

THE VILLAS OF SOUTH PADRE ISLAND

Homeowners Association Annual Meeting October 15, 2022

CALL TO ORDER

The annual meeting of The Villas of South Padre Homeowners Association (HOA) was called to order at 10:06 a.m. by Barbara Hays, President.

The statement of quorum was given by Pat Marchan, The Villas Property Manager. There were 9 member properties physically present, 3 members present on Zoom, and 7 proxies, for a total of 19. A quorum requires 26 owners; therefore, no votes can be taken at this meeting.

INTRODUCTION OF BOARD OF DIRECTORS

The HOA Board of Directors includes:

Barbara Hays, president – full-time resident, owner since 2014

Gerald Geletzke, vice president – full-time resident, owner since 2016

Ruben Solis, treasurer – rental property, owner since 2016

Dabney Helms, secretary – full time resident, owner since 2020

Juan DeAnda, at-large – rental property, owner since 2020

WELCOME AND STATE OF THE VILLAS

Barbara opened the meeting by welcoming everyone and thanking the members for their attendance, both in person and via Zoom. She also issued a special thank you to Cindy Geletzke for volunteering to take the minutes for this meeting.

There are 51 homes in The Villas. One property has sold since our last annual meeting in November 2021. One home is currently for sale. One home left the rental market, and three homes entered the rental pool, for a total of 15 rental properties in The Villas.

The Villas rolled out their website (thevillasspi.com). A special thank you to owner Chuck Toland for his hard work and the time spent developing this website. He will give an overview later in this meeting.

A significant event was the 10% dues increase implemented July 1, 2022. She explained the need for the dues increase due to the economy and increased costs, particularly as pertaining to security.

FINANCIAL REPORT

Board Member Ruben Solis and Property Manager Pat Marchan reviewed the year-end financial statement, the June 30 balance sheet, the year-to-date financial statement, and the 2022-2023 budget. Details were on a separate handout. These financial handouts are available by contacting Pat Marchan.

It was noted that one (small) clubhouse air conditioner was replaced this year.

We saw a 26% increase (+\$6,000) in Fire, Windstorm, and Flood insurance when it was renewed in July. This was an unexpected increase and impacts the budget as the 10% dues increase included only an estimated 5-8% insurance premium increase. Note that in the financial statement handouts the fire and windstorm policies were rolled into a single line-item Windstorm Insurance in the 2022-2023 fiscal year budget.

A question regarding the cost of the beach access for Las Villas was answered. Las Villas pays The Villas to use our beach gate/boardwalk access. Whenever The Villas dues increase, the Las Villas access fee increases by the same percentage, which was 10% effective July 1.

Our budget for the fiscal year July 1, 2022 – June 30, 2023 is a deficit budget, with a negative ~\$3,000 balance or ~1% in the red. Two routine annual items, palm tree trimming which is done annually in May, and renewal of the line of credit which is renewed annually in June, both occurring during the 2021-2022 fiscal year, were not billed until August so were paid in this fiscal year budget. And the budget includes these items again occurring next summer and billed in this new fiscal year budget. This is a one-time “double-billing” and should not recur in future years. Pat Marchan assured us that this is not a problem and the money is there to pay these items, but that is how it is reflected as a deficit on this fiscal year budget. It was noted that because of higher than expected costs (pool chemicals, insurance, maintenance labor, etc.) the 10% increase in dues does not completely cover the increase in costs, but the rental packet fees should help make it up.

A question was answered regarding who maintains our streets. The streets are our responsibility because we are a gated private community. Any anticipated street repairs will be included in future budgets as needed.

BOARD MEMBER REPORTS

Barbara Hays introduced the other board members with their areas of responsibility as they each gave their committee reports.

Gerry Geletzke, AMENITIES (clubhouse, pool, playground, tennis courts)

The pool was resurfaced two years ago during the Covid lockdown. It should be in good shape for several more years.

Gerry and owner Todd Williams strengthened the beach ramp base so that it is secure during high tides.

