Seven Coves Association, Inc.
Board Meeting
September 28, 2021, Tuesday, 6:30 PM
MEETING AGENDA

This is a board meeting. Members may observe but please hold all questions and comments for the open forum.

1. **Call Open Session to Order**

2. **President provides summary of** prior executive session regarding legal action, contracts, disciplinary hearings, employee matters, repayment plans and foreclosures.

2. **Review/Approval of Minutes of Last Board Meeting**

3. **Reports**
   a. President's Report
   b. Treasurer's Report
   c. Committee Reports
      -Architectural Control Committee
   d. Manager's Report
      -Deed Violation and Marina Report

4. **New Business**
   a. Discuss budget items.
   b. Discuss replacing credit card

6. Adjourn Open Meeting.

7. 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.

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

10. Adjournment.

11. **Open Forum**. During open forum, each attendee may address the board for up to three minutes. Speakers must observe rules of decorum and not engage in other disruptive behavior. If a speaker is in the middle of a sentence when time is called, he/she may finish their thought before sitting down. Speakers may not allot their time to others. All persons must follow the Meeting Rules listed at the bottom of this agenda.

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.

SEVEN COVES HOMEOWNERS' ASSOCIATION
Monthly Board Meeting
Tuesday, August 31, 2021

Executive session called to order 5:30 pm

Executive session adjourned 6:23 pm

Regular Board Meeting called to order at 6:30 pm

Seven Coves Board Members Present:
Don Chronister, Kevin Lacy, Mike McLaughlin, & Peggy Dentler

IMC Reps. Present:
Amy Lundy & Tammy Perry

President's update on prior executive session includes roof repair contract, clubhouse rate increase, constables' rate/performance, inspector report, and delinquent marina account.

Minutes:
Approval of July Minutes: Kevin Lacy made a motion to approve and Mike McLaughlin second, unanimously approved.

Financials:
Financial Report was given by Kevin Lacy. Mike McLaughlin made a motion to approve the report and Peggy Dentler second, unanimously approved.

President's Report given by Don Chronister, Vice President:
The clubhouse remodel is progressing. Painting, floor install, cabinet and countertop install and completed one full bathroom. With any remodel job, unforeseen matters arise casing delays in completing. So, the August board meeting is held in IMC's office again but held in the larger meeting room that seats the first 18-20 members that attend. You may call in to listen to the meeting also. Last week, we closed the pool for chemical maintenance. It's now open again, and we hope no further issues will arise for the duration of summer hours. We received complaints about elephant ear plants being thrown into the coves. These plants grow very rapidly and take over quickly, so please do not dump these plants in the lake. Now that school is back in session, please be careful driving through the neighborhood as children and parents are walking to and from the bust stops and waiting at the intersections for the bus stops. The speed limit is 25 mph. Drive with caution.

New Business

a. Kevin Lacy made a motion to approve cleaning out the shop as per required by insurance inspectors report. Mike McLaughlin second, unanimously approved.
b. Peggy Dentler made a motion to approve the clubhouse rate increase for non-residents $2000.00 daily rate and $1100.00 ½ day rate and residents $900.00 daily rate and $500.00 ½ day rate. Mike McLaughlin second, unanimously approved.
c. Kevin Lacy made a motion for Tim to sign contract with contingency with Redemption Roofing. Peggy Dentler second, unanimously approved.
d. Deferred to October-Discussed options and comps for constables and marina patrol.

e. Mike McLaughlin made a motion to take legal action on delinquent marina account with sunken boat. Peggy Dentler second, unanimously approved.

Old Business

Ratification of all actions of the Board since the last board meeting

a. Mike McLaughlin made a motion to approve taking legal action for delinquent accounts and after much discussion denied request for ramp install on dock 2. Peggy Dentler second, unanimously approved.

In tonight's meeting, 0 members signed in to listen and 2 members attended in person.

Regular Board Meeting adjourned at 7:00 pm.

_____ _____

Secretary Date

September 2021, newsletter from the President
By Tim Steinmuller

Hello residents of Seven Coves, this month we will start meeting at the clubhouse once again. I would like to thank Steve Durham of our management company for allowing us to use the meeting room at his office for the last two months. I would also like to thank our Vice President, Don Chronister for running last month's HOA meeting in my absence.

As in all construction projects the clubhouse is running behind. It is open for rental however and is being rented every weekend at this time. In last month's meeting a rate increase for the clubhouse was approved. The new rate will be $2,000 daily or $1,100 half day for non-residents and $900 daily and $500 for half day rate for residents. I have lived in the subdivision for about 11 years and this is the first rate increase I can remember. With the cost of renovation, cleaning, and maintenance the increase is needed.
Don will be giving us an update on the clubhouse remodel at the September 28th HOA meeting. Crews are working on the second restroom, the dressing area after that, then the outside restrooms, and painting.

We are getting started on the 2022 budget, and over the next two months the board will be looking at projects to undertake or areas that will require funding for next year. We are also in talks with a roofing company to try to get more of the roof repairs that are needed funded with the insurance company. More on that when we have more information.

Lastly, I would like to invite you to attend the monthly HOA meetings if you can. It is a great time to see fellow resident's, ask questions and get firsthand information on what is going on in our subdivision. They start at 6:30. I know last month's meeting was in Conroe, but we only had two residents attend, and no one called in. So, I hope to see more of you there Tuesday evening.

