AGENDA
SEVEN COVES ASSOCIATION, INC.
2022 ANNUAL MEETING OF MEMBERS
April 24, 2022

I. Establish A Quorum

II. Meeting called to order- President, Tim Steinmuller

III. Pledge of Allegiance- Mike McLaughlin, Asst. Treasurer

IV. Proof of Notice of Meeting (Cover Letter mailed).....Pg. 2

V. Introduction of Board of Directors and Management

VI. Membership Approval of 2021 Meeting Minutes.....Pg. 3

VII. Introduction of Candidates and Election of Directors

Nominations of Candidates from the Floor:

Don Chronister Victoria Miller Bill Valka

Call for Volunteers to Count Votes

Final Call for Ballots

Reports:

VIII Presentation of Approved 2022 Budget & Financial Report- Kevin Lacy, Treasurer.....Pg. 4-5

IX President's Report- Tim Steinmuller

a. 2022 Accomplishments & 2023 Summary of Planned Projects.....Pg. 6-8

X 2021-2022 Presentation of ACC Report-Don Leavings, ACC Member.....Pg. 9

XI Marina Patrol-Peggy Dentler, Secretary.....Pg. 10

XII Investment Management Company Report

XIII Open Forum

XIV Election Results

XV Adjournment

SEVEN COVES ASSOCIATION, INC.
7021 Kingston Cove Ln.
Willis, TX 77318
936-856-6111 ofc.
sevencovesoffice@yahoo.com

March 11, 2022

TO: Seven Coves Association, Inc. Property Owners

FROM: Seven Coves Association, Inc. Board of Directors

SUBJECT: 2022 Annual Meeting & Board of Directors Open Positions

The Annual Meeting of Members, to be held on

Sunday, April 24, 2022, at 2:00pm

in the Clubhouse, there will be an election for two (2) open positions to the Board. If you would like to become a candidate, you may print the bio we have on our web site, sevencoves.net, or visit our office to pick up a copy.

All bios must be submitted to the Seven Coves Business Office in writing on or before **4:00pm, Thursday, March 31, 2022**. All names received by this date will be included on the ballot for the Annual Property Owners Meeting.

This Annual Meeting is very important to the operations of Seven Coves. In addition to the Board Member election, it is your opportunity to ask questions about the various functions of the Board, the Management Company and the Architectural Control Committee.

Representatives from our legal Counsel will also be in attendance to answer related questions. A full Meeting Agenda will be mailed to you with the Election Package prior to the scheduled meeting.

Respectfully,

Seven Coves Association, Inc.
Board of Directors

SEVEN COVES ASSOCIATION, INC.
Annual Property Owner's Meeting
April 25, 2021

Quorum to open the meeting was established YES

Meeting called to order at 2:03 pm

Seven Coves Board Members, Management, & Attorney Present:
Tim Steinmuller, Kevin Lacy, Don Chronister, Wayne Farrar, Mike McLaughlin, Steve Durham, Amy Lundy, and Atty. David Berk.

Chuck Williams (from the floor) made a Motion to approve the October 2020 Annual Meeting Minutes Second-John Shepherd, unanimously approved by the members.

Don Chronister made a Motion to accept the slate of the Candidates by Acclamation.
Kevin Lacy second, unanimously approved by the members.

The Board of directors decided to reschedule the election of officers for our next scheduled meeting due to ballot mailout having a missing bio.

Nominees for Candidacy: Peggy Dentler, Wayne Farrar, Kevin Lacy & Tim Steinmuller

Treasurer Report:
Kevin Lacy, presented Treasurer Report & 2021 approved Budget.

President's Report
Tim Steinmuller, presented President's Report (please see attachments)

a. Attachment "A" 2020 Accomplishments & 2021 Summary of Planned Projects

ACC Report:
Don Leavings presented report.

Constables Report:
Don Chronister presented report.

New Business:
Kevin Lacy made a motion to accept the revised bid for approximately $165,000.00 to remodel the clubhouse. The funds for the construction will be borrowed from CIT with a loan to be paid back over 10 years. Kevin Lacy will be co-signing all loan documents with Tim Steinmuller. Don Chronister second, unanimously approved.

Open Forum
Homeowner asked for constables to patrol streets during 4th of July, New Years, etc. due to unsafely popped fireworks. Homeowner inquired about discount Clubhouse rates during covid. Kingston Cove Lane is a racetrack at night.

Meeting adjourn 3:17pm.

