# Karen Villas of Babcock (Summerwind) HOA Board

# Meeting Minutes

April 14, 2014

1. Call to order

Monica Moreno called to order a regular meeting of the Villas of Babcock (Summerwind) HOA Board at 6:11 pm on April 14, 2014.

1. Roll call

The following directors were present: Monica Moreno, Angela Casas, Karen Mueller

Also present were Robert Lewis and Janette Mueller.

1. Approval of Meeting Minutes

The meeting minutes from the previous meeting were presented and review began. Angela Casas joined the meeting. The minutes were sent weeks prior to meeting but Angela had not had time to review them so approval was tabled to allow her time to review.

1. Review of Treasurer’s Report

Angela Casas reported the below and will post the reports on the website: Business Checking $22,170.50, Savings $6071.30, CD $5901.18

Still outstanding dues/member invoices/etc. for this fiscal year is $20,356.84 through the end of March. Tentatively outstanding collections for all years we have been self-managed through end of February 2014 is $48.422.12. Angela Casas will update the figure on the website. Monica Moreno questioned if the $20,356.84 is included in the $48.422.12. Angela Casas confirmed.

Angela Casas will close out March books tonight and send updated reports. She will post reports from both this meeting and the last meeting. Some discussion about statements from the bank followed.

Monica Moreno questioned what we need to have in the bank to cover our regular yearly expenses. Angela will do an analysis and composite tonight of what’s been spent to date.

Angela Casas addressed question about the insurance line item on budget and reported that is every year and it is the directors and officers policy and our liability policy. Renewal is April for liability and August for Directors & Officers.

Discussion about expenditures ensued. Angela Casas reported collections and offer for payment plans is not going well. Karen Mueller stated that form was confusing. Discussion ensued. Monica Moreno questioned how we have done collections in the past. Angela reported there was not a big push for collections last year and that certain accounts historically remain in arrears and we may have to proceed with liens. This needs to be discussed during Executive Session if we want to go to lawyer to execute the next step for those that already have liens. Monica Moreno suggested we hold off on any more expenditures related to collections and asked if Quickbooks can send out monthly invoices. Angela Casas indicated yes and agreed to send them.

Karen Mueller raised a question about the interest being charged. Angela Casas explained it was a formula, not a straight 10%. If we are applying the proper interest and fees, sending the monthly statements should get their attention since the balance will continue to increase each month. Angela agreed to send out statements tomorrow and she also still has 2 payment plans to be issue out.

1. Old Business
2. Status of Administrative Assistant

Monica Moreno and Karen Mueller talked to Tom Newton, HOA Attorney, on Friday and he informed us that we can pay Annie Sierra for the 30 days and release her immediately, even though there was question about whether the contract was appropriately renewed.

Robert Lewis suggested that the meeting minutes documented the decision to release her and that should substantiate the 30 day notice since Annie was present at the meeting. However, Annie had disputed it, so Tom Newton suggested we err on the side of caution and just pay her for the 30 days.

Last day was extended in order to allow her additional time to convert the neighborhood phone back to the phone that belongs to the neighborhood. Robert Lewis reiterated that the written meeting minutes should stand as the 30 day notice. Angela said 30 day would be 4/20, but actually meeting was 3/17. At any rate, it’s irrelevant based on what Tom said. Karen motioned to give her until the end of the Sprint business day today so that she has time to convert the phone back to the neighborhood phone. Monica made revised motion to just terminate her today immediately. Karen seconded. Angela requested that it be notated this item was not on her copy of the agenda. Robert Lewis and others confirmed that they see it on the agenda.

1. Status on Audit/Taxes

Lee Edwards just needs some paperwork and we are looking at audit starting 23rd. A question was raised about status of back taxes and how people have been paid from 2007 forward and whether 1099 were issued. Angela Casas had committed to filing all the back taxes after she did 2013, but the CPA is doing 2013 as part of the audit. Karen Mueller suggested that we allow the CPA to do the 2013 taxes and then we mirror what he does in order to do the back taxes. Monica Moreno indicated that we need to do 1099s for past years and current year for any contractor that received over $600. No one has ever been issued a 1099 in past years. Karen Mueller suggested we table until we can mirror the 2013 taxes that will be done by the CPA. Discussion ensued about 1099s for our contractors. Angela Casas indicated we don’t have a responsibility to confirm that our contractors are reporting income and she wanted it notated that Tom Newton is not a tax lawyer. Monica Moreno suggested we talk to CPA and just hold off to pay the old taxes until we talk to the CPA. Karen Mueller noted that Tom Newton indicated any contractor that makes over $600 needs a 1099. Angela indicated that since we are non-profit it is up in the air that we absolutely need to provide a 1099. Monica Moreno suggested with just contact the IRS to confirm. All ultimately agreed to wait and mirror 2013 taxes done by the CPA.

1. Access for new board members
2. Access to Financials/Bank Accounts

Angela Casas indicated she is mailing the paperwork today.

