

BAY HOUSE CONDOMINIUMS COUNCIL OF CO-OWNERS

BOARD MEETING MINUTES Navigation District Education Center April 9, 2022

President Carol Anderson requested a motion be made to bring the meeting to order at 1:00 p.m. Said motion was made by Howard, seconded by Dorothy, vote was taken and passed unanimously. Roll was called and a quorum was present.

Directors Present: Carol Anderson, Lizz Salmon (Zoom), Dorothy Rhoades, Howard Stridde, Gail McClanahan, Bonnie Gilson (Zoom), Shaun Blackmon, Lawson McDowell

Directors Absent: Terry Hect (Shaun has his proxy)

Managers: Ed Naranjo, Pam Garrett

Guest: Bill and Diane Tasto (1603), Stephen and Leslie Springer (2602)

Minutes

The minutes for January were presented for review and approval. A motion was made by Carol to accept the minutes as written, seconded by seconded by Dorothy, vote was taken and passed unanimously.

Agenda

The agenda for April 9, 2022 was reviewed and there were no new additions.

Guests

Stephen and Leslie Springer requested they be able to install a charging station in front of their condo for their Tesla (electric car). They also suggested that the HOA put in a public one which would bring in revenue. After their presentation was completed, a question and answer period followed. Shaun stated that this is something that will have to be approved by the owners and that the Board would review and discuss their request.

Bill and Diane Tasto requested they be able to replace a gate between #1602 and #1603 that was installed around 2005 and was destroyed by the hurricane. It will be the same size and materials as the gate going to the bulkhead. It will be at their expense. Shaun stated this needs to be sent to the ownership for vote and felt it shouldn't be an issue. This vote will be sent out via email.

Treasurer's Report

Treasurer Lawson McDowell began the financial report by introducing the finance team and thanking them for their ongoing support and direction. Committee members include Gail McClanahan, Noel Byrne, Shaun Blackmon, Lynn Renaud, and Pam Garrett.

Lawson reviewed the account balances and explained budget overruns. Bay House's cash position remains tight, stemming from deck project overruns, but we are not in serious trouble at this time. Cash balances will continue to tighten in the months ahead.

The budgeting process for FY 22-23 is beginning against a background of high inflation, cost increases for water and building maintenance, and uncertainty about a possible increase in monthly dues. A budget workshop was scheduled for May 12, 2022 for Directors to discuss budgeting details.

Office modernization is continuing. In March, single signature authorization for payments was introduced as previously approved by a Board vote and is working well. Lawson made a motion that the temporary policy governing payments be made permanent, seconded by Dorothy, vote was taken and passed unanimously. The policy is attached hereto and made a part hereof.

A motion was made by Dorothy to remove Lizz Salmon and Lynn Renaud from all Bay House bank accounts and to add Shaun Blackmon, seconded by Carol, vote was taken and passes unanimously.

A motion was made by Howard to approve the Treasurer's report and financial statements as presented, seconded by Carol, vote was taken and passed unanimously.

A budget workshop was set up for May 12, 2022 at 10:00 a.m. to discuss the upcoming 2022 – 2023 budget.

Manager's Report

Ed reported that replacement of the rotten siding, 22 units have been completed out of 29. There are 35 owner flower beds that still need to be dug out for the landscape project. Ed stated that he walked around the complex and reported that we only have one person who has not complied with replacing his outside closet door. The same person has also not complied with repair/replacement of his awning. He also noted some other units that were not in compliance with certain items. Ed stated that we have been using the new work order form and explained one of the requests regarding a short gutter that was installed. It will have to be rebuilt by the gutter company. Shaun suggested that Ed take a walk around the complex to see if there are any other gutter problems then we'll see about getting a bid. Shaun stated that they would talk about who should pay for the gutters in Executive session. Shaun stated that Ed has one applicant for the job opening vacated by Julio. Ed will be calling references on Monday and do a background check.

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Harvey Recovery Update

Lawson reported that we have finished reconstruction on all units. There are a couple of small things still to be taken care of. #2506 still has to come and do their final walk through. On April 20, 2022, Russell Kelly (Showcase Window rep.) will be coming down to redo the flashing on the door that was just installed in #2004. We still have not received the screens and we are holding money in the account for that reason. Carol has a list of the units that still need screens.

Landscape

Bonnie reported on accomplishments to date: Owner vote approving landscape plan; signed contract with Maldonado; electric and water companies have given approval for digging; irrigation plan.

Bonnie went over the budget for this project: Monies from the Loss Assessment, including contingency funds voted on by owners, and money from the Hurricane Harvey account brings the total amount of funds to \$297,144. The contract amount with Maldonado is \$281,370.98 with a contingency of \$15,773.02 (including uncovered items such as dumpsters/haul off, possible additional labor to excavate remaining owner beds, and other desired options.

