

## **Townhouse Manor Fund, Inc.**

### **ANNUAL MEETING**

January 26, 2017

### **MINUTES**

The Annual Meeting of the Board of Trustees, (the "Board") of Townhouse Manor Fund, Inc. (THM), A Texas Corporation, was held on January 26, 2017 at Bethany Methodist Church, 3511 Linkwood Drive, Houston, TX 7025.

#### **Call to Order & Establishment of a Quorum**

Mike Lewter, President, called the meeting to order and welcomed everyone to the meeting. Rowena Roche, Secretary, recorded the minutes.

All current Board members were present establishing a Board quorum. It was announced by Cindy Domenici that the Election Judges, Terri Reed and Penny Stautberg had determined that the combination of members present, including absentee ballots and proxies, represented a quorum of Members present in order to conduct the business of the Annual Meeting.

#### **Review of Agenda**

Mike Lewter reviewed the published agenda for the Annual Meeting.

#### **Introduction of the 2017-2018 Trustee Candidates**

Cindy Domenici introduced Lois Hamblin, Mike Lewter, Larry Maun, David Reed and Rowena Roche as candidates for the 2017 Board, each of whom gave a short presentation of their background and their interest in running for the Board.

#### **Board of Trustees Election**

Time was allowed for members to cast their ballots.

#### **Committees' Overview**

Committee Chairmen for the following committees presented an overview of their duties.

Mike Lewter – Architectural Control and Utilities

Rowena Roche – Pool and Deed Restriction Violation Enforcement

David Reed – Landscape

Natalya Entchev – Communication and Social

#### **Special Guests**

Donald Perkins and Barbara Hite from Councilman Green's office presented information on upcoming events and encouraged participation in these events. See list of upcoming events attached to the minutes.

#### **President's Report**

Mike Lewter gave his President's Report of the activities of the Board of Trustees during the year 2016. A copy of that report is attached to these minutes.

**Treasurer's Report of 12/31/2016 Year End Finance Report**

Larry Maun presented the year-end reports with details of our financials (see attached report). A motion was made and seconded to approve the December 31, 2016 Financial Statements as previously distributed. The 2016 Treasurer's Report was unanimously passed by the Board.

**Presentation of 2017 Townhouse Manor Fund, Inc. Budget**

Larry Maun reviewed the 2017 proposed Operating Budget for Townhouse Manor, a copy of which is attached to these minutes. A motion was made and seconded. The motion to approve the 2017 Operating Budget was unanimously passed by the Board.

**Property Manager's Report – Cindy Domenici**

Cindy's report is attached.

**Homeowners Forum**

There was a discussion regarding the brick wall on Fordshire that was knocked down and whether or not we will replace the plants and ground cover. Cindy Domenici will check into the possibility of insurance reimbursement for replacement plants. There was a question about a stop sign that was down and the suggestion to call 311 to report it.

**Announcement Results of 2016-2017 Trustee Election**

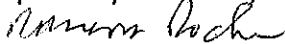
The election judges, through Cindy Domenici, announced that the following were elected as Trustees of Townhouse Manor Fund, Inc. to serve through the 2018 Annual Meeting.

Mike Lewter  
Larry Maun  
Rowena Roche  
David Reed  
Lois Hamblin

**Adjournment**

There being no further business or discussion, the meeting was adjourned.

Respectively submitted,



Rowena Roche  
Secretary of 2016 Board of Trustees

## Upcoming Events for District K - 2017

- **District K Neighborhood 101 workshop – Prohibited Parking Yard Ordinance Program**
  - o Saturday, Feb. 11 @ 9:30 a.m.
  - o South Gessner HPD Substation
  - o RSVP is required. Contact Donald Perkins via e-mail or contact the District K office – 832-393-3016
- **District K CIP meeting**
  - o Thursday, March 9 @ 6:30 p.m.
  - o Hiram Clarke MSC – 3810 West Fuqua St., 77045
- **District K Neighborhood 101 workshop – Estate Law & Planning – targeting District K seniors**
  - o Saturday, March 18 @ 9:30 a.m.
  - o Location TBA
  - o RSVP is required. Contact Donald Perkins via e-mail or contact the District K office – 832-393-3016
- **Keep District K Beautiful Day**
  - o Saturday, April 1
  - o More information to follow
- **United Way Community Building Grant Program**
  - o Awards \$1000 to \$10000 in grants to 501c3 and 501c4 organizations
  - o Mandatory workshop date is April 3
  - o Application deadline date is April 11

