

April 24, 2017

Lazy Bend HOA Executive Committee Meeting Minutes

(Minutes recorded by Frank Eichstadt)

EC Members in attendance:

Frank Eichstadt, Dennis Grounds, Ken Sherwin, Grahame Gay, Paul Boswell, Jay Johnson

EC Members absent:

Colleen Fiega (secretary)

Location: 11 Harbor (Ken Sherwin residence)

Call to order 1832 by F. Eichstadt

Welcome and Introduction to Topics

Minutes from March 2, 2017 meeting accepted as presented (Ken moved to approve, Paul seconded).

Treasurer's Report (D. Grounds)

Treasurer's report was presented and accepted without issue.

Two outstanding annual HOA assessment payments were noted. Paul Boswell agreed to provide one owner's current contact info to Dennis Grounds, and Dennis will follow up). The other homeowner will also be contacted.

The EC reviewed the final report from the recent annual audit of LBHOA, which found no discrepancies. The EC will ask Tom Sharkey to report on the audit at the upcoming LBHOA summer meeting. Appreciation to Ken Sherwin, Mike Lewis, and Tom Sharkey for a job well done.

Discussion (re: maintenance and repairs): EC noted that no action was taken to date to repair/ replace the signage on S. Lazy. Dennis to order new signs (approximate cost is \$70 per sign).

Discussion of Proposals for Changes and Additions to HOA fees: Frank asked whether all had reviewed draft justifications and details regarding two proposals (Proposal One: Increase of Annual Fees from \$.03/sq ft. to \$.04/sq ft.; proposal Two: Implementation of a separate \$.01/sq. ft. to create a Reserve Fund) and requested discussion. Dennis asked to clarify the intent of each proposal, including details regarding "Reserve Fund" collection and intended applications. All agreed that the proposals would be brought forward individually for membership consideration and discussion at the upcoming LBHOA meeting with appropriate voting procedures to be implemented once final proposal is drafted and reviewed. LBHOA membership at that meeting will decide whether the proposals shall be put to a vote. If passed, each implementation will require updating the LBHOA Executive Committee Rules of Order, and filing of appropriate paperwork with the county.

The EC agreed that the proposed increase in HOA assessments would enable the HOA to better manage the General Fund account in the face of increasing costs, and to consider “betterment projects” aimed at maintaining and improving the quality of LBHOA. The EC agreed that the “Reserve Account” would ensure that the HOA remains solvent in the event that unpredictable expenses are incurred. The “Reserve Fund” fees, as proposed, would be collected annually until said account amounts to a threshold of approximately \$50,000 (final number to be determined), and would thereafter only be reinstated to recover the fund balance following a depletion to a threshold balance of \$25,000 (final number to be determined). The EC discussed the possibility that, in the event that the General Fund balance accrues to a sufficient degree, funds could be transferred to the Reserve Account to thereby delay a need to collect moneys to recover the desired reserve fund balance.

Final draft versions of these two proposals will be produced prior to the LBHOA General Meeting, Summer 2017.

Architectural Committee Report (Jay Johnson)

Jay Johnson reported projects under current review and already approved. The EC approved the updated ACC guidelines (with minor corrections as earlier provided to Jay), and will direct Colleen to post same to the LBHOA website.

The topic of annual palapa fire inspection was raised. According to records from former secretary, Priscilla Duffy, the LBHOA EC had determined in 2012-3 that residents shall have palapas inspected by the Kemah Fire Marshal on an annual basis. The EC proposed that residents would be reminded of the annual inspection requirement in combination with the HOA’s collection of annual assessments, and that fire inspection documentation will be requested from owners having palapas on their properties. It was noted that a recent fire at the Marina Bay Apartments posed risk to the palapa at the adjacent property of Tina Jou.

It was also noted that palapa roofing materials comprise “limited life” items, and that deteriorating palapas are an eyesore. There are no current HOA rules that might adequately govern palapa maintenance requirements.

It was noted that the ACC should produce a documentation of all pre-existing non-conforming “improvements” currently evident throughout the LBHOA, this to support a definitive listing that can be cited as having been granted “Grandfather” rights (in appropriate cases) or cited for remedial action (in appropriate cases). This action is intended to provide the LBHOA with a defense against future proposed non-conforming projects whose proponents might cite precedents as justification for failure to meet ACC guidelines. A plan to execute this review shall be provided to the EC by the ACC at the next EC meeting.

