

THE VILLAS OF SOUTH PADRE ISLAND

Homeowners Association Annual Meeting November 4, 2023

CALL TO ORDER

The Villas of South Padre Island Home Owners Association (HOA) 2023 Annual Meeting was called to order by President Barbara Hays at 10:05 a.m. on November 4, 2023.

Barbara introduced the board members – President Barbara Hays, Vice President Gerry Geletzke, Treasurer Ruben Solis, Secretary Dabney Helms, and At-Large member Juan DeAnda. Property Manager Pat Marchan was present on Zoom and was introduced.

WELCOME AND STATE OF THE VILLAS

President Barbara Hays gave a brief “state of The Villas” overview. She reported that there are currently 11 permanent residents. There are 15 rental properties, and the remaining 25 homes are private beach homes. There are currently no homes for sale.

On May 1st there was sticker shock for Villas home owners when we each received our 2023 Cameron County property value appraisals, with the majority of homes rising 150-250% in appraised value. There was some success with individual owners in contesting these appraisals.

All Villas owners were encouraged to register for and use the Villas Website at **thevillasspi.com**. This Website includes all governing documents for the HOA, minutes for all Board meetings and annual meetings; agendas for any upcoming meetings; and announcements that impact all owners, such as holiday pool heating dates, and maintenance issues that impact the use of our amenities. Chuck Toland is the hero and creator of the Website, and Todd Williams is the website administrator. Currently just slightly less than half (23 homes) of our 51 homes are registered.

Secretary Debney Helms read the quorum tally for this meeting. There are 9 homes represented in person, 5 by proxy, and 1 Zoom attendee for a total of 15 voting members. A quorum is 26 so no voting business will occur at this meeting.

FINANCIAL REPORT

Property Manager Pat Marchan and Treasurer Ruben Solis discussed the Financials, including the 2022-2023 fiscal year financial report review and the 2023-2024 fiscal year budget. Overall, The Villas is financially healthy. Inflation has caused increased costs in pool and janitor supplies. Our head of security Eddie Garza had some family health issues earlier in the year that resulted in unbudgeted overtime contract security pay. And phone charges from AT&T are very high and we will be converting over to Spectrum phone and internet at the security gate that should cut our \$4,600 phone costs in half. Also, the main clubhouse air conditioner failed and had to be replaced in September. This was a \$2,700 repair that is not included in the 2023-2024 fiscal year budget.

There was a question on street maintenance. Street costs are under the general maintenance heading in Repairs and Maintenance in the budget. For the July 1, 2022 – June 30, 2023 fiscal

year we were over budget by \$3,000 in the general maintenance category. This was costs for emergency street repairs and fence repairs. Two storm sewer drains on Bayview had collapsed in and were repaired, replaced a fence by the tennis court that was ruined in the Mother's Day high winds storm, and to repair the front entry gate. Pat did indicate that in 2017 The Villas did a special assessment of \$1,000/owner for street repairs, and the streets are again approaching a need for more major maintenance. The Board will assess the street conditions before making any further repair recommendations.

There are two street lights out on Beach Drive. Eddie is checking weekly with AEP on the status of the repairs. A work order has been issued, and the underground lines have been marked, but AEP still must come out to replace a wire that runs between the two lights before they will be working. The lighting repair is an AEP cost.

We collected \$9,900 in late fees last year. This year there is still \$6,600 in late fees outstanding. Barbara Hays indicated this was not really a desired way to increase available income for The Villas, and encouraged all owners to pay quarterly dues in a timely manner.

A question was asked about the status of the City beach replenishment for the dunes on the beachfront of The Villas. Todd Williams said that we are still included in the City beach renourishment plan but the sand will not be available until the Wind and Water Park project north of The Shores receives final approval from the General Land Office to allow the city to move forward. Included in the project is installing a sidewalk from The Shores to the Wind and Water Park, and the sand removed to build the sidewalk will be relocated to the dune areas between the Tiki and Bahia Mar.