# TOWHOUSE MANOR FUND, INC.

## 2016 In Review

First let me express my personal thanks to the 2016-17 Board of Directors (Natalya Entchev, Larry Maun, David Reed and Rowena Roche) and to Cindy Domenici, who assumed Property Manager duties this past year. We all worked as a team in an attempt to maintain and improve our property values, solicit input from all homeowners and help insure THM remains a great place to live. A summary of highlights follows:

1. **Property Management:** Our decision to retain Domenici Management Co., LLC as resident manager has proven to be a good one. Cindy, both a resident of THM and a former Trustee, has spent considerable time both with continuing education and in performing her duties. Her positive, can-do attitude has been a great change, and we all owe her a debt of gratitude for her efforts throughout the year!
2. **Finances:**
  - a. We moved our financial records to QuickBooks, and with support from Larry Maun, our Treasurer, Cindy has spent a large amount of time both learning the system and trying to overcome its shortcomings. The result has been timely and accurate financial statements throughout the year.
  - b. In addition, we created a Capital Reserves budget that both budgets for potential capital expenses and then tracks actual expenses. There is still a need to dramatically increase our Capital Reserves, and we hope the 2017 board will be able to address that issue.
  - c. As you will hear from Larry, we ended the year well under our operating expense budget, which allowed us to spend a considerable amount more than budgeted on repairing sidewalks, renovating the cabana building, etc. Even so, we end the year with \$49,687 of capital reserves.
3. **Deed Restriction Violation Enforcement:** The enforcement of Deed Restrictions remained a priority, and great progress was made during 2016. Cindy will detail the results in her report, but thanks to Rowena, Frank Booth, Cindy and others who spent much time walking the property and contacting homeowners.
4. **Pool:** Rowena and her committee, Erik Streight, did a great job of maintaining the pool and cabana. This committee has more weekly work than any other. For 2017, we have budgeted for someone other than volunteers to do the basic cleaning tasks, including restrooms, deck, etc.
5. **Architectural Control:** There were no significant controversies during the year, and we appreciate homeowners' willingness to request approval for all exterior modifications to their homes. One application remained open at year-end. Response time for review and generally approval was consistently less than 1 week.
6. **Insurance Coverage:** We continued to maintain insurance coverage with appropriate policy limits, including property coverage, roughly within our budget. Note that the property policy covered all but \$551 of the \$8,960 cost to repair damage to the brick wall along Fordshire Drive.
7. **Vendors:** Our lawn & pool service vendors continue to be competent & responsive. We hope you will agree our property continues to look good, including landscaping, pool & alleys. Thanks to David and Cindy for their work in monitoring the landscaping.

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**Townhouse Manor Fund, Inc.**  
**Balance Sheet**  
As of December 31, 2016

	<u>Dec 31, 16</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1100 · Checking	6,039.59
1200 · Money Market	90,046.54
1300 · Petty Cash	300.00
Total Checking/Savings	<u>96,386.13</u>
Accounts Receivable	
11000 · Accounts Receivable	117,379.64
Total Accounts Receivable	<u>117,379.64</u>
Total Current Assets	<u>213,765.77</u>
<b>TOTAL ASSETS</b>	<u><u>213,765.77</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	-410.31
Total Accounts Payable	<u>-410.31</u>
Other Current Liabilities	
2410 · Pre-paid assessment fee	163,264.56
2490 · Cabana Event Deposit	100.00
2480 · Owner Pool Key Deposits Held	1,090.00
Total Other Current Liabilities	<u>164,454.56</u>
Total Current Liabilities	<u>164,044.25</u>
Total Liabilities	164,044.25
Equity	
3300 · Capital Reserves	28,384.53
Net Income	21,336.99
Total Equity	<u>49,721.52</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>213,765.77</u></u>