Bonnie presented the proposed irrigation plan. Plans going forward: (1) Maldonado has submitted a “no-show” report against Spectrum. If they are not here in a couple of days, they will have a report against them. This must be done before any digging can occur. (2) Determine where the excavated dirt and the Conex will go. (3) Develop change orders for items paid by owners: those who want Maldonado to do their owner beds; possible beds behind 2400-2500; bulk purchases of palms that owners want. (4) Install site wide irrigation system according to proposed plan (includes excavation of beds). (5) Planting plus change orders. (6) Develop maintenance plan/contract.

Not in this project’s scope: Front walkways of condos; property on opposite side of parking lot (1500 – 1900); current large grassy areas.

A discussion was held regarding golf carts, including maintenance, not be allowed on the new grass.

A question and answer period followed.

Deck Committee Update

The only thing left to do is refund the owners that were overcharged and invoice the owners that were undercharged.

Rental Committee Update

Shaun stated that we need to do an email all owners reinforcing certain rules with summer coming up: Picking up after pets; quiet time; boat trailers; lights; pool usage/rules; washing cars/boats. We also need to remind people that they cannot do any changes to the exterior of their unit, including decks, without the permission of the Board.

Old Business

Canoe Lake Piers: Water and electricity have been completed.

Swimming Pools: Ed reported that we are servicing the pools and Crystal Clear is only checking the chemicals and equipment.

Braden (#1801) Repair Update: Shaun explained about a water leak they had in their unit for supposedly more than a year. There was a water leak in their window, which is the responsibility of the homeowner, and there were a few minor issues with the roof. Without notifying the Board, they hired a contractor and started tearing things out. Now they want reimbursement from the HOA. We have been negotiating with the Bradens. This will be discussed in Executive session.

Herman (#1704) Repair Update: They may be ready to start repairing the damage caused by leaks. She will give us a bill then the Board will decide what we are liable for.

New Business

Pool Furniture: An owner who is in the apartment business had one of their vendors do a proposal for new pool furniture. Lawson said we do not have the money. Shaun suggested that the subject be discussed during the budget workshop if the Board feels we need new furniture.

Parking “Tags” for cars, boats and guests: Gail presented her idea of tags for vehicles. Owners would get 2 stickers for their cars, 1 for their boat trailer and 1 for their golf cart (multiple owners of one unit will get more). The stickers will be assigned to the owner. For renters, Gail believes that a form will suffice and to put it on their dashboard. Everyone agreed that it was a great idea. A lengthy discussion was held. Gail to get an estimate.

Propane Fire Pits: Shaun stated he called the City of Rockport regarding “open flame” and they stated that there are no codes for open flame or distinguishing between propane and charcoal. They did say fire pits are only supposed to be 36” in diameter maximum. The State of Texas does not have any codes regarding the open flame. Shaun also spoke to an insurance agent who stated that some companies may have a clause that prohibits open flame but can change from year to year. Discussion was held whether we should change the rules and regulations and propane v. charcoal. Shaun to call our insurance agent to find out what our policy says.

Consolidated Governing Documents: Dorothy wants to publish the Consolidated Governing Documents. The Board agreed to have it published on the website.

Lights on 1801 – 1802: Discussion was held regarding the exterior front door lights that were not the same as the ones installed after the hurricane. 120 lights were ordered for 118 units. There is one left at the shop that is not complete. Shaun stated that we buy 2 more, have them installed and bill the 2 owners. Shaun also stated that Ed should package up all of the light fixtures that don’t work and send them back to the vendor as they should still be under warranty.

Marking tennis courts for pickle ball: Bonnie stated that Pickle Ball has gotten big around Rockport. By striping the tennis court, not only for tennis but Pickle Ball too, the court would be used a lot more. Bonnie stated that the paint would only cost \$50 and she can show Ed where to paint the lines. Shaun stated we also need a new net. The resurfacing/ type of net of the court will be discussed at the budget workshop in May.

Motions approved via e-mail: Pam presented motions that were approved via email/Zoom/ text/ Executive sessions. The list of the motions are attached hereto and made a part hereof. Lizz made a motion to approve and accept the attached motions, seconded by Bonnie, vote was taken and approved unanimously.

Privacy fence 1601: Howard presented his request for the privacy fence to be re-built between 1506 and 1601. The configuration between 1506 and 1601 (end units) is totally different than all of the other end units. The buildings are only 10' apart and that area really can't be used for ingress/egress to the piers as people would have to go through #1506 deck to get there. Discussion was held regarding the placement, type of fence and other issues. After the lengthy discussion, it was decided that Howard can erect a 5' lattice fence with gates (not to be locked) starting at the end of the slabs and that this is a work order situation.

