# Villas of Babcock (Summerwind) HOA Board

# Meeting Minutes

March 10, 2016

1. Call to order

Melissa Martinez-Carrasco called to order a regular meeting of the Villas of Babcock (Summerwind) HOA Board at 808pm on March 10, 2016 stating that Roberts Rules of Order would preside over the meeting.

1. Roll call

The following directors/officers were present at the meeting: Wilson Cantwell, Melissa Martinez-Carrasco, Angela Casas, Monica Moreno, Property Manager, was also present. Carlos Guzman and Karen Mueller were also in attendance.

1. Officer Reports

1. Presidents Report

- Discussion on need to fill unoccupied board member positions. Melissa Martinez-Carrasco motioned that the item be tabled. Wilson Cantwell seconded. Motion carried.

- Discussion on need to fill unoccupied officer positions. Karen Mueller mentioned that President, Secretary, and Treasurer officer positions are required. Melissa Martinez-Carrasco indicated that there were no members available to appoint to the positions. Karen Mueller stated that the positions could be temporarily filled. Angela Casas volunteered to temporarily serve as Treasurer and suggested that Wilson Cantwell serve as temporary Secretary. There was further discussion and it was noted that after this meeting Wilson Cantwell will be resigning his board position due to advice from legal counsel since the HOA continues to have several years of outstanding tax returns and this poses a serious liability exposure to a board member. After some additional discussion, Melissa Martinez-Carrasco motioned to appoint Karen Mueller as Secretary for the duration of current meeting so that minutes could be compiled. Wilson Cantwell seconded. Motion carried. Melissa Martinez-Carrasco motioned to appoint Angela Casas as Treasurer for the duration of current meeting. Wilson Cantwell seconded. Motion carried.

2. Secretary Report

- Angela Casas reported that minutes from the January 16 meeting will be written by midnight on 3/10, but she provided a summary regarding gate expenses ($7900 recently due to damages), cameras, signs and striping to address gate loops area and facilitate understanding of timing of the gates. As a side note, Angela made comments that we needed to ensure we stay on task of the agenda, not deviate and for integrity of the business begin conducted need to avoid giving "personal testimonies" due to the length of past meetings. Also, suggested that board needed to improve with presenting of official reports to reduce the amount of transcribing required of the secretary. Melissa questioned if Angela was only completing the January minutes. Angela Casas stated she has the recording for February and will also complete these minutes also.

Melissa motioned to table the approval of meeting minutes until they could be completed and submitted. Wilson Cantwell seconded. Motion carried.

2. Treasurer Report

- Acting Treasurer, Monica Moreno reported there is $17,058.07 in checking account (have outstanding money orders so will be $17,577.07), and $19,779.54 in Savings for total of $36,837.61. Outstanding collections are $24,741.86 with 33 of these accounts being from this year and the rest are from previous years. A Frost bank statement with issue date of 02/29 was presented to the Board. Angela Casas questioned if the HOA still had a CD. It was cashed in 2014 and deposited to Savings.

In addition, there are currently 2 outstanding invoices, both from Automatic Gates, Cameras and More. First for the License Plate Recognition cameras at $3532.14. Melissa Martinez-Carrasco questioned why the expense was larger than what the Board had previously approved, $3200. Upon installation it was discovered that the existing coax cable would not work and new wiring was needed prompting the additional expense. New wiring was run to Quickpass box so that we were able to avoid needing a separate Time Warner connection. Wilson Cantwell made a motion to approve the overage of $332.14. Angela Casas seconded. Motion carried. Second invoice is for damage done by a red truck entering through the exit and having the gate hit him twice. Total is $154.44 and will be billed to drivers insurance company.

- Outstanding Tax Returns discussed. Monica Moreno, Property Manager indicated not having necessary documents to complete 2014 since she did not take over the books and open the Frost Bank account until April 2014. Angela Casas reported that all necessary bank statement from old account prior to April 2014 are uploaded to secure storage. Melissa Martinez-Carrasco noted that since we are not-for-profit and thus do not show a profit, there should be no penalty. Karen Mueller noted that a good number of bank statements were loaded into secure storage by Angela Casas. Wilson Cantwell suggested just turning this information over to a CPA. Monica Moreno noted that this was already attempted and the CPA rejected it. Melissa Martinez-Carrasco motioned that Monica Moreno complete taxes for 2014 and 2015 by 3/30/16. Wilson Cantwell seconded. Motion carried. Melissa Martinez-Carrasco motion that for missing tax returns prior to 2013, Angela Casas, treasurer of record for said years, should file them by 3/30/16. Wilson Cantwell seconded. Motion carried.

