

**THE VILLAS OF SOUTH PADRE HOMEOWNERS ASSOCIATION**  
**May 21, 2025 Board of Directors Meeting**

The Board of Directors of The Villas of South Padre Homeowners Association (HOA) met on May 21, 2025. In attendance were Directors Barbara Hays, Gerald Geletzke, Juan DeAnda, Dabney Helms, Ruben Solis, and property manager Pat Marchan.

- 1) Pat Marchan reviewed the year-to-date fiscal year financials (July 1, 2024 – April 30, 2025). We are significantly over budget because of unexpected maintenance costs and less than expected income. Both the front entry and front exit gates had to be replaced at a cost of almost \$12,000. The gate motors and controllers were compromised in 2 different flooding rainstorms resulting in total replacement for each gate. In addition, the hot tub heater failed and a new heater was purchased and installed. July 1, 2024 the rental packet rates were increased to generate additional income to help offset the real costs of security and rental packets, but rentals were down to less than 70% of previous years and thus the income estimates were below budget for this fiscal year.
- 2) The HOA has a \$75,000 line of credit at our local bank that can be renewed annually. This credit would only be accessed in the event of a disaster that required immediate access to funds to begin repairs. The line of credit is up for renewal July 1. Dabney Helms moved that we give Board President Barbara Hays the authority to renew the line of credit again this year and was seconded by Gerry Geletzke. The motion passed 5-0.
- 3) Barbara Hays discussed the security contract. We have a 2-year contract with GD Security that is in effect through June 2026. There will be no increase in the hourly rate this coming fiscal year.
- 4) Pat notified us that the annual palm tree trimming will begin the first week of June. KC Landscaping will be the contractor. They do have all the written liability insurance documentation. Owners will be getting an e-mail regarding the tree trimming. Any owner that opts out of this palm tree trimming must make other arrangements and have their trees trimmed by late June or KC Landscaping will be called back in to trim those trees at a single home per tree price instead of the group price of \$37.50 per tree.
- 5) The HOA property insurance is up for renewal in July including (community) property, liability, windstorm, and flood. Based on insurance renewal costs for other properties that are managed by Patrick Marchan Investments, Pat is not expecting any significant increase in insurance costs.
- 6) The Board set the date for the Annual Homeowners meeting. It will be held on Saturday, November 8, 2025, at 10:00 a.m. The meeting will be held in the clubhouse, with a Zoom option.
- 7) The Board discussed the July 1, 2025 – June 30, 2026 fiscal year budget. In light of the maintenance expenses that resulted in cashing in a \$30,000 CD to cover the unexpected maintenance costs, and significantly depleting our reserve funds, plus the overall reduction in rentals (and rental packet income) both here in The Villas and across the island, the Board elected to implement a dues increase. Gerry Geletzke made a motion, seconded by Ruben Solis, to increase the dues by 10% effective July 1, 2025. The motion passed 5-0. Barbara Hays will write a letter to the owners about the dues increase, to be e-mailed out before May 31, 2025.

- 8) Barbara Hays reviewed the new City of South Padre short term rental ordinances. The city now requires all rental property to have the Rental Manager name on a sign on each property. The city will allow an HOA with governing documents that do not allow such signs to opt out of this requirement. The Villas has chosen to opt out and have notified rental companies that no signs are allowed on our rental properties. There are other new requirements for short-term rentals that require the rental management/manager to provide, including but not limited to, functioning smoke detectors in each room, and posting specific information inside the property regarding parking requirements, city minimum standards of conduct, and the noise ordinance specific to the property. Failure to comply can result in a citation, fines, or even revoking a short-term rental license,
- 9) There has been some confusion with security about the street parking rules for owners (renters are not allowed to park in the street). The governing documents are ambiguous and the CCRs do not address what time owner cars must be moved off the streets. The Board has agreed to monitor street and contactor parking for the next couple of months and develop a written policy to clarify street parking.
- 10) When the Rules for Renters Policy was amended in 2016 to include a Rental Packet fee, the HOA management contract did not include managing rentals and rental packets. An agreement was made to pay the Villas property manager an administration fee of 25% (on a \$25 rental packet fee) to cover the administration issues not just with rental packets but resolving rental issues and ensuring that all rental properties are in compliance with the city short term rental requirements and The Villas Rules for Renters Policy. With the significant increase in rental packet fees July 1, 2024 to \$150, the Board renegotiated a flat administration fee of \$22.50 per rental packet, instead of the admin fee based on a percentage of the rental packet fee.
- 11) The Board then went into Executive Session to discuss performance evaluations and the meeting was then adjourned.

Respectfully,

Dabney Helms  
HOA Board Secretary