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**Townhouse Manor Fund, Inc.**  
**Profit & Loss**  
 January through December 2016

	Jan - Dec 16
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>4000 INCOME</b>	
4100 Assessment Fees	111,281.60
4300 Interest	75.88
4400 Late Charges	665.00
4550 Other	300.00
4755 Transfer Fee	1,200.00
<b>Total 4000 INCOME</b>	113,522.28
<b>Total Income</b>	113,522.28
<b>Gross Profit</b>	113,522.28
<b>Expense</b>	
<b>5300 CONTRACT SERVICES</b>	
5330 Landscape Contract	
5332 Lawn maint owner reimb	-2,580.00
5330 Landscape Contract - Other	31,302.00
<b>Total 5330 Landscape Contract</b>	28,722.00
5340 Pool Contract	5,400.00
5335 Trash Contract	
5337 City of Houston Reimbursement	-14,196.00
5335 Trash Contract - Other	11,891.88
<b>Total 5335 Trash Contract</b>	-2,304.12
<b>Total 5300 CONTRACT SERVICES</b>	31,817.88
<b>5400 INSURANCE</b>	
5417 Commercial Insurance Package	4,027.00
5435 Excess Liability Insurance	1,401.00
5430 Crime Insurance	489.00
5405 Directors & Officers Insurance	1,719.00
5440 Workers Compensation	251.00
<b>Total 5400 INSURANCE</b>	7,887.00
<b>5500 GENERAL &amp; ADMINISTRATIVE</b>	
5515 Bank Charges	81.98
5518 Communications	139.78
5520 Community Functions	858.30
5522 Dues / Membership	717.00
5530 Legal-Corporate	40.00
5540 Management & Accounting Fees	15,525.00
5550 Meeting Expense	240.00
5555 Office Supplies & Printing	1,199.38
5562 Postage	30.03
5565 Permits -- Pool	354.16
<b>Total 5500 GENERAL &amp; ADMINISTRATIVE</b>	19,185.63
<b>5600 COMMON UTILITIES</b>	
5605 Electricity	3,757.79
5608 Electricity Reimbursement	322.44
5610 Gas	1,325.83
5615 Water & Sewer	10,032.79
5620 Telephone	1,071.38
<b>Total 5600 COMMON UTILITIES</b>	16,510.23

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**Townhouse Manor Fund, Inc.**  
**Profit & Loss**  
January through December 2016

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	<u>Jan - Dec 16</u>
<b>5700 TAX EXPENSE</b>	
5715 Federal Income Tax	36.72
5725 Property Advalorem	2.54
<b>Total 5700 TAX EXPENSE</b>	<u>39.26</u>
<b>5000 REPAIR &amp; MAINTENANCE</b>	
5180 Irrigation	6,443.80
5110 Keys & Locks	670.09
5120 Lighting (Common Areas)	2,472.34
5150 Pool Repair & Supply	4,191.06
5197 Common Area Maintenance	2,968.00
<b>Total 5000 REPAIR &amp; MAINTENANCE</b>	<u>16,745.29</u>
<b>Total Expense</b>	<u>92,185.29</u>
<b>Net Ordinary Income</b>	21,336.99
<b>Other Income/Expense</b>	
Other Expense	
80000 Ask My Accountant	0.00
<b>Total Other Expense</b>	<u>0.00</u>
<b>Net Other Income</b>	<u>0.00</u>
<b>Net Income</b>	<u><u>21,336.99</u></u>

