

Deerfield Village Community Association
SPECIAL BOARD MEETING - BUDGET
Wednesday, October 13, 2021
7:00 PM

The regular meeting of the Board of Trustees of the Deerfield Village Community Association was held at the community center. President Eric Toureilles called the meeting to order at 7:04 PM.

Trustees in attendance were Eric Toureilles (President), Brent Burris (Vice-President), Gerry Hilliard (Secretary), Terry Gray (Treasurer), Jason Nace, Jim Hunt, Hak Dickenson and John Murphy. Absent were John Devine.

1. **DETERMINATION OF QUORUM** (6 required)

Eric determined that a quorum was present.

2. **RESIDENTIAL INQUIRIES**

One resident brought up and made a complaint that the spraying for mosquitos this summer was lacking and did not follow any schedule. She was informed that spraying was sporadic this year due to continuous rainfall that we have had. However, when we did spray we followed the guidelines set forth by state and local authorities.

Glen Sommers brought up that how we reported our financial condition to the community was poorly done. He made several suggestions. His concerns will be referred back to the financial committee for consideration.

3. **APPROVAL OF 2021 SPECIAL ASSESSMENT.**

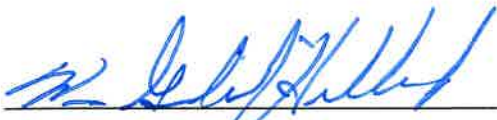
The special assessment that was voted on and approved by the homeowners on February 17, 2021 in the amount of \$85 per homeowner was presented for sending out the assessment by November 1, 2021. A motion was made to approve the assessment and to have it separately invoiced out by November 1, 2021. The motion was made by Eric Toureilles and seconded by Terry Gray. Motion was passed unanimously. Resident Terry Smith mentioned that we could save expenses on the mailing by use a different mailing method and volunteered to assist with that and to assist in preparing the mailing.

4. REVIEW OF PERIMETER FENCE BUDGET

A change order was received from East Texas Fence concerning the perimeter fence due to price increases for materials in the amount of \$76,000. A motion was made by Eric Toureilles and seconded by Gerry Hilliard that we approve the \$76,000 change order. The motion passed unanimously.

5. Finance chairman Bill Lessels presented the proposed 2022 budget to the board. Based on an assumption of raising the annual assessment by \$30.00 and adding \$80.00 for fence repayment costs and revenues received would be approximately \$14,000 short. The board then started looking at the different components of the budget line item by line item. Minor reductions were made Landscaping, Swimming Pool, Tennis, Community Services with the cooperation of the chairperson in each department. The budget was finally balanced and Bill Lessels will make the adjustments. A concern was voiced by Glenn Sommers over \$209,266 that was taken from the homeowners' association reserves account as a down payment on the perimeter fence and how that would be replaced. It was finally decided that we would increase the annual assessment by an additional \$10.00 which will be designated solely to go to the reserves account. Thus, the annual assessment for homeowners would increase by \$120.00. A motion was made by Eric Toureilles and seconded by that the 2022 annual assessment for homeowners would be \$835.00 and for patio homeowner it would be \$915.00. The motion was passed 7 in favor and 1 against.

Eric made a motion to adjourn the long meeting at 10:49p.m. It was second by Terry Gray. The motion passed unanimously.



Submitted by William G. Hilliard
DVCA Secretary



Accepted by: Eric Toureilles
DVCA President

Current Plan

	Monthly	Annual	Per Member	
Debt Service	\$5,817.78	\$69,813.35	\$65.99	\$66.65
800K @3.75%				
Insurance		\$ 5,200.00	\$ 4.91	\$ 4.96
Maintenance Reserve		\$ 5,000.00	\$ 4.73	\$ 4.77
			\$75.63	\$76.39
Other -		\$ 4,623.46	\$ 4.37	
If pay back DVCA			\$80.00	
45+ years				
Deficit Reduction per FC			\$ 30.00	
Assessment Increase			\$110.00	

Suggested Plan

- 1 Take assessment up to the cap **\$ 125.00** 840 non PH
920 PH

Builds back Safety Reserve in about 9 years

* If can run underbudget by \$20 -25K per year - cuts to around 5 years

Pays DVCA back completely in about 10 years - less if can run underbudget

Allows for some increase in 2023 to meet FC proposed deficit reduction plan

Requires close financial scrutiny in the next few years

Minimizes the chance DVCA has a major financial problem

2 Deal with Fence Payment from Unencumbered Cash

Don't or minimally impact reserves

Can always impact reserves if emergency or major crisis comes up

Communicate that to make the fence work we need to tighten our belts

* due to the price increases and withdrawn funding from the MUD

Take a very stringent / conservative approach to expenditures for next few years

Ask committees to do what they can to keep costs and improvements down

3 Don't fund 2022 reserves (except for required PH streets ~10K)

Provides for a \$47-48K operating surplus to fund our deficit cash position

* so DVCA will have a little cushion with cash

No reason to fund 2020 reserves if just going to take reserves to pay for the fence

Make Committees prioritize & manage their reserves while finances are tight

Make finalizing the budget simpler as there is no deficit to fix

Concerns and issues with DVCA Financials

Financial position is overstated by not presenting the full picture

	8/31/21	9/30/21
Income		
2021 Assessments not paid	\$ (16,269)	\$ (15,168)
YTD Other Income variance	\$ (13,784)	\$ (16,057)
YTD Net Income Impact	\$ (30,053) \$ (30,053)	\$ (31,225) \$ (31,225)
Expenses		
YTD Expense Budget - Planned	\$ 529,776	\$ 593,171
YTD Expense Budget - Actual	\$ (504,472)	\$ (557,822)
YTD Budgeted Expense Status	\$ 25,304	\$ 35,349
YTD Non Budgeted Expense (Fence)	\$ (21,486)	\$ (25,000)
YTD Expense Status	\$ 3,818	\$ 10,349
	\$ (26,235) \$ (51,539)	\$ (20,876) \$ (56,225)

YTD Unencumbered Cash is significantly down (~ \$50K)

- now negative after 1st Fence Payment

	Unencubered Cash *	YTD Result
December 31,2020	\$ 249,400	
August 30,2021	\$ 201,288	\$ (48,112)
September 31,2021	\$ 197,896	\$ (51,504)
Add in Fence 1st Payment	\$ (11,370)	\$ (209,266) \$ (260,770)
December 31,2021 - slight savings	\$ -	\$ (250,000)
January 1,2022	\$ -	
Fund Reserves - Required PH	\$ (9,680)	\$ (9,680)
Fence 2nd Pay = 0 w/ \$800K loan	\$ (9,680)	\$ -
Fund Rest of 2022 Reserve funding?	\$ (72,538)	\$ (62,858)
*Safety Reserve	\$ 179,852	
20% of budgeted total income		

factor in special assessment,
take \$800,000 loan, slight
add'l budget underrun

Reserve Funding Request \$ 72,538
Patio Homes Streets

2022 Budgeted total income = \$ 899,260