COMMITTEE REPORTS

Gerry Geletzke, AMENITIES (clubhouse, pool, tennis court and playground)

There is some overlap between Amenities and Maintenance and Landscaping in which case Gerry and Juan work together. Gerry gave a quick overview of the past 5-year maintenance history:

In 2019 the Clubhouse, pumphouse, and security building were all re-roofed. In addition, the pool heater was replaced. As such, these are all now in good condition.

In 2020 at the beginning of COVID, when the pool was closed by county COVID ordinance, the pool and hot tub were resurfaced. Hurricane Hanna and Hurricane Laura caused extensive damage to the beach boardwalk and the end of the boardwalk at the sand was upgraded during the repairs.

In 2021 the lights in the pool were converted from 12 volt to 120 volt, which means that replacement bulbs are readily available and less costly. Repairs were made to the beach access gate due to vandalism during Semana Santa. The plants along the beach walkway inside the property were destroyed in the freeze and were replaced. And we began slowly replacing worn cushions and tables as needed with the pool furniture.

In 2022, the tennis court lights were replaced. This included the light fixtures and new LED lighting. The small AC unit at the clubhouse was replaced, the heating element for the hot tub heater was also replaced. A flagpole was installed at the main gate and owner Frank Montanaro has volunteered to replace the flag at his cost whenever the U.S flag becomes tattered. Also, at the front gate both the entry and exit gates had welding repairs to the slide mechanisms.

It was noted that owners that want personal access to the gate can either purchase a gate opener through Pat Marchan at a cost of \$40 per opener, and/or can request an individual 4-digit access code that can be inputted at the drive-in gate keypad for entry when the security guard on duty is making rounds.

In 2023 Pat has been handling the playground repairs, replacing worn and rusted parts, sanding and staining the wooden structure, and replacing the tarp that was destroyed during the Mother's Day high winds storm. In the clubhouse the garbage disposal was removed and the leaking pipe underneath was replaced, and electrical repairs were made in the clubhouse. And the tennis court net was replaced.

Near-future maintenance plans include resurfacing the tennis court and including pickleball striping with the resurface project; and major repairs to the tennis court fencing and the entire back fence of the tennis court-playground area. It was suggested that when the back fence is replaced it be raised to a 10-12-foot-high fence to prevent people from jumping the fencing and using the tennis court. There have also been skateboarders and soccer players using the tennis court surface for skating and the tennis court net as a soccer net. It was recommended that an additional security camera be installed in the playground/tennis court area so that security can continually monitor this area in addition to the cameras at the pool and inside the clubhouse.

Juan DeAnda, MAINTENANCE AND LANDSCAPING

TK Lawns has The Villas landscaping contract. They offer a very reasonable cost not just for the community property but are also the lowest cost for weekly owner yard mows. In September, TK Lawn Service did an assessment of the community property sprinkler system and repaired damaged heads and malfunctioning valves.

Unexpected storm sewer drain repairs caused the general maintenance to be over budget. Pat and Juan recently did a walk-thru and assessment of the street conditions in The Villas and have determined that cracks and breaks in the concrete need attention. It is difficult to get a quote for street repairs more than about a month in advance of the work. The Board will determine the timing and a budget to proceed with road repairs in the future. The streets in The Villas are private roads and thus the HOA is responsible for all repairs.

Dabney Helms, WALK-THRU POLICY, AND REPORTS

Dabney walks the neighborhood every 3-4 months, looking at the outside condition of homes and community buildings for any that need attention, to maintain the overall appearance of the neighborhood. A list is given to Pat, and he contacts any owner that needs to make immediate repairs to the home (painting, rotten wood, missing fence parts, electrical wire/lighting repairs, etc.). An ongoing problem is rust on garage doors, especially when paint is simply applied over the rust without being cleaned off and primed, and then the rust comes back quickly. Another problem is houses without easily visible house numbers. There is a state law and city ordinance that says there must be visible house numbers on every building for emergency services. Pat will send an email to those owners that are either missing a house number or the numbers are the same color as the paint and thus do not meet the contrast requirement in the law. Owners that are out of compliance can be fined by the City of South Padre.