1. Access to Post Office Box

Angela Casas stated she can’t help with converting the authorized names on the PO Box. All she can do is pass on the key she has and if we need to pass a resolution as stated by Tom Newton, then so be it. Monica Moreno got keys from Martin Salazar and she is not sure where they came from. Angela Casas stated the keys came from Leslie or Jesus and they should be the current key. The box # is 291030 at Medical Center Post Office.

1. Surveillance System Status

New cameras are ordered but coming around April 21st at the earliest.

1. Gate Repair/New Gate Management Status

Physical repair is done, but Angela Casas had stated that the looping is having problems at the exit gate. Angela Casas questioned who validated that the gate was fixed. Karen Mueller stated that we do not have access to the gate software. In order to test you have to use the gate software. One laptop was delivered, but it is not the one that has the gate software. Angela reported that there is a second laptop, but was not sure where it is. It is the laptop that is hooked up to her phone line. Angela Casas reported that it is a Dell and that it has the gate software on it. Investigation will ensue to determine whereabouts of the laptop.

Quickpass reported we are on track for equipment to arrive, probably early May. Karen Mueller requested that we nail down how we are going to do the vehicle drive. Monica Moreno mentioned mass email, but the HOA records are incomplete and incorrect from what’s been seen. Angela Casas reported that she still has information to provide and her information has a lot of email addresses. It was agreed that we would mass email to the addresses that we have, and then hit the stragglers as needed. Gate is not to be closed until all data for resident vehicles is received.

Angela stated about email, we should say that if they gave us their email address, then we can use it but she was worried about governing documents dictating that it must be written communication. Discussion ensued. It was agreed to use what emails we have and use postal mail and door knocking as needed.

Angela agreed to work on finding a form for opt in to emails. Robert questioned about renters and how many there are and how we will handle them. Angela Casas has all the current addresses and she asked who will do the packet about new gate. Monica Moreno will do the packet if Angela Casas will send the email form for opt-in. Karen Mueller has the envelopes and Monica Moreno will buy stamps if needed. Angela Casas stated that Annie Sierra may have some stamps left over.

1. Neighborhood Parking/Towing/Restriping of Subdivision

Karen Mueller recommended we try some of the parking ideas that were proposed in the replies on NextDoor as a trial. Angela Casas voiced concerns about need to update resolutions and who would monitor it. All agreed that modifications would be needed if it was permanent, but not for a temporary pilot. Robert Lewis suggested that we try to determine how many people are actually having issues and get to the root of the issues, define where the problem really is and who has the problem. Angela Casas voiced concerns that a trial would lead to abuse quickly. Monica Moreno reported that abuse is already occurring but since parking/towing is such a long discussion we should table it. Item tabled.

1. Restriping

The equipment is all here and Monica Moreno recommended we test it tomorrow Karen Mueller recommended changing the parking resolution before putting down the red stripes so that it would be simpler to understand. Discussion ensued. Angela Casas reported that red stripes just appeared on Mclennan Oak with the last striping and they don’t match the parking resolution. We need to commit to either match the resolution or change it to match the street. Bexar Towing has the current resolution. Agreed to commit to match the resolution.

1. Status of Playground Equipment

Playground completed. New tarp and bar installed

1. Status of Tree-trimming in Park

Monica Moreno reported that Teague Tree has not called back and questioned if they had been paid. Angela Casas indicated he has been paid. Monica Moreno will follow-up

1. Status of Subdivision Lighting and Signs

Monica told Bexar towing a sign in front was missing but wasn’t sure what it should say. Angela Casas reported it should state no parking on cross streets from 1-6am without a visitor tag. Monica Moreno will call them back.

Subdivision lighting is working now. Martin replaced the light bulbs so we just need to see how long they last. If they burn out quickly, we need to look into replacing the lights.

1. Closing of Water in Common Areas to determine reason for excessive bills

Monica Moreno reported SAWS is still investigating. Between the 2nd-5th they read they meters and Monica is also reading them to confirm the numbers match. Angela asked if we should pay the SAWS bills. Monica Moreno indicated yes and they would issue us a credit if the numbers end up being way off. Robert Lewis questioned what policy on disputing a balance is. It was unknown. All water is still off and tie wrapped closed. Monica will re-check the one by auto zone since this is the one that had a huge bill.

1. Landscaping

Monica Moreno reported only seeing Land and Lawns once in March.

Discussion ensued on the Bexar Mowing liability form requested by Angela Casas. Karen Mueller stated that a similar situation had existed in the past where Angela Casas was paid for her Accounting Services and suggested that we just the same liability form that was used in that situation. Angela Casas said the $65 payment to her was not the same and that it was inappropriate to bring it up.. Monica Moreno stated that Martin Salazar volunteers and he is working with electricity and questioned if he has he signed one. Angela Casas indicated no, and she doesn’t have the form and suggested we should engage Tom Newton to get the form.

Robert Lewis asked what we did with last landscaper. Angela Casas said it was standard contract, Discussion ensued and Monica Moreno will do as $0 contract, providing all the same forms she provides all other customers. She will send us what she has and list out the services Bexar Mowing has agreed to provide. All agreed no conflict of interest form needed. Angela will provide the waiver of liability form.