Harvey McBee proposal: Lawson stated that Harvey McBee has submitted a proposal to do an audit on the hurricane certificates. Harvey wants to do it in 3 phases: 1st phase is to compile a list of all the WPI certificates to see if they are defective, to find what we are missing to make sure our property is properly covered; Phase 2 is to compile available building material and installation information required to verify compliance, etc.; Phase 3 is for certificate compilation and index, including support to Bay House with TWIA as required to facilitate approval of updated windstorm documentation. It was decided to discuss this during the budget workshop to include in the budget for FY2022-2023.

Insurance: Shaun stated an owner has put him in touch with a commercial insurance agent who is interested in making a proposal for our insurance in the future. Higginbotham has not provided the information the new agent is asking for, which they are supposed to by law. Shaun suggested options that the Board could do regarding Higginbotham. Shaun retold the conversation he had with the agent. It was decided that the Board needs to form an insurance committee. Shaun has already informed Ryan Renfro that he will be on the committee. Lizz said she would be on the committee as an advisor.

Meeting dates for 6/9/22 and 8/11/22: Pam requested that the next 2 meeting dates be changed to give us more time to prepare financials, etc. for the meetings. It was agreed to Saturday, June 11, 2022 and Saturday, August 13, 2022.

There being no further business, a motion to adjourn was made by Carol, seconded by Dorothy, vote was taken and passed unanimously. An Executive Meeting was then called.

Respectfully submitted,

Pam Garrett
Secretary

Bay House Condominiums
PAYMENT POLICY
Approved by Board Vote April 9, 2022

The overall direction of Bay House Condominiums is to reduce the number of manually written checks through increased use of electronic transactions, primarily ACH origin transfers and electronic checks. The following approval guidelines will govern all payments from Bay House accounts:

1. All payments must be documented and files maintained either physically or digitally in compliance with the Bay House Records Retention Policy.
2. Single signer payments, by either written or electronic signature, are approved for (a) checks, (b) ACH origin transactions, and (c) Business Bill Pay checks. Dual signature payments are not required at Bay House Condominiums.
3. Payees are classified according to payment approval needed as follows:
 - a. Pre-approved payees can be paid by single signature payment without further approval not exceeding the listed limit.
 - b. Properly documented expenses, including payroll payments not exceeding \$1,500.00, are authorized for single signature payments without further approval.
 - c. Properly documented expenses between \$1,501 and \$5,000.00 require digital or written approval by one officer for payment
 - d. Properly documented expenses exceeding \$5,000.00 require digital or written approval by two officers for payment.
4. The Treasurer, and others assigned, are responsible for ensuring compliance with this payment policy.
5. This policy may be updated from time to time as directed and approved by the Bay House President and Vice President.

Payees Pre-Approved for One-Signer Payment

<u>PAYEE</u>	<u>MAXIMUM PRE-APPROVED PAYMENT</u>
Tropical Lawns & Landscapes -	\$ 2,400.00 monthly
ABC Pest Extermination	\$ 400.00 monthly
Higginbotham Insurance	\$ 150,000.00 monthly
Wright Flood Insurance	\$ 9,000.00 monthly
City of Rockport	\$ 8,000.00 monthly
Crystal Clear Pools	\$ 700.00 monthly
Nueces Electric Coop	\$ 1,500.00 monthly
Spectrum	\$ 5,000.00 monthly
Harbor Oaks Property Owners' Association	\$ 1,700.00 quarterly
All other properly documented payments	\$ 1,500.00 as needed