The ACC topic included a discussion of encroachment of trees over LBHOA canals. Such encroachment can hinder navigation of the canals. Such encroachment is NOT controlled by any current LBHOA requirements or guidelines. The EC agreed to further discuss proposed plans to control this issue at a future EC meeting.

Discussion of Rental Property Management

The EC discussed various aspects of the potential implementation of measures to manage the rental of properties within LBHOA. Frank’s research and Ken’s research have revealed that Texas HOA law allows HOAs to require members to submit copies of Rental Agreements to allow review that ensures that the documents include a clause that requires tenants to adhere

to HOA requirements. However, the HOA has no rights to see personal background information about any tenants or provisional tenants.

Frank noted that an HOA member and landlord of two LBHOA properties, Jill Aylwin, called him to discuss the intent of this topic on the EC agenda, and to share her perspective as an HOA member, landlord, and realtor. It was noted in this discussion that restricting homeowner's rights to rent their properties is a two-edged sword: while it may satisfy owner/resident's desire to limit the number of renters (whose behaviors may not be as compliant to HOA requirements), it also imposes limits on how owners can manage their properties. It was noted that this topic was initiated by the expressed opinions of particular LBHOA members, and may or may not reflect a general concern among a majority of LBHOA members.

The EC committed to holding LBHOA property owners/landlords responsible for the behaviors and compliance of their tenants when bidden by complaints filed by HOA members. Two specific instances of tenant non-compliance were immediately identified by EC members, and Frank directed each EC member to file their complaints via the LBHOA website

The EC has opted to table further discussion of this topic.

Bulkhead Committee Report (Grahame Gay)

Grahame Gay reported that the Bulkhead Committee submitted a request for reimbursement for costs associated with the bulkhead project on his own property. Dennis Grounds requests that, in the future, the Bulkhead Committee provide all such requests along with detailed breakdown of reimbursable materials and labor costs.

Frank asked for a report on how the newly-reorganized Bulkhead Committee is functioning. Grahame reported that attendance at committee meetings is typically at least three of the five members, and that the committee is working effectively as a group under good leadership by Mike Veraa.

Frank asked whether the committee would be prepared for a full review of consolidated and updated draft Bulkhead Specifications in time for discussion at the next EC meeting, this to support the plan to present final updated specifications to HOA membership at the upcoming Summer 2017 HOA General Meeting.

Grahame noted that the committee has been discussing the potential to define a fine policy to promote adherence to LBHOA Bulkhead Committee requirements. The EC discussed the logistical and legal implications of instituting a revised or expanded fine policy. It was noted that the LBHOA has never acted on its existing bulkhead fine policy, which (in part) allows the HOA to contract for repair of bulkheads that are in imminent risk of collapse and the bill the homeowner. Further discussion will occur following review of the draft proposals from the Bulkhead Committee.

Grahame also reported that Mike Veraa proposes doing a full "survey" of LBHOA bulkheads to document their current conditions. The EC supports that activity.

Grahame also noted that the committee has discussed the potential to help coordinate planning of multiple bulkhead projects with the intent of possibly encouraging better pricing and improving overall bulkhead maintenance. The notion is that, with sufficient ad-

vanced coordination and support from the Bulkhead Committee, property owners could agree to coordinate their project schedules and contractor selection.

Frank noted that a goal of the LBHOA is to provide a Bulkhead Committee that is a resource and asset to HOA members, rather than being perceived as a “necessary evil”. Current committee activities support this goal.

Additional Topics (general)

Ken Sherwin and Dennis Grounds agreed to inspect the trees along Birch Street and determine the extent to which trimming shall be done. The EC approved a proposal to fund trimming of these trees.

The EC discussed the deteriorating condition of the ornamental anchors, posts, and chains that flank Birch Street. It was noted that these ornaments are considered by some to be a “trademark” of the LBHOA. Frank opined that he does not believe them to be particularly attractive.

The EC agreed to investigate three remedial options:

1. Low-cost refurbishment (e.g. paint)
2. High cost refurbishment (eg. replace rotten posts, paint and reset/true up all features, repair as needed)
3. Remove all anchors, posts, and chains

The EC will further discuss this topic at the next EC meeting, discussion to include potential other ideas relating to the anchors. The final resulting options will be presented for membership discussion at an upcoming LBHOA General Meeting.

Frank note that the EC needs to do a better job of assigning and tracking Action Items. The topic was deferred to the next EC meeting.

Adjournment

Frank requested a movement to adjourn at **2005**. It was so moved by Ken Sherwin , and seconded by Dennis Grounds.