

Heritage Springs Community Association, Inc.
Board of Directors Meeting Minutes
Wednesday, September 27, 2023
1:00 pm

Call to Order: at 1:03 by President Kathy Williamson

Pledge of Allegiance: Kathy Williamson led the Pledge of Allegiance

Proof of Notice and Quorum: The meeting was posted on September 25, 2023.

In Attendance: Kathy Williamson, Ken Rubin, Dann Stavro, Ed Raether, Michael Jablon, Cindy Thompson

Absent: Kelly Alter

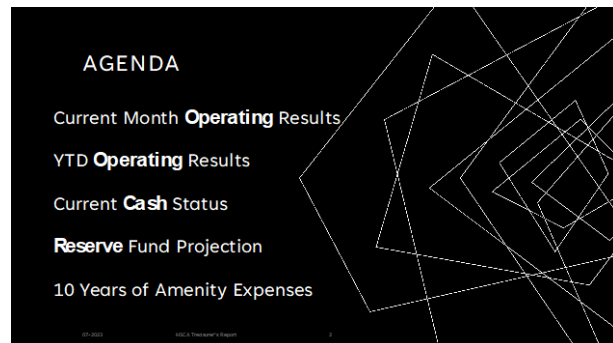
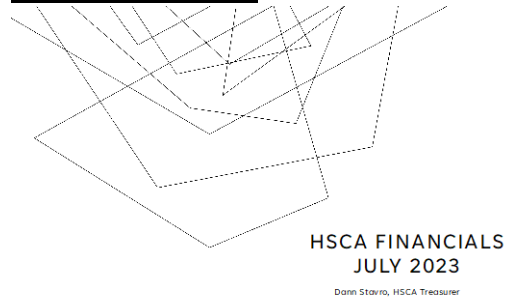
In Attendance: Zita Tuomey – Assistant General Manager, Ailyn Millares – Controller, Ron Kelly – Chief of Safety and Security

Approval of Meeting Minutes: Kathy Williamson makes a motion to approve the Board Meeting Minutes of August 23, 2023, and the September 21, 2023, Executive Meeting Minutes. Ken Rubin seconded the motion. Vote: 6 -0 Motion Passes.

President's Report:

- Kathy Williamson provided some general facts and a profile of the community.
- Approved update on the HUD litigation
- Updates on the F&B review and work plan

Treasurer's Report:



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JULY'S NET OPERATING RESULTS

Dept	Monthly Budget	Monthly Actual	Monthly Variance	YTD Budget	YTD Actual	YTD Variance
HOA	82,400	89,500	7,100	576,700	620,000	43,300
F&B	-27,300	-42,600	-15,300	-191,400	-174,400	17,000
Golf	10,400	-7,800	-18,200	72,700	113,000	40,300
Total	65,500	55,500	-10,000	458,000	558,600	100,600

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HOCA Treasurer's Report

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CASH STATUS AS OF 9/14/2023
(AMOUNTS ROUNDED)

	Amount	Notes
Operating Accounts	\$927,000	
Reserve Accounts	\$1,418,000	\$500,000 to cover any future insurance deductibles Balance for Capital Projects and Asset Replacement

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HOCA Treasurer's Report

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COMMENTS FREQUENTLY HEARD

- The restaurant loses money (true)
- Golf makes money (does it?)
- Lets look at the last 10 years of expenses for our most used amenities

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HOCA Treasurer's Report

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DEPT ANALYSIS (COMPARING ACTUAL TO BUDGET)

DEPT	Comments	Month Variance	Comments	YTD Variance
HOA	Wages \$18k Ticket Sales \$9k	7,100	Wages \$101k, Repairs \$34k CC fees \$34k, Pool \$17k, Elec \$18, Equip \$16,	43,300
F&B	Wages \$12k, Food & Bev purchases \$24k Sales \$50k,	-15,300	Wage Exp 79k F&B Sales \$90k	17,000
GOLF	Fertilization \$5k, Wages \$1k, Pro shop purchases \$3k Golf Rounds and Pro Shop \$28.3k	-18,200	Wages \$24k, Income \$17k, Lease done \$9k Fertilization \$7k, Pro shop purchases \$12k	40,300

