

JULY 2013 HPHA All Member and BOD Meeting Minutes

Established a quorum (all Circle Reps except Bea Aton out of town). Start time 7:36. Attendance by approximate 35 HPHA members, in addition to board.

Motion: Ken Savage made motion to approve July 2013 BOD Meeting minutes. Leslie Martin seconded. Motion passed.

Ken Savage noted that the meeting would be recorded and complete copy of the meeting presentation would be distributed to all members after this meeting. Ken provided an overview of the events leading up to current board recommendation regarding walkway. Rest of the meeting was dedicated to the presentation of Board Proposal to fund walkway replacement via a loan. See presentation below:

Holiday Park Board of Directors Walkway Replacement Recommendation

The HPHA Board recommends replacement and widening of HPHA common area inner loop walkway before the end of this year (see illustration indicating inner loop). The specific proposal is to fund this replacement with a bank loan. In order for the HPHA to move forward with this proposal, 2/3 of homeowners must approve HPHA pursuing a loan. Please review the following details:

Why this proposal at this time?

- The majority of our walkways are 40 years old and in significant disrepair. In addition, some prior repairs are failing. THEREFORE MAJOR WORK MUST BE DONE ON THE WALKWAYS NOW, regardless of how we choose to implement or fund the work.
- Your elected board takes our responsibility to maintain the common property seriously. We need to provide a safe walkway for everyone who uses it; retirees, children, guests, strollers, bikes, etc.
- The BOD has been spray-painting hazards since 2010, indicating hazardous areas as a warning to users. This does not change our underlying liability if someone gets hurt because we failed to maintain the walkway.
- With ongoing drought, hazardous areas are getting worse, and new ones are emerging each year (see photos from 2010 and 2013).
- Residents and their guests have sustained injuries over many years, as well as recently, further indicating something needs to be done.
- We do not want HPHA to be exposed to possible injury lawsuits nor the affect that might have on our insurability or premiums in the future.
- Aspects of disrepair:
 - Large heaving cracks and broken patches that cause trip hazards
 - Many bad spots are in high traffic areas, particularly near children's playgrounds and pavilion
 - Many areas have exposed rusted rebar and nails, as well as splitting or missing wood spacers
 - The uneven slant in many areas is significantly out of code (anything more than 2 degrees)
- We are responding to many requests from HPHA members to address the walkway issues.
- Widening the walkway (from 36" to 48") will better accommodate walking two-abreast and

wheelchairs.

- This is part of the Infrastructure Sustainability effort that began in 2011.
- Walkway repairs have been acknowledged as a need by forecasting funds in HPHA budget for 3 years, Those funds already in our budget for piecemeal repairs can now be directed toward loan repayment.

Why not Repair?

- Recent repair estimates for temporary patching and grinding and the large number of bad areas, indicates that replacement will require significant spending, possibly as much as half the cost of doing the project all at once. And, these solutions do not solve all the problems with the walkway.
- Contractors have indicated that those temporary repairs weaken the sidewalk, and will ultimately result in the need to replace the repaired sections.
- Due to the many areas in bad disrepair, a piecemeal repair option would mean areas of the walkway would be torn up and replaced each year, over many years, causing ongoing disruption.
- Areas not repaired for several more years could cause additional injuries.
- Piecemeal repairs would not allow for the widening of the sidewalk that many of you have requested.

How will we pay for this?

- This recommendation for funding this project will NOT require an special assessment. The board is recommending taking out a bank loan for this project.
- This funding approach spreads the payments for this needed repair/improvement over time, thereby not burdening current members for a long term need.
- This allows for disrupting the grounds for a few weeks, rather than ongoing renovation over many years.
- Loan specifics are; (For detailed questions, please contact board member Mike Burkett: 214-912-4531)
 - \$50,000 non-revolving draw note to be made by a local FDIC insured bank
 - 1% origination fee (\$500).
 - Loan to be paid out over 10 years at Prime rate + 2% for 5 years, then Prime + 2% for 5 years.
 - Annual loan payment amount is similar to recent/ongoing annual budget for repairs of the sidewalk.
 - Collateral is assignment of member dues/collections and a lien on HPHA assets (does not include a mortgage on the common area real property). Homeowners' private property is not affected.

• Project Bids and Vendors:

- Three contractor bids have been obtained and reviewed by BOD.
- Based on these bids, \$50,000 will cover this project.
- A preferred vendor has been identified. If approval vote is obtained, a final vendor decision will be made.

Next Steps:

- This BOD proposal requires that we put the recommendation for a loan to a park-wide vote. A 2/3 member vote of approval of this funding approach is required.

- PLEASE VOTE: Not voting = a “no” vote.
- A ballot will be distributed to all homeowners within a few weeks.
- If approved, specific details of the project will be provided to all members. Initial plans are;
- Work would begin after school starts, Sept 2013.
- Project is estimated to take 2 weeks.
- Goal to complete project by end of October.

Q & A Session followed to answer member questions. Recording available on request.

Submitted by Melissa Santucci (VP) for Bea Aton (Secretary)