

Attendees: Melissa Salvador, Linda Braccio, Gary Granere, Linda Lueders, Brenda Sanzone, Lyn Wingert

Absent: Trish Charles

Melissa called the meeting to order at 7:00 p.m.

- I. Review of Executive Session meeting from October 5, 2015-provided by Brenda
 - A. Spoke to representative from Cotton Restoration (company doing work on the fire-damaged homes)
 1. He is still negotiating bid with adjusters for repairs
 2. Expects it to be resolved soon
 3. Wants to be sure he negotiates enough money to do all needed repairs
 4. He will then start repairs
 - B. Board voted to purchase Property Management software
 1. Will be used for property management and accounting
 2. Allows fees to be paid electronically, by credit or debit card; people can still walk in to pay fees
 3. Benefit is that the software program will record requests and repairs; will provide a history from this point forward
 - C. Reserve Study
 1. Voted in Executive Session in September to have a study done of property
 2. Now looking at companies, in particular Reserve Managers
 3. Want to talk to some of the companies that use this service; get feedback
 - D. Property Manager
 1. Board voted unanimously to hire one
 2. Will be in charge of most of the day-to-day functions that go on, on our property
 - E. President-Elect communication with counsel
 1. Board discussed having a President-Elect of Board, which can create transition from one Board to the next
 2. UGTHOA counsel – said no to this idea; said we elect officers annually, so we do not need one
 - F. Legislative overview – provided by Linda L in Executive Session
 1. Biggest change is that absentee voting among homeowners is allowed for upcoming Board elections
 2. Homeowners can have name put on ballot but must submit name by designated deadline
- II. Minutes from General Session – October
 - A. Melissa to Brenda – were any changes submitted?
 - B. Yes, by you. They have been made.
 - C. Melissa – move to accept the minutes as revised; second – by Linda B; all in favor
- III. Reserve Study – provided by Lyn

- A. Still talking to associations in the area who have used one of the companies we are talking about
 - B. Gathering information from them about the company they have used
 - C. Linda L – there is a base fee to use them, but we have very few records. Will we have to pay more because of that?
 - D. Melissa – no, it is a flat fee
- IV. 2016 Budget – provided by Lyn
- A. Board members have submitted wish lists
 - B. Our excellent financial situation will allow us to do them
 - C. Will have the budget at the next regular meeting
- V. Annual termite inspection – provided by Melissa
- A. Will cost \$5000
 - B. Will be done by same company used in the past
 - C. Lyn – they have a warranty good for one year
 - D. Linda B – what do they look at?
 - E. Gary – foundation
 - 1. They look for mud tunnels
 - 2. We need to be sure mulch does not go above foundation line, weep holes
 - 3. People need to look inside their own property, look for pin holes
 - F. Janice Gordon – different types of termites; subterranean termites and driving termites; if you are getting a \$5000 charge for termite inspection, “run with it.”
 - G. Motion
 - 1. Brenda – move we hire the same company as used in the past to do annual termite inspection
 - 2. Linda L – second
 - 3. All in favor
- VI. By-Laws Committee review – provided by Linda B. and Linda L.
- A. Linda B - Met a few weeks ago; went over by-laws document to see what it says and what we are doing
 - B. Members: Linda L., Linda B., Janice Gordon, Karen Whitney, Cookie Hockstedtler
 - C. A few places where changes needed (ex. By-laws say Board members serve a one-year term)
 - D. Has to be retyped into MicroSoft Word as cannot be changed as is, is a PDF file
 - E. Linda L – volunteered to type it
 - F. Melissa – what other changes needed?
 - G. Linda L – the law has changed; one addition is sending out collection letters; another is to get name on ballot, a homeowner must self-nominate 10 days before ballots are sent out
 - H. Linda B – several sections need changes
 - I. Janice Gordon –candidates that want to be on ballot should not be denied
 - J. Linda B – if someone wants to be on the ballot, he/she should be on the ballot
 - K. Linda L – when we send out the ballot, those people who said they want to be on the ballot and submit their names in advance, must be on the ballot. People in past may have wanted to run but did not have name on ballots.
 - L. Melissa – is there a window?