Discussion about 2016 budget. The budget currently in use is the 2015 Operating Budget posted on the website. Monica Moreno would like to get a CPA to assist us with writing a proper budget, so that we can easily see where expenditures are made and ensure the budget is balancing. Melissa Martinez-Carrasco suggested we table the 2016 budget... Angela Casas jumped in and made a motion to table the 2016 Budget. Melissa seconded. Motion carried.

1. Old Business

1. Gate update

Monica Moreno reported that there is no requirement by the city for the gate to be open any set hours. Angela requested that we get this in writing from the city. Monica requested that she be allowed to complete her report. She reported that research was done and gate company can put in a 'manual' timer on the exit motor (ie. not managed thru software, but physical wiring in motor) so that it can also be open during the same set hours as the entrance. Karen Mueller questioned the price of the timer. Angela attempted to make a motion, but was put on hold to allow the remaining discussion to ensue. Angela Casas attempted to motion, but more discussion on the floor. Carlos Guzman questioned why we need to have the gate open during peak hours. It is to reduce wear and tear on the gate and to assess traffic off the main artery road. Wilson Cantwell questioned current hours. They are currently 6a-9a and 3p-6p, Monday-Friday for entrance only. Prior to installation of Quickpass, the exit gate used to also remain open. Wilson Cantwell motioned to maintain the 6a-9a but extend the hours from 6p to 7p. Melissa seconded and motion carried. Angela Casas suggested tabling the approval of the timer until we get an actual estimate. Board needs to continue to figure out what liability they have and if keeping the exit gate closed during peak hours increases the HOA liability. Monica will coordinate with Quickpass to get time updated to 7p.

2. LPR Cameras

Installed and operational.

3. Truck Route signs

Discussion on height of signs, there is one installed by the center island. Have not installed at the gate due to concern they may be too high. Melissa questioned if any members had seen the island sign and had an opinion. Noone had seen it. Karen Mueller mentioned that we need to remember that it may be high for a person in a normal car, but it may be fine for a driver in a large truck. Concern was just about aesthetics. Wilson suggested allowing Monica to address at her discretion.

4. SAWS Water leak on the sidewalk

Issue still ongoing. SAWS should be coming in to rip out asphalt to find the leak, but it has not happened. We now have algae growing. Carlos Guzman suggested we report it to the media, e.g. Troubleshooters. Wilson suggested it's just the threat of reporting that should get SAWS to take action. He will provide media contacts.

5. Verbiage for sign when gate is down

Monica needs the verbiage. Residents had stated concerns that they were uncertain if it was safe to continue just because the gate was open. Angela Casas will provide the verbiage to Monica so the sign can be ordered. It will be on a chain so it can be hung over the center gate posts.

6. Governing Documents Subcommittee Report/Recommendations

Wilson Cantwell reported the recommendation from the committee of himself, Monica Moreno and Zoltan WR on Latrobe Post as follows:

- Property Manager should only deal with owners or individuals properly designated by the owner.

- Invoices should go to Owners only

- Violations should go to owners as well as residents.

- $195 new tenant admin fee be reduced to $100, with the $35 for transponders and the $7.50 for visitor tags being separate.

Also discussed was the possibility of changing member classes. Issue discovered was liability for discrimination if changed.

Melissa Martinez-Carrasco made a motion that action on the recommendations be tabled until there could be a legal review of governing documents. Additional discussion ensued and Angela Casas made an additional motion that the Admin fee be lowered but no changes to any other fee schedules. Additional discussion ensued and Melissa Martinez-Carrasco rescinded her motion. Again additional discussion ensued including reference to the single family home rule. Wilson Cantwell seconded motion by Angela Casas. Motion carried. Additional lengthy discussion continued.