Seven Coves Financial Report – End of March 2022 (3-month actuals = 25% of year)

Prepared by Seven Coves Treasurer – Kevin Lacy April 22, 2022

Income Summary

		3 mo Actuals	12 mo Budget	% Tot Rev	12 mo FC	Fc vs Budget
Revenues	Res Assmts	$472,800	$410,400	43%	$472,800	1.15
	Comm Assmts	$81,000	$72,200	8%	$81,000	1.12
	Subtotal	$553,800	$482,600	51%	$553,800	1.15
Misc. Inc	Fees	$19,000	$37,500	4%	$40,000	1.07
	Franchise	$7,600	$20,000	2%	$20,000	1.00
	Landing	$0	$10,750	1%	$10,750	1.00
	Subtotal	$26,600	$68,250	7%	$70,750	1.04
Rental Inc	Marina	$88,160	$340,000	36%	$340,000	1.00
	Clubhouse	$18,500	$30,000	3%	$35,000	1.17
	Trailer Lot	$26,750	$30,000	3%	$30,000	1.00
	Subtotal	$133,410	$400,000	42%	$405,000	1.01
Total Rev		**$713,810**	**$950,850**	**100%**	**$1,029,550**	**1.08**

Major Expense Summary

		3 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
Maj Exp	Trash Serv	$39,950	$160,000	19%	$160,000	1.00
	IMC Services	$29,270	$120,000	14%	$120,000	1.00
	Depreciation	$27,495	$110,000	13%	$110,000	1.00
	Insurance	$94,100	$92,000	11%	$94,000	1.02
	Mow & Landscape	$18,400	$75,000	9%	$75,000	1.00
	Top 5 Subtotal	**$209,215**	**$557,000**	**64%**	**$559,000**	**1.00**
	Courtesy Patrol	$6,200	$41,000	5%	$41,000	1.00
	Marina Maint	$22,700	$40,000	5%	$40,000	1.00
	SJRA Fee	$7,530	$33,000	4%	$33,000	1.00
	Utilities	$8,660	$29,000	3%	$29,000	1.00
	Dock Loan Int	$5,900	$19,000	2%	$23,000	1.21
	Next 5 Subtotal	**$50,990**	**$162,000**	**19%**	**$166,000**	**1.02**

Remaining Expense Summary

	3 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
Clubhouse Maint	$2,600	$8,000	0.9%	$8,000	1.00
Attorney Fees	$4,000	$20,000	2.3%	$20,000	1.00
Security System	$6,400	$16,000	1.9%	$16,000	1.00
Pool Monitors	$0	$14,000	1.6%	$14,000	1.00
Pool Cleaning	$800	$15,000	1.7%	$15,000	1.00
Postage	$1,820	$5,000	0.6%	$5,000	1.00
Accounting Serv	$75	$9,000	1.0%	$9,000	1.00
Gen Expense	$3,455	$10,000	1.2%	$10,000	1.00
Clubhouse Cleaning	$600	$6,000	0.7%	$6,000	1.00
ACC Inspectors	$1,400	$6,000	0.7%	$6,000	1.00
Next 10 Subtotal	**$21,150**	**$109,000**	**12.6%**	**$109,000**	**1.00**
Misc Subtotal (15)	**$8,905**	**$36,000**	**4.2%**	**$36,000**	**1.00**
Total Expense	**$290,260**	**$864,000**	**100%**	**$870,000**	**1.01**

March 2022 Summary – Revenues - With three months of the 2022 budget year now elapsed the revenue forecast is getting very accurate with essentially all dues collections accounted for and remaining revenue is a modest percentage of the overall total. This means we are likely to see the expected impact of raising dues and being able to fully allocate those increased revenues to our reserves, the basis for the dues increase. Clubhouse revenue trends, now that the remodel is completed, is very positive and the annual forecast was raised by $5,000 in this month's report. Likely we will continue to raise the forecast further and use that extra revenue to pay down the debt balance incurred to pay for the remodel. No concerns with any revenue source currently and the 8% above forecast is consistent with our goal to fund reserves by $50-75,000 per year, cover any special projects, and fund interest payments and loan principal reduction.

Expenses – The top ten major expenses, accounting for 73% of our total spend is on track very consistent with the 2022 budget. We now have a better picture of the interest expense that has gone up due to the Clubhouse remodel loan. This has increased the annual forecast by $4,000. The remaining expenses are very well in line with the 2022 budget forecast and pending no extraordinary repair costs we have adequate room to cover recent special projects that have been completed at the Marina (ramp and bathroom electronic locks), playground (kiddie mulch), and pool (liquid chlorinator and electronic locks.) and extra tree trimming in several locations. No concerns with any expense category or trend at this point of the budget cycle.

2022 Accomplishments

Good afternoon and thank you for attending today's annual 2022 Seven Coves Association meeting. Below is a list of items and projects that have been completed.

1. Clubhouse remodel. This project was started in August and completed in December at a cost of approximately $191,000. It was a major renovation project. Old flooring was torn up and replaced with new flooring, columns and window facing were refaced. The outdoor bathroom on the backside of the clubhouse was torn out and moved to the front next to the women's bathroom. The outside bathrooms were completely reconfigured and remodeled. Where the original outside back bathroom was torn out, that space was turned into a dressing room which opens to the ladies inside restroom. Both inside bathrooms were remodeled. Exterior of the clubhouse, pool building, and the office inside and out were painted. The kitchen was also reconfigured and remodeled. Water damage was discovered after walls were removed inside causing additional time and expense. In addition, new white chairs were just delivered for seating at a cost of $2,918. We have received many compliments on the renovations which will bring in more revenue. I would like to thank Don and Amy for the time and effort they put into the design and completion of this project.