- M. Linda L – yes, need to have name submitted ten days before ballots go out; can still have floor nominations. We need to look at absentee ballots too.
- N. Melissa – what was the law before?
- O. Linda L – there was no provision; if you wanted on ballot, nothing said your name had to be on ballot. Now the law says you have to.
- P. Melissa – Providing they get it in on time
- Q. Linda L. - People must submit names by deadline to be included on ballots.
- R. Melissa – in previous years, I said I wanted to run, but I was told there was a deadline and I was told I did not meet it
- S. Linda L – they were making it up; there was no provision in the past. It was up to the Board.
- T. Melissa – anything else?
- U. Linda B – needs to be retyped so it can be edited
- V. Melissa – do you have a timeframe within which you want it retyped?
- W. Linda B – I would like to do it before our next meeting, but we have issues with people being unavailable due to holidays, so we have not set a date for next meeting
- X. Melissa – just remember you need to give 72-hour notice before next meeting

VII. Holiday planning

- A. Melissa – association will do the same as in the past – decorations and prize money from our vendors
- B. Trish, Lyn, JoAnn, and I have briefly talked about it

VIII. December meeting – provided by Melissa

- A. Will have an Executive Meeting first Thursday of December
- B. Will not have a General Meeting until January

IX. Open Forum

- A. Elections to Board
 1. Don Outler – original by-laws set up so Friendswood Development Company could completely populate the Board; I’m hoping that has changed so Board members have to be owner or their significant other is
 2. Linda B. – they don’t say that; they say that you don’t have to live here; don’t remember if it says homeowner or resident
 3. Melissa – I think it is open; I think you don’t have to have an interest here to be on the Board
 4. Linda B – we can’t lock it down
 5. Linda L – law changed that association can now mandate that a certain number are residents/owners; I have to look over that
 6. Linda B – I don’t think it says you have to, it says you can; it says at least two Board members have to be resident homeowners; I don’t think it is a big danger. Why would anyone vote for them anyway?
 7. Linda L – idea behind that is if you want an accountant or lawyer on the Board
 8. Melissa – what Don is saying makes sense, if it wasn’t fully populated at the time, they were looking for people to be on the Board, I can see why it is that way.
- B. Fire-damaged homes

1. Janice Gordon – Melissa, are you the Board member in charge of negotiations with the representative of Cotton?
2. Melissa – yes
3. Janice – and you are going to agree on an amount and see that the insurance company pays us?
4. Melissa – yes, if our contractor says we can do it
5. Janice – By-laws say damages must be restored to the original condition; I am curious what is determined as “studs in” and “studs out”
6. Melissa – I don’t really understand why you are asking this because this is not your home; for the insurance company, adjusters, contractors, and homeowners – all has been defined to the parties involved
7. Linda L – I think it is something the homeowners would like to know about
8. Linda B – that is a valid point; if it happens again, we want to know
9. Linda L – I have never been told, does this policy cover cabinets, shutters, hardwood floors?
10. Melissa – the Board has extensively discussed what is “studs in” and “studs out”
11. Janice – you are in violation of the Open Meeting Act
12. Melissa – the Open Meetings Act you refer to does not apply to this association; certain issues are confidential and relevant to affected homeowners only. How are we in violation of an act that does not apply to us?
13. Linda L – I want to know if the insurance covers my cabinets, shutters, and floors
14. Melissa – the Board has extensively discussed what is “studs in” and “studs out”; our website says “studs out” is covered
15. Janice – where did it come from?
16. Melissa – I do not know; “studs out” predates all of us on the Board
17. Sheron Granere – it might be a good idea to bring insurance company back, open it up to questions, and open it up to everybody. Homeowners want definite answers.
18. Melissa – we have really good insurance. The policy covers about \$2M. We will not come anywhere close to that amount. It is replacement cost. Contractors are in negotiation with the adjuster as to what needs to be replaced, cleaned, sealed, etc. We have more than enough money in our policy to cover what needs to be done.
19. Linda L. – I don’t know what to ask them as to how you define “studs in” and “studs out”
20. Lyn –we have paid for this kind of insurance; have your committee set up a meeting;
21. Linda L – the policy doesn’t say
22. Melissa – you are the head of the insurance committee. You have the policy.
23. Linda L – policy does not say “studs out”; it says replacement
24. Linda B – what is our premium paying for?
25. Melissa – my understanding is that they look to the documents of the association to determine what is covered
26. Linda B – what document is that?
27. Melissa – it is industry standard to go to the association’s documents
28. Linda L – our documents say to restore to original condition; only on the website does it say “studs in” and “studs out” but no definition
29. Linda B – it has to be in one of the formal documents

