that at the Annual Meeting in February the board prioritized needed road repairs in categories: #1-areas that must be repaired first, #2-areas that the board planned to resurface this year, and #3-areas that we would like to resurface but would not fit in the current budget. TJ said that, because of steep price increases, many of the #2 areas could not be done within the current budget. He believed the Association could save money in the long run by resurfacing as much as possible now to protect the base. Waiting would lead to further breakdown from construction traffic, and nobody could predict how high oil might rise – and asphalt with it.

TJ proposed we use all of the currently budgeted \$37,000, plus the \$5,000 budgeted for reserves, and withdraw approximately \$30,000 from long-term reserves for a total of around \$70,000. This amount would allow us to repair the areas that needed it and resurface almost all the areas where the topcoat is breaking up. When preparing a budget for 2009, the board would have to address both issues of increased road maintenance costs and replacing and building the road reserve fund.

At this point, Judy Johnson agreed with TJ and said "Isn't that what reserve funds are for, to use them when it's needed?" Ed Cada said he was in agreement with the board that all roads needed to be fixed now. Jerry Busbee reported that he was in the oil business and was confident the price of asphalt would most certainly go higher.



TJ told the group that he had been told by every "road" person he spoke with (TXDOT, Wood County Commissioners and 4 different road repair companies) that the damage to our roads is caused by heavy construction trucks (dirt, concrete, lumber, brick, sod etc.). Our roads could easily handle cars and pick-up trucks without damage, because they just weren't that heavy.

Judy Johnson asked "why not bill the builders for the damage?" TJ told Judy the reason the board invited the home owners to this Board meeting was because they were once again considering this option and wanted feed back from owners before proceeding. TJ showed the group a proposed Policy Resolution from 2003 to impose a building permit fee for new construction, which had not been adopted at the time because of widespread opposition from owners. If the board decided to implement the fee, owners would have to pay the assessment when they turned in their ACC form. Brad asked TJ how he came up with the .50 figure and TJ said that was the amount that would make a typical assessment on the average home about \$2,500, which would generate approximately \$20,000 per year for road repairs. Money raised from this assessment would go into road reserves for future repairs, not annual road maintenance and resurfacing. All those owners in attendance supported the proposed Policy Resolution and the board agreed to tentatively adopt it, pending feedback from all owners. The draft copy would be circulated for comments and the board would make a final decision in the next 6-8 weeks.

Arlan Jaeger said he preferred a special assessment rather than increasing dues because an increase in dues would be permanent. Arlan also asked if all of the money raised by the special assessment would go into reserves and would it be spent strictly on road repairs. TJ answered "yes" all of the money would go into the reserve account, but "no" it would be possible to use the money for other things should an emergency arise. He further stated that the board had every intention of keeping all the money in the reserve fund for future road repairs.

There being no more questions, the meeting adjourned at 4:15. The proposed Policy Resolution #10 is attached and incorporated into these minutes.

Barb Henshaw, Secretary