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HOCA

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RESERVE FUND PROJECTION
(AMOUNTS ROUNDED)

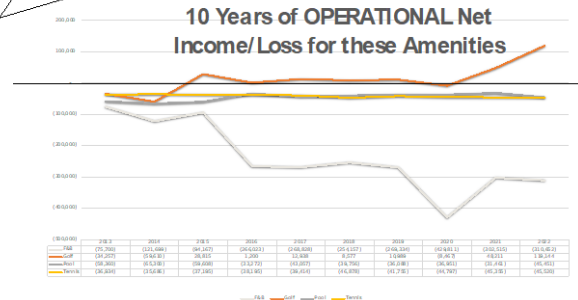
	Amount	Notes
Reserve Fund Balance	\$1,418,000	At 09/14/23
Remaining 2023 Projected Expenditures	\$-279,000	Jonas Software, Kitchen Reno, SIP Roof, ...
Remaining 2023 Projected Income	\$275,000	HOA fees, Interest & Capital Contribution Fees
Projected Balance at 12/31/2023	\$1,414,000	

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10 Years of OPERATIONAL Net Income/Loss for these Amenities



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**10 YEARS OPERATIONAL AND RESERVE
EXPENSES FOR THESE AMENITIES**

10 Years of	F&B	Golf	Pool	Tennis
Operational EXP	(2,392,886)	127,540	(449,304)	(411,729)
Reserve EXP	(1,062,712)	(1,655,850)	(172,726)	(24,691)
Total	(3,455,598)	(1,528,310)	(622,030)	(436,420)
Avg Loss /yr	(345,560)	(152,831)	(62,203)	(43,642)
Avg Cost/ mth/ home	\$21.54	\$9.53	\$3.88	\$2.72

WHAT'S THE POINT?

FACT - These amenities lose money each year.

FACT - We may have specifically decided to buy here to enjoy one or more of these amenities. What an incredible way to meet new people and make new friends!

FACT - We each bought here knowing the amount of the monthly association fee and with the understanding that the Restaurant and Golf charge fees while Tennis and the Pool do not.

FACT - The Boards since 2013 have wrestled with the best way to lessen the F&B losses such as increasing the restaurant seating and kitchen area in 2016, opening the Clubhouse to outsiders for weddings, etc. And still the losses continue. Efforts to close on Mondays were not well received.

FACT - This Board supports all our amenities and will continue like past Boards to work with the GM and Clubhouse Manager to explore options to increase revenue and decrease losses. Such as:

Survey members Reduce the hours and/or days we are open
Reduce portion sizes Monitor food waste Offer low priced specials

Support our community!! Support all our amenities!

Update on the TCMA:

- Ken Rubin is the Heritage Springs Board representative. Consists of 14 residential and 58 commercial participants.
- Every member has a vote equal to number of residents. We have 1337.
- Function includes stormwater management, problems with weirs, and the responsibility of landscaping outside of the HSCA gate, fountains, ponds, and park in Trinity.
- The 2024 Budget and reserves should be completed shortly.

Committee Reports:

Insurance Committee: Premiums increase by 33%, or \$79,000. Trying to find alternate solutions. Target is \$59,000 increase.

New replacement coverage level of 80% instead of 100%.

Policies and Rules and Community: The first section of governance policies is completed and waiting for Board Approval. Target completion date for policies – Q12024. The next work effort target is procedures for the policies.

ARC:

27 requests in September, lower than previous months.

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The committee is updating the ARC Manual, and working on areas to strengthen, relax, and clarify.

Member Comments on Agenda Items:

Members made comments and suggestions on agenda items.

Motion to approve moving forward with member proxy to change the format of future board elections:

In Article IV, Board of Directors: Selection and Term of Office, our current board election procedures allow for a three (3) or four (4) board member annual election transition, with a two-year term and possible reelection for two (2) additional years. The change in our By-laws allows for more learned knowledge to remain on the board through each election.

I, Kathy Williamson, make a motion to change and allow for a special membership meeting in November of 2023, to vote to amend our By-law Article IV, Section 2, to read as the attached exhibit states, as prepared by our attorney, Anne Hathorn.