**Townhouse Manor Fund, Inc.**  
**Profit & Loss Budget vs. Actual**  
January through December 2016

	TOTAL			
	Jan - Dec 16	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>4000 · INCOME</b>				
4100 · Assessment Fees	111,281.60	112,298.00	-1,016.40	99.1%
4204 · Donations	0.00	0.00	0.00	0.0%
4300 · Interest	75.68	80.00	15.68	126.1%
4400 · Late Charges	665.00	720.00	-55.00	92.4%
4425 · Lawn Maintenance	0.00	0.00	0.00	0.0%
4550 · Other	300.00	0.00	300.00	100.0%
4755 · Transfer Fee	1,200.00	1,050.00	150.00	114.3%
4800 · Trash Sponsorship	0.00	0.00	0.00	0.0%
<b>Total 4000 · INCOME</b>	<b>113,522.28</b>	<b>114,128.00</b>	<b>-605.72</b>	<b>99.5%</b>
<b>Total Income</b>	<b>113,522.28</b>	<b>114,128.00</b>	<b>-605.72</b>	<b>99.5%</b>
<b>Gross Profit</b>	<b>113,522.28</b>	<b>114,128.00</b>	<b>-605.72</b>	<b>99.5%</b>
<b>Expense</b>				
<b>5300 · CONTRACT SERVICES</b>				
5330 · Landscape Contract				
5332 · Lawn maint owner reimb	-2,580.00	-2,580.00	0.00	100.0%
5330 · Landscape Contract - Other	31,302.00	33,881.00	-2,579.00	92.4%
<b>Total 5330 · Landscape Contract</b>	<b>28,722.00</b>	<b>31,301.00</b>	<b>-2,579.00</b>	<b>91.8%</b>
5340 · Pool Contract	5,400.00	5,880.00	-480.00	91.8%
5335 · Trash Contract				
5337 · City of Houston Reimbursement	-14,196.00	-12,012.00	-2,184.00	118.2%
5335 · Trash Contract - Other	11,891.88	13,170.00	-1,278.12	90.3%
<b>Total 5335 · Trash Contract</b>	<b>-2,304.12</b>	<b>1,158.00</b>	<b>-3,462.12</b>	<b>-199.0%</b>
<b>Total 5300 · CONTRACT SERVICES</b>	<b>31,817.88</b>	<b>38,339.00</b>	<b>-6,521.12</b>	<b>83.0%</b>
<b>5400 · INSURANCE</b>				
5417 · Commercial Insurance Package	4,027.00	2,428.00	1,599.00	165.9%
5435 · Excess Liability Insurance	1,401.00	1,212.00	189.00	115.6%
5430 · Crime Insurance	489.00	850.00	-361.00	57.5%
5405 · Directors & Officers Insurance	1,719.00	2,500.00	-781.00	68.8%
5440 · Workers Compensation	251.00	251.00	0.00	100.0%
<b>Total 5400 · INSURANCE</b>	<b>7,887.00</b>	<b>7,241.00</b>	<b>646.00</b>	<b>103.6%</b>
<b>5500 · GENERAL &amp; ADMINISTRATIVE</b>				
5505 · Accounting/Audits	0.00	500.00	-500.00	0.0%
5515 · Bank Charges	81.98	240.00	-158.02	34.2%
5518 · Communications	139.78	2,400.00	-2,260.22	5.8%
5520 · Community Functions	858.30	1,000.00	-141.70	85.8%
5522 · Dues / Membership	717.00	1,500.00	-783.00	47.8%
5530 · Legal--Corporate	40.00	2,600.00	-2,560.00	1.5%
5540 · Management & Accounting Fees	15,526.00	16,200.00	-675.00	95.8%
5550 · Meeting Expense	240.00	1,200.00	-960.00	20.0%
5555 · Office Supplies & Printing	1,199.38	1,500.00	-300.62	80.0%
5562 · Postage	30.03	840.00	-809.97	3.6%
5565 · Permits -- Pool	354.16	380.00	-25.84	93.2%
<b>Total 5500 · GENERAL &amp; ADMINISTRATIVE</b>	<b>19,165.63</b>	<b>28,360.00</b>	<b>-9,174.37</b>	<b>67.7%</b>
<b>5600 · COMMON UTILITIES</b>				
5605 · Electricity	3,757.79	4,200.00	-442.21	89.5%
5608 · Electricity Reimbursement	322.44	433.00	-110.58	74.5%
5610 · Gas	1,325.83	2,040.00	-714.17	65.0%
5615 · Water & Sewer	10,032.79	9,900.00	132.79	101.3%
5620 · Telephone	1,071.38	1,264.00	-192.62	84.8%
<b>Total 5600 · COMMON UTILITIES</b>	<b>16,510.23</b>	<b>17,837.00</b>	<b>-1,326.77</b>	<b>92.6%</b>
<b>5700 · TAX EXPENSE</b>				
5715 · Federal Income Tax	36.72	0.00	36.72	100.0%
5725 · Property Advalorem	2.54	15.00	-12.46	16.9%
<b>Total 5700 · TAX EXPENSE</b>	<b>39.26</b>	<b>15.00</b>	<b>24.26</b>	<b>261.7%</b>
<b>5000 · REPAIR &amp; MAINTENANCE</b>				
5180 · Irrigation	6,443.80	4,920.00	1,523.80	131.0%
5110 · Keys & Locks	670.09	800.00	-129.91	83.8%
5120 · Lighting (Common Areas)	2,472.34	1,020.00	1,452.34	242.4%
5125 · Miscellaneous	0.00	0.00	0.00	0.0%
5150 · Pool Repair & Supply	4,191.06	4,872.00	-680.94	86.0%
5197 · Common Area Maintenance	2,986.00	3,500.00	-512.00	84.8%
<b>Total 5000 · REPAIR &amp; MAINTENANCE</b>	<b>16,745.29</b>	<b>15,112.00</b>	<b>1,633.29</b>	<b>110.8%</b>
<b>Total Expense</b>	<b>92,165.29</b>	<b>106,904.00</b>	<b>-14,718.71</b>	<b>86.2%</b>
<b>Net Ordinary Income</b>	<b>21,336.99</b>	<b>7,224.00</b>	<b>14,112.99</b>	<b>295.4%</b>