Video cameras have been installed in the clubhouse, exercise room, and pool areas due to misuse of these amenities. The video feed is live-streamed to the guard building and we can review footage if there is damage and/or misuse and/or issues. Pat Marchan can then resolve them with the people involved.

A bench was added to the tennis court area. It is on the playground side of the tennis court fence and has been used by players and also by parents watching children on the playground.

Thanks to owners Paula Ward/Tom Seide and the Geletzke’s furniture donations, the clubhouse has some family room couches, rug, lamps, tv, and pictures on the wall.

The Rainbow Play Yard in the playground area has new swing chains and the baby swing was replaced. There was a question about replacing the playground because the wood is getting rough. This will be reviewed by Gerry and Juan to determine what wood maintenance is needed to the play structure as that could be a more economical option.

Owner Luis Campos noted that the hot tub wall and floors are dingy with algae scum. Pat Marchan will purchase some algaecide for the hot tub and will have maintenance clean it.

Gerry also noted that he and Juan DeAnda, Maintenance and Landscaping, work closely together as their areas of responsibility overlap.

Juan DeAnda, MAINTENANCE AND LANDSCAPING

The tennis court has new lights. The original lights were replaced with new fixtures and LED bulbs. The tennis court fencing will need to be replaced soon, but in the meantime, Humberto is making minor repairs.

Maintenance was done to the walkway to the beach gate. Multiple pavers in the sidewalk were lifted and levelled up. Over 15 capstone ledges on the top of the walls were repaired or replaced, and cracks in the wall were sealed.

The storm sewer drains on Bayview and Hacienda were reinforced. The curbing was broken away and the concrete was sinking.

The beach walkway plants that died in the 2021 freeze have been replaced and are thriving.

Juan asked that owners notify board members if they see issues that need to be addressed. He is not yet a full-time resident and appreciates the additional eyes on maintenance. He gave a phone number for that purpose.

Owners asked questions regarding who is responsible for maintenance on the sea wall area. Barbara explained that the HOA is responsible for all border WALLS and the sea retaining wall. The Homeowners are responsible for any border FENCING on the owner's property, and any private beach access walkway from their property.

Dabney Helms, WALK-THRU POLICY AND REPORTS

Dabney explained that she does quarterly walk-throughs of the property to make sure that the outside of homes are in compliance with the requirements of upkeep in our governing documents. Her most important observation was that not all houses have visible house numbers. City of South Padre Island ordinances require that every property have a visible street number on their home. Some of The Villas homes do not have a street number on them, and some have the numbers but not in a contrasting color per the city ordinance. She explained how important this is when emergency services are needed.

Other issues she has noted are homes in need of pressure washing to remove mildew, balconies rusting and/or needing paint, and ornamental ledges and window outer frames in need of repair. She prioritizes the repairs based first on safety and then on the condition of the needed repairs. The list is forwarded to Pat to notify owners that need to bring their homes into compliance.

Barbara Hays, SECURITY AND RENTAL RULES

Barbara noted that our biggest dollar cost increase for fiscal year July 1, 2022 – June 30, 2023 is the security contract (+\$21,000). We had a 23% increase in security. The contract was a bid-basis and our current security company, GD Security, was awarded the bid. Security is 52% of our operating budget, ~\$166,000 of a \$315,000 income.

We do have a new guard in the evening, Yovanna, who is a criminal justice major at UTRGV. Please introduce yourself to her the next time you see her working the gate.

Regarding rentals, wristbands are one of the biggest struggles. The decision was made to push the compliance of not only wristbands but all rental rules issues back onto the rental management companies as our security is not here to manage rental issues. Rental managers must emphasize the wristband policy during on-site check-in and will be called to resolve issues.

To avoid any confusion at the Security Gate regarding which properties are rentals, owner Chuck Toland has agreed to color-code the rental properties on The Villas owner map that is used at the gate.

VILLAS WEBSITE OVERVIEW – Chuck Toland

Texas State Property Code Laws enacted by the state legislature last year require HOAs with contract property management to have a website that includes copies of all recorded governing documents, plus contact information, to allow access to this information for all owners.

