

**BAY HOUSE CONDOMINIUMS COUNCIL OF CO-OWNERS
ANNUAL MEETING MINUTES
SATURDAY, SEPTEMBER 24, 2022**

The annual meeting was held at Drifter's Resort in Rockport on Saturday, September 24, 2022.

Board President Shaun Blackmon established that there was a quorum and a motion was made to call the meeting to order by Lizz Salmon, seconded by Dorothy Rhoades, vote was taken and passed unanimously.

Directors Present: Shaun Blackmon, Carol Anderson, Lizz Salmon, Gail McClanahan, Bonnie Gilson, Howard Stridde, Terry Hect, Dorothy Rhoades, Troy Bolton

Managers Present: Ed Naranjo, Pam Garrett

Shaun opened the meeting by introducing the Board and welcoming 12 new owners.

In addition, we lost 2 of our owners that passed: Henry Decuir - #2711, and John Horan - #2506.

Minutes

The minutes for the Annual meeting held on September 25, 2021 were presented for review. A motion was made by Terry to accept the minutes as written, seconded by Lizz, a vote was taken and passed unanimously.

Financial Report

Troy presented went through budget items that we were over for the year 2021 – 2022 according to the audit. He went through the items for the new 2022 - 2023 budget that were raised and the reason for the increases. Troy stated that the HOA fee is currently \$375 per month and if we continue down this path, we are going to be in the red around \$37,000 - \$38,000. If we increase it by \$25 per month, we will be slightly in the red if we stick to the budget. Shaun explained that the Financial Committee brought to the Board three scenarios concerning the fee staying the same versus an increase of \$25 or \$50 per month. The Board decided to go with the \$25 increase. The increase will go into effect January 1, 2023. Troy stated that he has arranged a payment portal for our website. A question and answer period followed.

Election of new 2022 – 2023 BOD members

The people running for the Board this year are: Nancy Key (#1501), Rebecca Speller (#1704), Kristy Keach (#1808), Bob Wills (#1902), and David Donald (#2708). Each one spoke on their own behalf with the exception of Nancy Key, and David Donald who were not able to attend. Becky VanderVort (#1702) spoke for Nancy on her behalf.

Landscape

Dorothy introduced the landscape committee. She and Bonnie were co-chairs and Bonnie will be the chair from now on as Dorothy is leaving the Board. Dorothy introduced Nick Gage, head of construction for Maldonado. Dorothy stated the original goals of the committee, including replacing all plants, an irrigation/drip system and drainage. She went through the working criteria to accomplish their goals. They decided to go with coastal plants that are native and can withstand the freezes, compared to tropical plants. Dorothy then went through the history of the landscape committee since 2019. In March, 2022, Maldonado was given the contract to do the landscaping. We have executed a 90 day maintenance contract with Maldonado to begin in October. The installation of the landscape was completed today. Dorothy then went through the budget for landscaping project. She then did a recap of the scope of work of everything that was done and items that were not included in the scope. The overall project was \$318,500. Dorothy then spoke about the plant-a-palm program in which owners donated money to replace some of the palm trees that were destroyed. Because of the people who donated, along with Maldonado, we were able to replace 17 palms. Two owners also want to donate 3 citrus trees. She then went through the substitution of plants from the original plan because they were not able to obtain them. The Landscape Standards have been approved and adopted by the Board. They have been incorporated into the Rules, Regulations, and Policies as Exhibit 4. The list of approved plants are on the website. Dorothy presented a proposed maintenance schedule provided by Maldonado. A question and answer period followed.

Manager's Report

Ed stated that now all of the construction and major projects are done, maintenance can get back to doing the work orders and other items that they were not able to do. Work order forms are available on the website. He also explained about the problems with hiring and keeping workers. A question and answer period followed.

Controlled Access Front Gate

Shaun reported that the Board received a bid from D&C Fence in Corus Christi for approximately \$80,000 to install electric gates at the front entrance. It will consist of a double gate to enter and a double gate to exit. The entrance gate will be closer to the complex and the exit gate will be closer to Broadway. Owners will have cards or decals that will be read when they enter and there will be a sensor when exiting. There will be a keypad to access the property. Each owner would have an app on their phone to access the gate and change gate codes for their renters and guests. The \$80,000 also includes a battery option in case of a power outage. The reason for these gates is to prevent unauthorized people from using our pools, dumpsters, and vandalism. Shaun stated that during business hours during the week, the gates would be open since Ed is on the property. To pay for this project, we would use a settlement of approximately \$42,500 that was awarded to us and the balance to be paid out of the Capital Reserve fund. A question and answer period followed,

Accelerated Pay Off of Bulkhead Note

Shaun reported that the bulkhead note at American Bank is scheduled to become due on or about 11/28/2029, incurring a one-time assessment of approximately \$4,010 per unit, payable by that time. Shaun stated that \$93 of the \$125 monthly reserve goes to the note payment of \$11,016 per month. He presented a schedule of the pay-offs with an additional \$100 per month per unit or \$200 per month per unit. The \$100 per month will accelerate the payoff to approximately 56 months (approximately a savings of \$186,000 in interest). An additional \$200 per month will accelerate the payoff to approximately 35 months (approximately a savings of \$244,000 in

interest). At the time the note is paid off, the \$93 per unit from the monthly dues will be deposited in our General Reserve fund which will grow it by \$132,000 per year. These numbers are approximate based on the amortization schedule used after the July 28, 2022 payment. A question and answer period followed.

Rental Issues / Rules

Troy reported that more people are renting their units. Most of the rentals are in the summer. According to his research, we are looking at 104 people who are non-owners on a daily basis. He looked at other vacation areas that have a registration fee for non-owners. No decisions will be made today. This discussion will be used by the new Board and Rental Committee. The registration fee would be an annual fee. He understands that the rentals cause problems and we are going to try and address it the best we can. There will also be fines. As an example, if Ed has to come onto the property after hours/weekends because of renters, there will be a fine for that. The renter will not be fined, but the owner will be. A fine will also be incurred if anyone drives a golf cart on the grass. A question and answer period followed.

Hurricane Recap / Completion

Shaun reported that we have closed out Roadrunner as of last month. He stated that with the landscaping and decks, we have brought Bay House back.

Old Business

New Business

Howard Stridde (#1601) and Rick Glassett (#1602) have been working on a solution for the slope area between the parking lot and cemetery is getting worse because of the erosion. He went on to explain what his idea is solve the problem and the cost. The Board will take this into consideration and get back to him.

Election / Voting Results

New Board Members: Nancy Key, Kristy Keach, Bob Wills

Controlled Gate Access:	Yes – 35	No – 46
Accelerated Bulkhead Payoff:	Yes – 38	No – 45
Amount if above is approved:	\$100 – 38	\$200 – 18

Final Comments and Adjournment

Shaun thanked everyone for attending and their support.

There being no further business, a motion to adjourn was made by Lizz, seconded by Howard, vote was taken and passed unanimously. An Executive Session was then called to order.

Respectfully submitted,
Pam Garrett
Secretary