BAY HOUSE COUNCIL OF CO-OWNERS

MOTIONS MADE VIA E-MAIL, TEXT, ZOOM, EXECUTIVE SESSIONS

As of 4/9/22

- 1/4/21 Motion made by Terry for Shaun to identify and hire a civil engineer to assess decks for every building including any issues around drainage/irrigation/settling for each building. A Board approval will be required if the estimated cost exceeds \$15,000. Seconded by Shaun, vote was taken and passed unanimously.
- 1/6/21 Motion made by Terry to hire Sigwald for roof HVAC and electrical repairs, seconded by Shaun, vote was taken and passed with 5 votes.
- 1/6/21 Carol made a motion to get a price from Guy to change the lattice to picket railing and see if we can remove the horizontal pieces of the lattice and not have to replace the balcony railings, seconded by Shaun, vote was taken and passed with 7 votes yes and 2 votes no.
- 1/6/21 Shaun made a motion to accept the bid from Tropical Lawn and Landscape to fertilize the entire complex with Scott's Weed & Feed in the amount of \$1,876.00, seconded by Carol, vote was taken and passed unanimously.
- 1/19/21 Shaun made a motion that the BOD/HOA will no longer allow any patios to be fenced; the 2 patios that are fenced in the 2700 building will be grandfathered/exempt until such time as the unit sells, at which time the fencings will be removed by the HOA at HOA expense; if a situation destroys the existing fence, it cannot be rebuilt; patios may not be covered in artificial turf; animal excrement that causes or becomes a nuisance to neighbors, will be reported to the HOA office and forwarded to the BOD for action. Seconded by Terry, vote was taken and passed with 5 votes yes and 1 vote no.
- 2/2/21 Motion was made by Carol and seconded by Becky for Lawson to proceed with repairs to all three pools and work will start shortly, vote was taken and passed unanimously.
- 2/2/21 Motion made by Lawson and seconded by Dorothy for Becky to proceed with signage and front entrance up to \$10,000, vote was taken and passed unanimously.
- 2/2/21 Motion was made by Shaun and seconded by Dorothy that upstairs units do not have to get permission from downstairs owners to extend their balconies, vote was taken and passed unanimously.
- 2/3/21 Motion was made by Becky to post the Q & A on the website, seconded by Shaun, vote was taken and passed unanimously.
- 2/5/21 A request from Lynn Renaud (1706) and Lizz (2709) for the Board's approval to plant a pigmy palm, Bird of Paradise or hibiscus in their flower bed at their own cost. Vote was taken and both requests approved.

- 3/12/21 Motion was made by Carol to accept the bid of \$4,500 plus permit and letters, for signage and front entrance sign, seconded by Lawson, vote was taken and passed unanimously.
- 3/18/21 Motion was made by Carol to accept the first assessment for storm damage which includes expenses for items to be assessed, seconded by Lawson, vote taken and passed with 5 votes yes, 1 abstain and 1 no vote.
- 4/10/21 Request made by Shaun to extend his patio was approved with 5 yes votes.
- 5/22/21 Motion was made by Shaun to accept the new budget for FY 2021-2022, increasing the landscaping to \$5,000, seconded by Terry, vote was taken and passed unanimously.
- 9/30/21 Motion made by Dorothy to deny request from #2401 to “grandfather” oversized deck, seconded by Lizz, vote was taken and passed with 6 yes vote.
- 10/15/21 Motion made by Bonnie to rebuild connected deck between 1506 and 1601 as previously configured and to include access by #274 to assigned pier/dock, seconded by Lizz, vote was taken and passed with 5 votes, 1 no vote, 2 abstaining.
- 10/15/21 Motion made by Shaun to approve appeal of #2401 to restore deck to existing footprint 11’4” from side of building, seconded by Lizz, vote was taken and passed unanimously.
- 10/23/21 Motion made by Shaun to rescind the access provision of 10/15/21 motion to allow #2704 access to assigned pier via 1506/1601 deck, seconded by ?, vote was taken and passed with majority vote.
- 12/16/21 Motion made by Shaun to accept the bid of Juan Abrego Construction to replace flat roof on building 1700 with work to begin early January 2022, seconded by ?, vote was taken and passed with 8 yes votes and 1 abstention.
- 12/16/21 Motion made by Shaun to authorize BOD President Carol Anderson to seek an amendment to the bulkhead promissory note of 2019 to secure better terms, seconded by ?, vote and was taken and passed unanimously.
- 1/29/22 Election to fill BOD President position incidental to Carol Anderson resigning as President. Shaun elected President and Carol as Vice President
- 1/31/22 Motion made by Dorothy to deny the request of renters for extended parking privileges during the slow season, seconded by ?, vote was taken and passed unanimously.
- 2/22/22 Motion made by Carol to reimburse 2503 owner for reconstruction expenses, seconded by ?, vote was taken and passed by majority vote.
- 3/2/22 Motion made by Lizz to replace chronic roof leak above 2513, 2514, 2505, 2506 for estimated cost of \$9,800 plus TDI certification, work to be performed by Juan Abrego of Kai Construction, seconded by Dorothy, vote taken and passed by majority vote.

3/8/22 Motion was made by Terry to accept Coastal Bend Stucco bid to repair stucco at 1501, 1702, 1904, and 1908, seconded by Carol, vote was taken and passed unanimously.

3/9/22 Motion made by Lawson to convert bank payments to single-signer authority and revised payment policies as part of office modernization efforts, seconded by Carol, vote was taken and passed by majority vote. Motion authorized a temporary policy pending further approval.

3/26/22 Motion made by Gail, to approve lattice modification for a gate between 1602 and 1603 requested by Rick Glassett. Drawings accompanied request. Discussion will be held at April 9, 2022 meeting.