Until next month,
Tim Steinmuller
President Seven Coves HOA

Seven Coves Financial Report – End of August 2021 (8 months actuals = 67% of year)

Prepared by Seven Coves Treasurer – Kevin Lacy August 30, 2021

Income Summary

		8 mo Actuals	12 mo Budget	% Tot Rev	12 mo FC	Fc vs Budget
Revenues	Res Assmts	$384,413	$388,900	43%	$384,400	0.99
	Comm Assmts	$68,395	$68,430	8%	$68,400	1.00
	Subtotal	$452,808	$457,330	51%	$452,800	0.99
Misc Inc	Fees	$24,935	$37,500	4%	$37,500	1.00
	Franchise	$22,400	$17,500	2%	$22,200	1.27
	Landing	$10,000	$7,000	1%	$10,000	1.43
	Subtotal	$57,335	$62,000	7%	$69,700	1.12
Rental Inc	Marina	$240,000	$320,000	36%	$340,000	1.06
	Clubhouse	$6,900	$25,000	3%	$12,000	0.48
	Trailer Lot	$25,200	$30,000	3%	$30,000	1.00
	Subtotal	$272,100	$375,000	42%	$382,000	1.02
Total Rev		$782,243	$894,330	100%	$904,500	1.01

Major Expense Summary

		8 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
Maj Exp	Trash Serv	$103,300	$150,000	18%	$150,000	1.00
	IMC Services	$78,000	$117,000	14%	$117,000	1.00
	Depreciation	$59,400	$108,000	13%	$108,000	1.00
	Insurance	$89,800	$90,000	11%	$90,000	1.00
	Mow & Landscape	$42,200	$65,000	8%	$65,000	1.00
	Top 5 Subtotal	$372,700	$530,000	62%	$530,000	1.00
	Courtesy Patrol	$36,600	$56,400	7%	$56,400	1.00
	Marina Maint	$35,200	$50,400	6%	$50,400	1.00
	SJRA Fee	$22,600	$32,000	4%	$36,000	1.13
	Utilities	$19,100	$27,000	3%	$28,000	1.04
	Dock Loan Int	$10,300	$18,000	2%	$17,500	0.97
	Next 5 Subtotal	$123,800	$183,800	22%	$188,300	1.02

Remaining Expense Summary

		8 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
	Clubhouse Maint	$5,200	$10,000	1.2%	$10,000	1.00
	Attorney Fees	$11,600	$20,000	2.3%	$20,000	1.00
	Security System	$13,300	$12,000	1.4%	$14,000	1.17
	Pool Monitors	$9,100	$18,000	2.1%	$16,000	0.89
	Pool Cleaning	$10,000	$10,000	1.2%	$11,000	1.10
	Property Taxes	$0	$3,800	0.4%	$100	0.03
	Accounting Serv	$1,625	$9,000	1.1%	$9,000	1.00
	Gen Expense	$8,100	$9,000	1.1%	$11,000	1.22
	Clubhouse Cleaning	$2,800	$5,000	0.6%	$5,000	1.00
	Phone Internet	$2,260	$4,000	0.5%	$4,000	1.00
	Next 10 Subtotal	$63,985	$100,800	11.8%	$100,100	0.99
	Misc Subtotal (15)	$23,100	$38,700	4.5%	$38,900	1.01
	Total Expense	$583,585	$853,300	100%	$857,300	1.00

Summary –Revenues are as forecasted for assessments with the miscellaneous income and marina rental income continuing to show positive forecast trends. Total revenues are now $10,000 higher than forecast due mostly to stronger marina rental revenues. Clubhouse rentals will be well below forecast due to COVID and two months shut down for remodel. Marina revenue will cover gap in rental income.

Through eight months there are no extra ordinary issues other than February storm damage to the marina and the storm damages to several roofs of our facilities – approximately $50,000. It is still being investigated how much if any of this will be above our deductible and recovered from insurance Revenues to expenses show a positive of $50,000 for contributing to our marina reserve account as was planned and the purpose of the $25 increase in HOA dues.

As we have added to our loan balance ($165,000) to provide funds for the Club House remodel it is important to ensure that the new clubhouse rates are set to be competitive and recover the full costs of maintenance, interest and principal, and depreciation. New resident rates are discounted compared to nonresident rates and are set at a level that that only recovers costs of maintenance. The nonresidents rates are set at a level to be competitive to other alternatives and fully recover maintenance, interest and principal, and depreciation. Rates will be reviewed annually.

Without the additional income that come from marina, clubhouse, and trailer space rentals (49% of our revenues) which underwrites half our overall operating expenses the HOA annual dues would have to be increased from the current $475/year to a range of $750 to $800/year.

Deed Violation Report
September 28, 2021

Violations-Categorized (Percentage)

10 Vehicle Parking: trailers, boats, atvs, etc. stored in yard/driveway.
1 Unsightly: Trash/misc. items stored in driveway/yard.
6 Yard Maintenance: mowing, edging, weeding, and/or pruning.
1 Garbage and/or Recycle cans.

Violations-Activity

13 Closed: Violation Cured
4 New: first notice
2 2nd Letter not cured.

September 28, 2021

MARINA REPORT

		AVAILABLE	VACANT	TM	LM
DOCK #1	**COVERED**	36	6	83%	80%
	UNCOVERED	30	8	73%	73%
	TOTAL	66	15	78%	
DOCK #2	**COVERED**	54	2	96%	94%
DOCK #3	**COVERED**	60	12	80%	80%
DOCK #4	**COVERED**	28	4	85%	85%
	UNCOVERED	48	6	87%	87%
	TOTAL	76	10	89%	
OVERALL	**COVERED**	178	24	86%	85%
	UNCOVERED	78	14	82%	82%
	TOTAL	256	38	85%	85%