1. New Business

1. Gate Damage

Monica Moreno reported multiple instances of vandalism to exit gate motor. Vandalism has also occurred on the entrance side in the past. Research was done and there is a lock that can be placed on the motor to help prevent the vandalism. They can also include a purple dye pack and sign indicating there is a dye pack. There is also a long bar locking. The cost is $200 per gate motor. To replace the housing on a vandalized motor cover would cost $500 each. Angela suggested that we put a welded gate over the entire motor so that they cannot even vandalize the motor cover. The lock that Automatic Gates and more is recommending is specific to the gate motor model we have. They were supposed to install the lock on the exit motor today, but instead they accidentally installed it on the entrance motor. GL1 lock was replaced for free on the exit motor. Wilson made a motion that authorize a $400 expenditure to put the lock on each motor. Angela Casas seconded. Monica clarified that the purple dye pack is not included in the $200. Motion carried.

2. Written Protocol for Trespassing vehicles

Wilson motion to table issue. Melissa seconded. Motion carried.

3. ACC Violations

Monica indicated there are alot of outstanding violations and noone is managing them. Who should be doing this? Monica is ok with addressing all violations except the overgrown lots. Karen Mueller recommended that we go back to using the City form and allowing them to address the overgrown yards. This was working before. Melissa mentioned that board members do not have time to process the violations. Wilson recommended that there be a committee established to handle the issues. Discussion ensued and Melissa Martinez-Carrasco motioned that solicitation of volunteers be done for an agricultural committee be established. Wilson Cantwell seconded. Motion carried.

Monica would like to have additional committees to handle other issues. Angela Casas motioned that the establishment of any other committees be tabled. Melissa Martinez-Carrasco seconded. Motion carried.

Monica questioned if we will be planning any events. Item tabled until Annual Meeting.

4. Sink hole at Park

Issue has been addressed.

5. SOS Sign

Discussion ensued about what's needed to alleviate issue with SAPD not being able to enter the neighborhood. Angela Casas motioned that $50 be allotted to the placement of signage indicating that SOS will open gate. Wilson Cantwell seconded. Motion carried. Monica wanted to ensure sign also said for gate issues to contact HOA Phone.

6. Overview Cameras

There are currently 3 cameras looking at entry. #1 camera is intermittently working. Automatic Gates suggested installation of another Overview Camera to catch the vandalism on gate motors. Camera will be $1200. Karen Mueller mentioned that the entire system we have today for all the cameras, the receiver and the recorder was only $800. Wilson Cantwell motioned to table the item until a 2016 budget can be established. Melissa Martinez-Carrasco seconded. Motion carried.

7. Pedestrian gate keypad

Keypad was vandalized/damaged. Discussion ensued. Angela Casas motioned that $250 be allotted toward replacement of the pedestrian keypad. Wilson Cantwell seconded and motion carried.

8. Annual Meeting

Monica requested date for annual meeting. Melissa reported that board may not be prepared to hold the meeting in April and suggested it be delayed until May. Melissa motioned move the meeting to April. Wilson seconded. Motion carried.

9. Next BOD meeting

Suggested that it be in April.

10. Park Improvements

None planned at this time.

11. Light pole improvements

Tabled until 2016 budget can be established.

12. Entry wall improvements

Area is in need of repairs. Melissa indicated that area is not owned by HOA and HOA cannot make improvements on private property.

13. Street improvements

Quote to seal the streets and re-stripe as is today is $18,000. Suggested table until information on when the last seal was applied and comprehensive list of what's been done thus far. Karen Mueller questioned the purpose of the seal coat. Wilson indicated it makes the asphalt last longer. Angela suggested complete the budget planning first. Issue tabled.