30. Melissa – everyone has agreed that it is “studs out”. Association has always told homeowners before any of us were on this board that homeowners must get “studs in” insurance. Based on my conversation with my insurance agent, we can buy insurance specific to townhomes.

31. Linda B – there is no such thing as “studs in” insurance; mine just says contents

32. Linda L – there is contents and there is structural

C. Lawn Service

1. Janice Gordon – heard no discussion about mulching and weeding
2. Melissa – to do mulching is a contract so it was discussed in Executive Session
3. Linda L – but we also have to disclose it
4. Janice – do they turn the soil before they put the mulch in?
5. Melissa – they cleaned out the beds, mulched, and turned the soil; weed spraying will be next
6. Janice – how much did it cost?
7. Brenda – \$41,000, includes installation and weeding

D. Credit payment for fees

1. Janice Gordon – how much are we paying regarding fees if people pay by credit cards?
2. Melissa – nothing
3. Lyn – the homeowner pays the fees
4. Melissa – homeowner will have to pay a convenience fee if they choose to pay that way

E. By-laws Review

1. Janice Gordon – all Board members need to be vetted, needs to be in By-laws
2. We need to change these by-laws
3. Linda B – bring these notes to the next By-Laws Committee meeting; we will have to define “vetted” as well; who is going to do it? How far do you dig? What do you look for?
4. All four Board officers could be up for re-election at the same time – I know we have Melissa, Lyn, and Brenda all as officers. All four officers cannot be up for election the same year. Who took David’s place?
5. Melissa – Trish; she is on for two years
6. Janice – all four officers cannot be up for re-election in the same year
7. Linda B – there is nothing in the By-laws about that
8. Melissa – that’s how it was this past year and two years ago. There were three officers and a Board member [up for re-election to the Board].
9. Janice – it’s gotten really messed up; if something happens, all four officers could be out.
10. Linda L – there is no language like that
11. Linda B – the members vote for the Board. The Board members vote for the officers, not the homeowners
12. Janice – isn’t there something that the officer election cannot occur in Executive Session?
13. Linda L – it takes place in open session but is still the decision of the Board, not homeowners
14. Linda B – you can do it immediately after the election
15. Melissa – the point is what?

