

Minutes of the Board Meeting of
Peninsula at Mystic Shores Property Owners Association
April 25, 2019

The Board Meeting of the Peninsula at Mystic Shores Property Owners Association, a Texas non-profit corporation (the "Association") was held at the Mystic Shores Community Center, 25801 FM 306, Spring Branch, Texas 78070, pursuant to a call by the President of the Association.

Directors Present: Keith Tunnell and Steve Broadaway

Also Present: Camille Belcher represented FirstService Residential and recorded the minutes.

Executive Session: Steve Broadaway opened Executive Session at 1:54 PM with a quorum of Board Members present. Executive Session was concluded at 2:25 PM.

Call to Order: President Steve Broadaway called the open board meeting to order at 2:32 PM

Introduction – Finance Committee Member: Steve Broadaway thanked Greg Petsch and Bob Gibson for their past service on the Finance Committee. The new Finance Committee member is Charlie Kahn. Charlie will be working with current member Mike Kovar and the Peninsula Board.

Summary – Finance Committee Meeting: Steve Broadaway presented a written presentation of the agenda for the meeting, which included an overview of end of year 2018 financial status and 2019 budget. Also considered was the overview of guidelines for permitted investments for the Reserve Fund and the 2018 Reserve Study. The committee reviewed the status of current Reserve Fund investments, current asset allocation, long term financial projections, historical investment performance, and ideas on how to increase Reserve Funds. The presentation includes 2015 to 2019 Interest Rates on Reserve Funds and the Reserve Fund Yearly Percentage Change. The presentation will be placed on the Peninsula at Mystic Shores POA Members Only page.

Highlights of the Finance Committee Meeting

- Permitted Investment Layers and Allowable Percentages
 - Guidelines not clear, may not be appropriate and should be rewritten
- Investment Performance
 - Current performance on two main Money Market Account funds is poor
 - Agreed to move most of those funds to a Money Market Fund with a competitive rate
- Professional Investment Advice
 - Recommended committee consider obtaining services of an Investment Advisory firm to assist the Finance Committee in Reserve Fund investments
- Finance Committee agreed on recommendations on how to improve the performance of the Reserve Fund Investments
 - Recommendations reviewed in Executive Session to be provided in summary
- Reserve Fund: The property owners are required to plan and pay for all road repairs and replacements in the Peninsula
- Current forecast plans for major repaving in years 2027-2031, at a total cost of \$ 1.6 million

Summary of Executive Session - Steve Broadaway announced that nine (9) owners are delinquent and will be sent to the attorney, and one (1) is approved for a payment plan.

Approval of Minutes October 24, 2018 Board Meeting - Steve Broadaway moved to approve the minutes, Keith Tunnell seconded, and the Board Members present approved the minutes.

Old Business:

New Investment Strategy

There was a brief discussion about investment in gold and silver. The Committee recommended taking the \$200,000 from the gold and silver investment and place \$ 150,000 into a high-yield money market fund and put the balance into the Reserve Fund. They recommended keeping two (2) years of expenses in the Operating Account.

Keith Tunnell moved to adopt the Committee's new strategy as noted above, Steve Broadaway seconded, and the Board Member present voted in favor of the motion.

711 Ranch Historical Marker

Paula Rieker presented an update on the marker. Funds were raised from 50 contributors, and 54% was raised from 24 owners in The Peninsula. Excess funds are to be applied toward a 2020 market application, likely for the one-room Rebecca Creek School on Mystic Shores Boulevard.

The Historical Marker Application was submitted November 2018. The \$100 non-refundable fee was paid. In January 2018, the State of Texas approved the marker and \$ 1,875 was paid promptly.

Next steps are to negotiate marker language with Texas Historical Commission, then order the marker casting.

New Business: None

Maintenance Update - Steve Broadaway presented the Maintenance Update that Doug Digman prepared. The gate maintenance contract was renewed with no price increase. Preventative maintenance for the gate house HVAC heat pump is scheduled for 4/26/19. There has been discussion about Amazon employee delivery options for gate codes. A single code isn't practical, as there are night deliveries, and only resident codes allow access after dark. The maintenance committee is working to cut down thistles along roadsides. The direction sticker on the call box will be replaced.

Adjourn: There being no further business, the meeting was adjourned at 3:47 PM.

Minutes submitted by Camille Belcher, Recording Secretary