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Townhouse Manor Fund, Inc.  
**Profit & Loss Budget vs. Actual**  
January through December 2016

	TOTAL			
	Jan - Dec 16	Budget	\$ Over Budget	% of Budget
Other Income/Expense				
Other Expense				
80000 - Ask My Accountant	0.00			
Total Other Expense	0.00			
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	21,336.99	7,224.00	14,112.99	295.4%

Townhouse Manor Fund, Inc.  
Community Manager 2016 Report

At the end of 2016 I completed 12 and one half months of service with Townhouse Manor Fund (THM). In that time frame I have had the opportunity to meet and dialogue with many of you and have had the honor of working closely with your elected Trustees. I look forward to the challenges and routines the coming year will offer. Please accept this report as a summary of current affairs and 2016 events and projects. Visit the "manager" tab on our website for ongoing communications from me.

**Social Events**

- June 12—Summer kick-off party by the pool
- October 15—THM 51<sup>st</sup> anniversary celebration
- December 17—Holiday Celebration

**2016 Assessment Fees**

- All fees were collected with the exception of one property that is now in arrears for 2015 and 2016. The Board is perusing appropriate actions to collect these outstanding fees
- Four (4) owners took advantage of our Alternative Payment Plan and all accounts have been paid in full

**THM (owner) accounts = 185**

- Three (3) townhomes occupy a double-sized lot
- Three (3) townhomes occupy one and 1/3 lots
- Twenty eight (28) lots have off-site owners
- Six (6) homes had title transfer (sold)