In summary, to have an effective transition we would start with board members who are elected for three-year staggered terms. Four (4) directors will be elected in 2024, with the two (2) highest votes serving three-year terms, and the 3rd and 4th highest votes serving 2-year terms. The following year, in 2025, three (3) directors will serve 3-year terms, and in 2026, two (2) directors will serve 3-year terms.

After serving two (2) consecutive terms, a director must wait for two (2) years before standing for election or being eligible for a board appointment. Dann Stavro seconds the motion.

For the Motion: Kathy Williamson, Ken Rubin, Cindy Thompson, Dann Stavro

Abstain: Mike Jablon

Opposed: Ed Raether. Motion passes 4-1

Kathy Williamson departs the Board Meeting at this time, five Directors remain. Ken Rubin, Vice President presides over the meeting.

Motion to approve suspension for Member #7062:

Motion for Imposition of Suspension: Member # 7062

AUTHORITY: Heritage Springs Community Association (HSCA) is a deed and age-restricted community. Florida Statute Title XL (40), Home Owners Association Chapter 720, Section 305, authorizes the imposition of fines and suspensions for violations of a Homeowner Association's Declarations, Covenants, Conditions, Restrictions, and Rules and Regulations. Following a thorough investigation of the actions of Member - Unit #7062, it has been determined that said member has violated Personal Conduct Rule X. as stated in the Board Approved HSCA Rules & Regulations dated December 29, 2022.

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PERSONAL CONDUCT RULE: The Association requires a high standard of personal conduct. Respectful and courteous treatment applies to interactions between Members, Residents, Guests, Board of Directors, Committee Members, Employees, and Vendors.

Member - Unit #7062 violated item 2. of the Rule, by engaging in offensive, abusive, and threatening language, and the use of profanity, which was directed at employees of the Association and a fellow member of the community. In addition, Member – Unit #7062 attempted to interfere with a scheduled HSCA ticketed performance in our Performing Arts Center. That conduct violated item 4. of the Rule, which prohibits Members, Residents, and Guests from providing direction to HSCA Vendors.

MOTION:

I, Kenneth Rubin, in my capacity as Vice President of the Board of Directors, hereby make a Motion for the Association's Board of Directors to take the following action against Member – Unit #7062. The member is to be denied access to the clubhouse and to the use and enjoyment of all clubhouse amenities for a period of 30 days. The Association also reserves the right to take additional action, if Member – Unit #7062 should continue to violate the Association's Rules of Conduct.

Cindy Thompson seconds the motion. Vote: 5 -0 Motion passes.

Motion for Exception from Section 15(b) of the Heritage Springs Covenants – Age Restriction:

Purpose:

This member in good standing, has a 21-year-old grandson who attends college in Florida and holds a job on campus at the Moffit Cancer Center. From time to time this member's grandson may come to stay during school vacations. While the grandson is not expected to stay for longer than eight (8) weeks a year, in the unlikely hood the grandson does exceed the eight weeks, the Member is requesting an exception to the HSCA age requirement. This grandson will turn 22 in December of 2024.

I Cindy Thompson make a motion to grant exception to Section 15(b) of the HS Covenants to member number 7036. If for any reason the 21-year-old resident violates any rules the exception will immediately be revoked. Dann Stavro seconds the motion.

After the Board of Directors discussion on this motion, Cindy Thompson tables the motion.

Motion to approve the purchase of a Treadmill:

I, Michael Jablon, make a motion to purchase the True Fitness C900 Treadmill at a cost of \$7,329.50.

PURPOSE:

To replace the last old treadmill as part of a multi-year upgrade effort.

Costs:

The cost of the equipment is \$7,329.50

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Seconded by Dann Stavro. Vote: 5 -0 Motion passes.

Member Comments on Non-Agenda Items:

Members made comments on non-agenda items.

Board Closing Comments:

Motion by Dann Stavro to adjourn the meeting, Ed Raether seconds the motion. Vote: 5-0
Meeting adjourned at 3:55 p.m.

110 Members were in attendance.