Barbara Hays, SECURITY

Contract security for The Villas is provided by GD Security. Effective July 1, 2023 there was a \$1.00/hr wage increase for contract security, taking the hourly price for 128 hours a week of security to \$18/hr. Pat was successful in negotiating down from the original increase request. Our security contract is much lower than the \$21-\$22/hr cost from the other two local security guard companies. There have been no issues with security and we have good, stable security.

TENNIS COURT RESURFACING PLAN

The tennis court is past due to be resurfaced. It has been difficult to find a local contractor for tennis courts. Pat got the names of 2 contractors in the McAllen area that the City of South Padre is using to install the new pickleball courts on the south end of the island and will ask them to quote on resurfacing the tennis court and including pickleball striping to make it a multi-use court. Gerry said that the reserve study estimated a \$14,000 cost, which was projected seven years ago. The contact at the City told us it was costing \$15,000 to surface one pickleball court. Our tennis court is larger than a pickleball court and will need surface crack repairs before a new court colored surface can be installed.

PLAYGROUND REPAIRS

Pat has been working on the playground repairs including issues that were mentioned at last year's meeting. Parts have been on backorder with Rainbow Systems, and are expected to be in stock soon. A new canvas tri-color tarp should arrive after Thanksgiving. The wooden structure has been leveled, stained, and needed wood replaced. Humberto will install the new metal parts and replacement play pieces with Pat's help.

CCRs/GOVERNING DOCUMENTS PROPOSED AMENDMENTS

Some Texas property code laws that govern property owner associations were modified during the 2021 Texas legislative session. As a result of these new laws, The Villas governing documents must be amended to be in compliance with current state law. Because the proposed amendments are part of either the Covenants, Conditions and Restrictions (CCRs) or the By-Laws, they do still require a vote of the owners to officially amend our governing documents. The proposed amendments, with a detailed explanation of the changes, will be mailed out to all owners in early spring 2024. The CCR amendments require 34 yes votes (67% of 51) to be adopted, and the By-law amendment requires 26 yes votes (51%). Regardless of the outcome of the vote to amend our governing documents, The Villas must abide by the state property code. It was noted that The Villas website (thevillasspi.com) that was set up in 2021 was also mandated by amendments to the state property code in that same legislative session.

POOL HEATING DATES FOR WINTER MONTHS

The pool will be heated Nov. 18—Nov. 26 for the Thanksgiving holiday, and will be heated again Dec. 21—Jan 1 for the Christmas holiday.

Gerry Geletzke explained pool heater limitations. A propane heater can only heat an outdoor pool to a maximum of 25 degrees above the ambient (outside) temperature. Therefore, if the

outside temperature drops below 58-60 degrees for an extended period the heater will be turned off as the pool will not be able to maintain a comfortable warm temperature for use. Electric heaters are not any more efficient, and solar heat is not an option as it only heats 8-10 degrees above ambient.

QUESTIONS AND COMMENTS

John Garza asked if our property tax monies stay here on the island. Property taxes go to the taxing entities, which include school districts, Texas Southmost college district, Laguna Madre water district, the City of South Padre, and Cameron County. And while the Point Isabel (Port Isabel) Consolidated School District is the largest dollar amount on each tax bill, because of the high property tax appraised value the district sends \$28 million of this collected property tax money back to the state under the Robin Hood Plan.

Gerry Geletzke thanked President Barbara Hays for all the work that she does on our behalf.

ADJOURNMENT

The meeting was adjourned by Barbara Hays at 11:47 a.m.

Respectfully Submitted,

Cindy Geletzke