The Website is thevillasspi.com

The website is google-searchable with the contact information available to the general public. Access to all other information, including our governing documents, policies, rules, and meeting agendas and minutes, is only available to The Villas owners. Owners must register for access the first time you log in to use the website. The system administrator, owner Todd Williams, will confirm the registrant is an owner and approve the registration. Once registered the owner only needs to log-in to use the website. Chuck and Todd encourage every owner to register and take advantage of this website to stay current with The Villas information.

BEACHFRONT UPDATE

South Padre Island has a period of high tides in late April lasting through early June. During high tide there is very little sand area for beach set-ups, and it is a frustration for owners during the very busy weekends of Mother's Day to Memorial Day. Last May an email was circulated asking what could be done to make sure that The Villas owners would be able to set up chairs and umbrellas along our 600 feet of beachfront without fighting Clayton's traffic, White Sands public beach traffic, and hotel visitors for these spaces. During these high tides there may be only 12 feet of usable sand between the dunes and the surf. In addition, beach-goers were putting charcoal grills right up against our boardwalk wood supports, and setting up beach umbrellas and chairs at the base of the boardwalk, effectively blocking access on/off our boardwalk. The suggestion was even made for The Villas to purchase canopies like at the Bahia Mar and have them set up at 9:00 a.m. to make sure our owners had a place to sit.

Barbara explained that the beach in front of our neighborhood is open to the public. The suggestion to purchase and set up umbrellas every day is too costly (Bahia Mar canopies alone are \$1,865 each) and labor is too high. Instead, a few years ago The Villas gave SPI Umbrella and Chair Rental the right to rent beach set-ups in front of our property. Beach umbrellas must be rented in advance and they will have your umbrella set up before 10:00 a.m., or by 9:00 a.m. if requested. The rental company phone number is on The Villas website.

People were sitting in the dunes because of the lack of beach which harms the vegetation and therefore the dunes. Dunes protect the retaining wall from damage by hindering high tide water from hitting the wall. A year ago, the city said that it would help us with dune restoration. The project is still undergoing revisions requested by the Corp of Engineers. When the project is

approved, we will have sand added to our beach, which helps protect our sea wall. In the interim, City employees put up our beach rope to protect our dunes. The beach rope cost us approximately \$1,000.

For a pier update, Clayton can only work on his pier outside of turtle nesting season, October 1 through March 15. He's on the third year of a 3 year permit. We expect him to begin construction very soon, assuming he can get access to a pile driving barge. Since he must block access under the pier except for an emergency vehicle lane, we expect this will push Clayton beachgoers north instead of towards the Tiki and The Villas.

WINTER MONTHS POOL HEATING

The pool will again be heated this winter during Thanksgiving week, Christmas week and Semana Santa.

In October 2014 the HOA board voted to stop heating the pool during the winter months of November thru April except for the above weeks, plus Spring Break. The decision was based on eliminating the additional \$12,000 cost, and very little use of the pool by owners. In 2018, the Board decided to no longer heat the pool during Spring Break. The cost had risen to ~\$2,000/week in propane alone, and became a very popular party spot for spring breakers.

Barbara, Gerry, and Ruben reported that if the pool were heated all winter, the propane alone would today cost an additional \$15,000-16,000 per year. Adding the other costs of maintaining heaters and systems, chemicals, and electricity to run the propane heater, it would be closer to an additional \$20,000 per year. Less than 5% of members use the pool even year-round on a regular basis, and 21 properties have their own pool. The Board determined it is not feasible to heat the pool all winter.

OPEN DISCUSSION

A question was asked about the availability of mailboxes at the entrance. There are none currently available. The mail boxes are under the authority and management of the Post Office. Pat will check with the mail carrier to see which boxes have been rented but are no longer being used, and also with the Postmaster to inquire about adding another cluster box at the gate.

Owner Frank Montanaro asked if we could install a flag pole at the entrance instead of having the flag mounted on the tree. He also offered to pay for replacement flags as needed. The Board agreed to investigate the costs.

ADJOURNMENT

The meeting was adjourned by President Barbara Hays at 11:46 a.m.

Respectfully Submitted,

Cindy Geletzke