**Deed Restriction Enforcement**

- No light in alley from dusk until dawn
  - Beginning of year = 65/183 = 35%
  - End of year = 32/183 = 17%
- Other violations
  - Beginning of the year = 270 total
  - End of the year = 79 violations corrected (31%)
  - Additional violations noted leaving end of year total = 253

**Architectural Modification Requests**

- Eleven (11) submitted
  - Six (6) projects completed
  - Five (5) projects ongoing

Townhouse Manor Fund, Inc.  
Community Manager 2016 Report

**Common Area Courtyards**

- Repairs/additions to our irrigation system(s) occurred in April and December
- Anti-syphon valve in the second Breakwood courtyard was repaired
- After the freeze we re-insulated all anti-syphon valves and repaired five (5)
- Sod was placed in the Breakwood courtyard # 1 where excavation occurred.
- Water main break in the Bassoon courtyard was repaired by the COH and sod placed
- Water pooling in one area by 9403 Bassoon and the COH is investigating
- Electric light posts and gas lanterns were refurbished

**Brick Wall at Fordshire Entrance**

- Damage reported on November 21
- Board member/manager discussed issue with Discount Tire manager
- Three proposals obtained
- Insurance adjuster surveyed the damage December 15
- Job awarded to vendor on January 4
- Work in progress with 60% of our bricks being salvaged and re-used

**Ongoing Project**

*Painting the cabana structure*

Work started in early October and is still in progress. The pool opened for residents to use on October 15. Projected completion date January 31, 2017.

**Completed Projects**

*CenterPoint underground electrical cabling*

This project was completed July 19, 2016. Thank you so much for your patience in completing this during our rainy season!!!

*Hydraulic gate closures installed on both pool gates*

One of our pool gate closures rusted and broke necessitating replacement to comply with City of Houston community pool regulations. We have installed hydraulic closures that have quiet, smooth closing mechanisms.

*Raising courtyard sidewalks: Phase I and phase II*

In phase I we identified 1184 square feet of courtyard sidewalk space that needed to be raised and that phase was completed June 17, 2016. The remaining courtyard sidewalk trip hazards and low areas were surveyed October 3 and included raising an additional 4549 sq ft of sidewalks. Phase II of this project was completed on October 31, 2016. One final portion in the Bassoon is scheduled to be raised this month.

Several city sidewalks have been identified as having trip hazards. Two major trip hazards have been identified and we are accepting bids to break out the city side walks and replace with crushed granite or a similar material.

Townhouse Manor Fund, Inc.  
Community Manager 2016 Report

Convex mirrors in alleys:

Installation completed August 27, 2016 with replacement of one damaged mirror at the East end of the Stonehouse/Myerwood alley and installation of two additional mirrors at: 1) East end of alley behind 4029 Breakwood and 2) entry to the Bassoon alley at 9428 Bassoon. Please report any alley safety issues to Cindy.

Entry signage:

Installation completed August 26, 2016. Our seven (7) entry signs have served us well since being installed in the mid 1980's. Six new brick pillar signs and one monument sign at the Stonehouse entrance have been installed and they look great!

Re-sodding first Breakwood courtyard:

August 1, 2016 our landscaping service started to prepare the area to lay some sod. Prior digging in this area left bare dirt. Sod has been installed and additional grass will be placed as needed in bare areas.

AT&T fiber optic underground cable:

AT&T completed the project to channel underground fiber optic cables throughout our community. This will enhance service to those using AT&T as their provider. This project is completed. For more information contact Troy at:

713-230-8366.

Common area gas lanterns and electric light posts:

We are brightening up our common areas! All of our gas lanterns and electric light posts in our common areas have been painted. A few of the glass globes and glass inserts were missing or broken and they have been replaced and/or cleaned. Cost-effective LED bulbs were installed.

Sanding and painting fence surrounding pool:

The pool was closed during this project and the pool re-opened for use on October 15.

I am looking forward to another great year. Please consider joining a committee and assisting THM in creating a great community and a lovely environment in which to live.

Respectfully submitted,



Cindy Domenici

THM Community Manager