1. Review of Bylaw Changes

Revised bylaws were brought up. Monica Moreno reported blue highlight in 1.01 is an added definition since it was not defined elsewhere. Next update was to change the mention of principal office at 4800 Fred Rd. since we don’t have an office. Magenta highlight is information to be removed. Angela Casas asked if we got clarification from Tom Newton about changing only for compliance. Yes, we did and he confirmed we have to have member vote and it’s a 2/3rds member vote based on the 2011 bill.

Monica Moreno suggested 4.0.1 is something we don’t do so we should remove it. Robert Lewis stated it applies when adjacent property is affecting your property and it was agreed it would be retained.

4.03 amendment is added direct from bill ; 4.05 amendment is addition from house bill, Angela Casas suggested we add “electronic” to first sentence and “email” to (15) day notice sentence; 5.04 amendment is addition from house bill; 5.05 change to “any reason” and remove details in red; 5.06 amendment is addition from house bill.

Angela Casas stated that this was part of previous amendment done by the past board, that was not mailed out to members. They modified to state at any annual or special meeting, any director may be removed with or without cause by vote of majority of members. This was done in 2011 but it is invalid since there was no member vote. Angela Casas reported it was adopted by Tom Newton and referenced Tx business org code 22.101c. Karen Mueller stated that Tom Newton approving it should not preclude getting approval from members who are required to abide by it.

Angela Casas to scan the referenced amended copies today. This past amendment changed the first sentence to say must be majority of all members. vs a quorum. Karen Mueller stated if we are to change what’s required to remove a director, then we should also change what’s required for election so it’s consistent. It was agreed to go back to quorum verbiage since we have a hard time just getting a quorum at our meetings much less a majority. Angela Casas stated that a quorum is 1/10th so that would be 14 people. (see 4.06) Discussion about changing amount for quorum. It was decided we would propose to change to 2/10th– 28 people. Monica Moreno also suggested we change the annual meeting to the warm season. Agreed amendment that was not approved by members is void.

Other amendments in the above mentioned were to 5.01 stating only members eligible to vote could be elected and that a delinquent director would be removed after 90 days.

Karen Mueller stated that if we wanted to leave that in there, it needed to be compared to the house bills. Monica Moreno indicated statement about “any reason to be disqualified is void” and it was agreed we’d add a statement to our bylaws.

Amendment is direct from house bill; 6.05 amendment is just grammar e.g. he/she, etc.; 7.03 amendment in yellow is from house bill and replaces the red.

Angela Casas brought up the idea to increase the number of directors on the board. We currently have the minimum required by state and suggested we increase to 5 Karen Mueller suggested it be written as minimum of 3 and up to 5 to preclude problem with not having enough people to run. Discussion followed about use of officers. Karen Mueller motioned to appoint Robert Lewis as 2nd Vice President and Jan Mueller as Assistant Secretary. Monica seconded. Angela Casas stated that officers can quit, Monica Moreno indicated if we can get 5 officers, then we can get 5 directors. Discussion about how to remove inactive board members followed. Angela Casas said Tom Newton had indicated existing board continues to serve until new are elected. Finished with modification to bylaws. Declaration is next. Need to OCR scan it so it editable and doesn’t have to be retyped.

Karen Mueller suggested some changes to Travel Resolution.

1. Recommend that 3. Be moved up above 1.
2. Suggested that 5. Regarding Meals, as per Tom’s recommendation, should be removed. In addition, stated that it has been horribly abused in the past and gone way above the $5 limit.

Much discussion followed about past compensation of directors and officers. Angela indicated that Jesus was warned about meals and he disregarded warning so then he was asked to resign. Additional discussion ensued.

Discussion was summarized with the fact that we will not reimburse any resident, officer or director for volunteering, not for their time or use of their equipment or anything along those lines. Anything done for the neighborhood by residents, officers or directors is voluntary and will not be compensated. Angela suggested rescind the whole travel resolution and just add a note to bylaws stating the above. Suggestion it be added to section 5.13

**New Business**

1. Monica made motion to rescind the appointment of acting treasurer immediately as per recommendation from Tom Newton. Karen seconded.
2. Angela would like a letter from lawyer acknowledging transfer of books and to address the accusations coming from other directors. Questions raised about how she wants the accusations addressed. Discussion ensued.

Karen stated that she feels very strongly about her responsibility to look out for the best interests of the HOA and if it is discovered that inappropriate activity took place at any point, any recourse available to us should be used to recover damages done.

Angela wanted to get Tom Newton to handle her personal concerns. Monica Moreno and Robert Lewis did not agree that the HOA should pay legal fees to address her concerns. Angela is going to pursue suing the HOA with her own personal attorney.

1. Angela Casas wanted it noted in the minutes that the current Vice President and President/Treasurer went to legal counsel without approval from her. She stated that it was a misuse of funds to have had the discussion with Tom Newton.
2. Angela made motion to return to use of property management company. Karen disagreed that it was necessary. No second for motion.

Schedule next meeting for 05/12.

1. Executive Session
2. Not held.
3. Adjournment

Monica Moreno adjourned the meeting at approximately 846pm.

Minutes submitted by: Karen L. Mueller, Secretary