16. Linda B – we need to be sure it is clear; it doesn't really talk about officers, how many can be up for election.
- F. Janice – to Linda L – have you ever investigated the Resolution 2012? The signature page?
1. Linda L – I have read it many times, needs some changes
 2. Janice – did you ever find the signature page?
 3. Lyn - John Davis signed it
 4. Melissa – yes, that is right. He was the secretary; he should have signed it.
 5. Janice – the president of the Association should sign all documents. When it was filed, the signature page was not signed by the president. This makes it illegal. The signature page was not filed with the clerk.
 6. Melissa – how is it illegal?
 7. Janice – when it was filed, it was not signed by the president. The signature page is missing.
 8. Melissa - What signature page?
 9. Janice – when I first asked about the resolution in August or September of 2012, the signature page is all that was online. Then they said they were waiting on the final copy from the county clerk's office. Then the resolution was on there, but no signature page.
 10. Linda L – there is a signature page. I have seen it.
 11. Linda B – what is this resolution? What is it about?
 12. Linda L – has policies: parking policies, ACC policy, voting policies, whole bunch of stuff
 13. Lyn – we should look around and get the original document; it is probably here
 14. Janice – it has to be filed
 15. Lyn – we will re-file it
 16. Janice - any changes to by-laws have to be voted on by association
 17. Melissa – this is policy
 18. Janice – anything related to by-laws has to be voted on
 19. Melissa and Linda L – it is policy
 20. Lyn – let's look for the signature page; I never did go to court house to see what they have online. To Janice Gordon: "Did you go?"
 21. Janice – No. All copies should be in order but the document was never signed by the President.
- G. Accountant's status
1. Linda L – what is the status of the accountant?
 2. Melissa – they are working on the financials
 3. Linda B – do we have a balance sheet?
 4. Lyn – something wrong with the on-line site; it says October, but it isn't updated
- H. Board members' email addresses
1. Janice - are board members allowed to change their passwords?
 2. Linda B – I tried to change mine, but it keeps reverting to the old password
 3. Janice – if I send a confidential email to someone, will someone else be able to read it?
 4. Melissa – no; everyone has their own email and their own password. No one else can see it.
 5. Janice – if I send an email to a board member, does it also go to the office?
 6. Melissa – no

I. Financial reports

1. Linda L – we are waiting for accountants to update us
2. Lyn – waiting for update; I have a question about writing off bad debt, other questions about cleaning up the financials, etc.
3. Linda L – when will we have a clean balance sheet?
4. Melissa – it was supposed to be done by Monday, but they had questions. I gave them answers today.
5. Linda L - CPA will need to work on audit in January; monthly stuff is not reconciled – will this affect the audit?
6. Melissa – audit does not start until January; this is November
7. Lyn – plenty of money in the bank
8. Janice – is all that money still in Bank of America?
9. Lyn - \$120,000 spent for insurance; \$120,000 replaced to reserves
10. Linda L – I have no idea how much money this association has
11. Lyn – I have it here in hard copy; about \$265,000 in Bank of America, and I put in checks today
12. Melissa – we wrote a bunch of checks today; actually, \$250,000 something
13. Lyn – we have \$242,499.19 in JSC- revenue shares, CD's; bank statements available online, and I have hard copies here. We have money for planned improvements.

J. Corner of Bramble/Broadlawn

1. Linda L – trying to get a hold of Clear Lake City Water Authority – they meet the same night we do, so I will go to their meeting when I leave here
2. Janice – I think a main sewer line goes across Bramble/Broadlawn. I was told by the previous Board that there wasn't, that the pavers are sinking.
3. Lyn – we have to check the underground before we repair the concrete; it is an expensive repair, and we don't want to fix it and have it sink again.
4. Janice – where do we stand on repair of irrigation system?
5. Linda L – about 60% functional. We allotted \$5000 for him to work. We have not gone back to him (Sherman Fletcher of Aqua Star) to authorize more.
6. Lyn – he (Sherman) has done a lot of work, some of it more extensive than others
7. Linda B – he said there are a lot of electrical issues too

K. Lights

1. Brenda – when will we have lights put into T where Lawlers, Curt Mathias, Jamuna live?
2. Lyn – we got a pretty good bid on that
3. Brenda – yes, we did
4. Melissa – I thought you told him in the spring.
5. Brenda – can I tentatively book a time to talk to him about January, February, whenever? Do I have approval from the Board to do that?
6. Melissa – talk to him, yes
7. Brenda - I will call them tomorrow; is that okay?
8. Lyn – Yes.

L. Drainage issues

1. Linda L – last time Sherman was here, he looked at drainage issues
2. Melissa – he told you the bids verbally but did not submit them in writing, right?
3. Brenda - verbally

Meeting adjourned at 7:55 p.m.

Respectfully submitted,
Brenda Sanzone, Secretary

DRAFT