14. Self-management vs Professional management

Melissa discussed liabilities that have occurred because of self-management. Property Manager came to Board indicating process changes were desperately needed. HOA is in legal jeopardy because of all that has transpired. A decision needs to be made if we should go back to a Professional Property Mgmt company. Previously when we were managed by a Property Mgmt company, there were issues....large expense for little value. Melissa suggested the board entertain a motion to do research regarding moving back to a Professional Property Mgmt company due to the legal liability to the board. If any additional board members resign, the Corporate Shield will go away. Wilson mentioned that it is possible to perform self-management efficiently. Karen Mueller questioned what we think the Property Mgmt company would do? e.g transponders, gate codes, etc? Angela suggested the previous negative experience with the Property Mgmt company was due to board not having transparency into the finances and that even with a Property Mgmt company we would still need to have committees to perform many of the tasks, like the installation of transponders. Angela indicated that Board Members should not have to be required to physically manage the HOA required activities. Wilson indicated knowledge of a contact who could be a good resource for information on Property Mgmt company. Karen reported that 2 years ago when research was done, the most economical we could find was $900/month and then there were fees on top for everything like sending a letter, fielding a phone call, etc. Angela stepped over member Karen Mueller who was attempting to share information regarding past research done on property mgmt companies. Angela indicated that responsibility for the governing documents falls directly on the Board and her feelings were that is 'a little selfish'. She stated everything is great as an idea and for everyone to have an opinion, but at the end of the day the Board is the first line of liability. Melissa discussed current 'dysfunction' of state of affairs and thought that a Professional Property Mgmt company could assist based on their knowledge for legality purposes and legal ramifications we are currently subject to. Melissa suggested that research be done to determine if Property Mgmt company would provide benefit. Angela indicated that if the plan is not to motion, then a motion should be done to bring in subject matter experts. Melissa motioned that we do the necessary research within 60 days. Wilson seconded. Angela disagreed and suggested it be within 2 weeks. Wilson amended motion to have it completed within no more than 15 days. Melissa seconded.

Melissa indicated that a legal review of governing documents is required and she requested that funds be committed to have the legal review performed on declaration, bylaws and all resolutions. Wilson questioned if the research would include research of cost of governing documents review. Melissa indicated no. Discussion ensued. Melissa suggested we get a different attorney on retainer. Wilson suggested this would require a line item on the budget. Melissa indicated the line item was there on the 2015 budget. Additional discussion ensued. Wilson made a motion that the funds up to $4000 be allocated. Angela seconded. Motion carried. Research needs to be done to see if attorney/company can be found that will perform the service within this amount.

HOA is going incur some liability for fees due to legal issues. The Board needs to decide approach that will be taken and how it will be communicated. Angela made a motion that market research be done for public relations. Angela and Melissa will do the research. (Motion was not seconded.)

Melissa indicated due to the ramifications that have happened, the Board needs to come up with a strategic plan to salvage what has been done. There are alot of gaps and Board is accountable for alot of the legal misgivings. With the House Bills passed last year and no restrictions on rentals and being very limited on what fees can be charged and not being able to make declaration changes unless you have 66 2/3 % vote, need to see if there are alternative to even continuing the Association as an HOA. Without having Board members that have the expertise to be a board member, there has been alot of fact finding that had to be done. Board is now in a situation where they may need to do a Special Assessment or declare bankruptcy. Board needs to research potential for dissolution of HOA or if there are other alternative to continuing as an HOA since board members as needed cannot be found. To continue as is, it would likely mean raising of dues every year or application of a special assessment(s). When insurance was changed over to Farmers, the policy no longer covers plaintiff attorneys fees so there is a huge financial burden imminent. Wilson questioned why the agent writing the new policy didn't cover plaintiff attorney fees and questioned what the potential liability would be. Melissa indicated they would not know exact amount until next week, but it could be up to $38,000. Wilson suggested that if Board is exposed, then that should be a claim against Farmers because they did not provide the coverage, assuming that the previous policy had the coverage and was provided to Farmers for them to mirror the coverage on the new policy. Need to find the original policy. Angela motioned that Board pursue alternatives to having an Association because of all the gaps and potential mis- management, and the fact that even though intentions were sincere and honorably, a pattern is developing. Board member numbers were expanded in hopes that it would help decompress the existing BOD but that has not come to fruition so continues to be dysfunctional or there are not committed people/viable options to hold a Board. Melissa seconded. Motion carried.

15. Resignation

Wilson Cantwell read memo addressed to BOD regarding his resignation from BOD. Upon his finding that HOA Taxes have not been filed diligently since back to 2008, and after meeting with legal counsel he was advised to immediately resign. Melissa accepted resignation leaving another BOD position vacant. Some discussion ensued regarding the challenges the BOD is facing.

1. Adjournment

Melissa adjourned the meeting at 1040pm.

Minutes submitted by: Karen L. Mueller, Temporary Secretary