2. Awning over the front entrance. The existing awning is old and worn. The order has been put in and hopefully 6-8 weeks the new awning will be installed. Cost of this project is $5,567.

3. New outside lights were strung over the deck at the clubhouse for a cost of $100. It looks nice at night and is much brighter on the deck.

4. Roofs were replaced on the pool building, the pool gazebo and the gazebo at the end of the breakwater, approximately costing $14,000.

5. It was noted that the boat launch was in danger of washing out due to broken concrete that was trapping water under the launch. This project took about a week at a cost of $4,000.

6. New kiddy mulch was just put in the playground. Cost $2,944.

7. As I'm sure you've noticed, we have had to close, drain, clean, and refill the pool multiple times in the last year. This was due to the buildup of cyanuric acid in the pool due to the chlorine tablets. We hope this problem has been solved as we have installed a liquid chlorinate device that uses liquid chlorine that contains no cyanuric acid. Hopefully this eliminates the problem in the future. The cost of this was $800.

8. Dock one which is about 45 years old continues to need maintenance. We recently spent $3,000 to add hundreds of missing and worn-out nuts and bolts that worked themselves loose or rusted out and many areas of the dock and understructure needed welding and repair. This is a maintenance item but will be ongoing till it needs to be replaced.

9. We had some low spots in the grass at Bird Island Park these were filled in as well as we had some serious settling and ruts by the gazebo at the end of the breakwater, this was filled in with concrete aggregate to help with the ruts.

10. Finally, funds were spent doing the usual maintenance to our green belt, marina, and all areas in our subdivision. Trees trimmed or removed, flowers planted, and all our areas mowed. It takes a lot of time, work, and maintenance to keep our subdivision looking good, but I'm sure you would agree with me that it is worth the effort. I love living in Seven Coves and hope you do too.

Summary of Planned Projects for 2022-2023

There are no large projects planned for this year. But there are some items that we are looking at.

1. An updating of the front entrance. This is in planning stage and has not been approved but we are soliciting bids and ideas to get an idea on the scope and cost of this project.
2. We are continuously looking at our grounds as some of our trees are getting quite large and especially ones like on the deck of the clubhouse are outgrowing the area they are in or causing damage to the deck with the roots. These will be addressed on a one-by-one basis.
3. Community events are being scheduled again. Casino night really kicked off the event schedule on New Year's Eve. The community garage sale was well attended, and judging by the smiles on the kid's faces, the Easter egg hunt was enjoyed by all the children that attended it this last Saturday.
4. As always new items that pop up during the year will be addressed but this is about all that is scheduled for the next year.

ACC Report
April 24, 2022
Annual Members Meeting

May 1, 2021- April 30, 2022

Approved

Homes - 8
Roofs - 7
Generators - 9
Fences - 21
Patio Covers - 3
Boat Dock Covers - 5
Pools - 7
Decks - 2
Driveway Expansions/Modifications - 5
Patios - 5
Exterior Paint - 2
Docks - 2
Sheds - 1
Bulkheads - 3
Other Misc. - 9

Total Approved Projects - 89

Denied

Homes - 3
Covered Patios - 7
Palapas - 2 (same one twice)
Docks - 2
Pools - 1
Carports - 1
Fences - 1
Other Misc. - 8

Total Denied Projects - 25

The 3 Homes were later approved after making revisions consistent with the governing documents.

Monthly Marina Security Report
April 1-April 10, 2022

Parking Violations:	8
Warnings:	10
Vehicles Towed:	0
Trespassers:	1

Notes: Picked up trash inside and outside of marina restrooms. Open restrooms for fishing guide customers. Two teens climbed over pool fence. Checked out incident of boat running into another boat on dock 3 no damage. Let Montgomery Sheriff's Deputy on Dock #1 for possible boat theft. Assisted in helping Sheriff's Deputy with golf cart that had flipped over. Advised swimmers that they could not swim in the marina.

Seven Coves Association, Inc.
Board Meeting
April 24, 2022 Sunday, 3:00 PM
SPECIAL BOARD MEETING AGENDA

1. **Call Open Session to Order**

2. **New Business**
    1. Election of Officers.

3. **Old Business**
    2. Discuss resident's written request submitted for amending Section 2 of the deed restrictions.

4. **Adjourn Open Meeting.**

5. If needed, **Adjourn to Executive Session – to discuss;** This meeting may be adjourned at any time by the board of directors for the purposes of meeting in an executive session.

6. Reconvene Open Session-To consider and take any necessary action with respect to any matters considered in executive session.

7. Adjournment.

MEETING RULES: No audio or video recording allowed by attendees. However, the secretary may record the meeting to aid in the preparation of minutes. The recording is deleted once the minutes have been prepared. As provided in the "Open Meeting Act," members may observe the meeting but do not have the right to participate in the board's deliberations or votes. Members may address matters during the open forum portion of the meeting. If attendees become disruptive, they may be expelled from the meeting and/or fined.