

THE VILLAS OF SOUTH PADRE HOMEOWNERS ASSOCIATION

August 25, 2022 Board of Directors Meeting

The Board of Directors of the Villas of South Padre Homeowners Association (HOA) met on August 25, 2022. In attendance were Directors Barbara Hays, Gerald Geletzke, Juan DeAnda, Dabney Helms, and property manager Pat Marchan. Director Ruben Solis joined via telephone.

- 1) Barbara Hays announced the appointment of a new member to the Architectural Review Committee. Ronald Osegueda (Bayview) has agreed to join the committee.
- 2) Pat Marchan and Ruben Solis presented the budget for the fiscal year July 1, 2022 – June 30, 2023. The biggest changes in the budget were:
 - a. Security – a 22% increase in the cost of our contract security results in a \$21,000 additional cost. The increase had been expected due to the increase in wages.
 - b. HOA insurance – insurance premiums increased by 27% with the August 1 renewal. We had anticipated a 5-8% increase in insurance cost. Flood, Windstorm, and property insurance rates increased dramatically across the board this summer.
 - c. Tennis court – the tennis court lights will be replaced in September. It is budgeted to be a \$4,500 expense.
 - d. HOA dues – on July 1, 2022 the HOA dues were increased by 10% because of the increase in above costs.

Because of the unexpected increase in HOA insurance policies, and because 2 items are “double-billed” in the 2022-2023 fiscal year – palm tree trimming on community property and the fee for the line of credit at the bank that were billed late this year in July instead of traditionally receiving the invoices in June, the costs for late May 2022 items were paid during the 2022-2023 fiscal year and will again be paid in June 2023 – the 10% dues increase did not hold the HOA whole financially, leaving the 2022-2023 budget with a net loss of \$1,956. Director Juan DeAnda moved that we do approve this budget, Dabney Helms gave the second, and the 2022-2023 fiscal year budget was approved.

- 3) Barbara Hays gave a preview of the Villas HOA website. It contains information about the Villas, and a secure log-in for owners to access all recorded documents such as CCRs and amendments, By-laws and amendments, general recorded policy, and rules for the various amenities on the property. Chuck Toland expects to have the website open for owner registration within the next couple of weeks. He will also preview the website and its features at the Oct. 15, 2022 annual Owners meeting.
- 4) The board reviewed proposals for replacing the tennis court light boxes and installing LED bulbs. Reliable Electric and Gallegos Electric both bid on this project. Gallegos was the lower bid which included 400 watt LED bulbs, comparable to the lighting available with the current lights. Reliable’s bid was for 1000 watt bulbs. Gallegos Electric’s 400 watt bulbs, which will provide the same illumination as with the current system, was significantly less expensive and at \$3,547 is below the \$4,500 in the 2022-2023 budget. Ruben Solis moved and Dabney Helms seconded the motion to approve the Gallegos bid and the motion was passed. Gallegos will be contacted immediately to set a date for the replacement.
- 5) Barbara Hays addressed electronic bank transfer for payment of HOA dues. An owner requested that the HOA investigate the Zelle cash app-type bank transfer option because a dues check got lost in the mail. The HOA bank, First Community Bank, does not currently offer Zelle for commercial accounts, and Zelle is only available for U.S. banks, which does not give our Mexican National owners an electronic payment option. First Community Bank does offer ACH payment transfers. Automated Clearing House transfers are bank to bank

transfers from an owner checking account to the HOA checking account, does not incur any fees at First Community Bank, and honors transfers from Mexico banks. Pat Marchan said he will meet with First Community Bank to get this option set up for our HOA.

- 6) At the June HOA Board meeting the board requested Pat Marchan to meet with our HOA attorney to draw up a legally binding tiered fine system for violations of our CCRs and By-Laws. Pat presented the document to the board for review and approval at this meeting. The board established the following fine tier for violations
 - a. First violation – a warning'
 - b. Second violation – a fine of \$250.00
 - c. Third violation – a fine of \$500.00
 - d. Fourth and all subsequent violations –a fine of \$1,000.00 per violation

The above fines refer to any violation, and not just a repeat of a specific violation. Security will have the authority to issue the citation. Ruben Solis moved and Juan DeAnda seconded that we approve the system of fines and have the lawyer draft the official document to be recorded with Cameron County. The motion was passed and Pat Marchan will follow up on getting this action completed.

- 7) Dabney Helms reviewed the walk-through owner repair list. She and owner Scott Friedman walk the neighborhood once a quarter and note home and owner grounds violations, such as no address number on the house (a City of South Padre violation), garage doors in need of rust removal and paint, cosmetic damages on homes that need repairs/paint, and safety issues typically with electric wiring/boxes corrosion and damage. The work needed is prioritized and Pat Marchan will contact the owners with a high priority repair need first, and then a courtesy letter about addressing medium and low priority action items.
- 8) The Annual Home Owners meeting is Saturday, Oct. 15, 2022 at 10:00 am in the Villas Clubhouse. There will also be a Zoom option to attend. Barbara Hays asked the board members to submit items they would like to address on the agenda.
- 9) The meeting was adjourned and the Board then entered into a closed meeting executive session.
- 10) Executive session minutes – The board met to perform employee performance evaluations. The members evaluated our small staff and agreed to meet with each of the employees to review their performance results.

Barbara Hays
President
Villas HOA Board of Directors