



# PADRE ISLES PROPERTY OWNER'S ASSOCIATION, INC.

## REGULAR MONTHLY BOARD OF DIRECTORS MEETING

September 27, 2022

### MEETING MINUTES

#### 1. CALL TO ORDER

- a) President Marvin Jones called the meeting to order at 5:30 PM.
- b) Board members present: Marvin Jones, Sandy Graves, Drew Diggins, Ray Singleton, Tommy Kurtz, and Frank Stover.

#### 2. CONFLICT OF INTEREST

None.

#### 3. PRESENTATION(S) WITH POSSIBLE BOARD ACTIONS

- a) **Jeff Smith, CPA:** Mr. Smith's CPA firm provides 3<sup>rd</sup> party bookkeeping services to the POA on a monthly basis, which includes reconciliation of bank and investment accounts, bill payment services, payroll, and monthly financial statement preparation. He was questioned if he, in the course of performing those services, became aware of any movement of POA funds other than the normal business transfers to/from the investment and operations accounts of the POA. He answered no. He was asked if the independent auditing firm who annually audited the POA financial statements had ever expressed any concerns to him? He answered no.
- b) **ACC.** David Heitzman, chair, (i) next meeting of the committee is on 10/19/2022, (ii) at the September meeting a POA member, Tom Cable, made a presentation concerning the new foundation height requirements based on CC residential building codes for the island and the run-off issues from water due to contractor lot level grading associated with those requirements and that the issue was a City issue and Mr. Heitzman believes the City is conscious of the issue and listening to concerns of the ACC/POA regarding this issue. (iii) Bill Hibbs' term on the ACC has expired.

<b>MOTION:</b>	Sandy: I make a motion to appoint Bill Hibbs to a new term on the Architectural Control Committee.	
<b>SECOND:</b>	Tommy	
<b>VOTE:</b>	AYE = 6. Marvin, Sandy, Ray, Tommy, Frank, and Drew.	NAY = 0 Abstain = 0
<b>MOTION CARRIED</b>		



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Drew Diggins: at a recent ACC meeting, the ACC approved application, he believes this violates covenants and he wishes to discuss his concerns.

Marvin Jones: Deck extensions are on the agenda at 9.b. and such discussion should occur at that time.

## 4. MEMBERS COMMENTS:

- a. Dan Harrington, member, makes a presentation regarding the POA sticker policy for boat trailers and towing of vehicles from POA boat ramps, he presented a sample policy which he believes the POA should adopt and requests the Board to take his proposal under consideration.
- b. Dave Gerlach. Member, is running for the Flour Bluff School Board.
- c. Jean Palusio, member, is running for the Flour Bluff School Board.

Marvin Jones: Given the announcements by Mr. Gerlach and Ms. Palusio, stated that if other candidates for the Flour Bluff School Board election wished to do so that they were welcome to make equivalent statements.

## 5. PRESIDENT'S REPORT. Marvin Jones, President.

- a. Short Term Rentals: The POA had received an email from Mr. Mason, member regarding new STR Ordinance enforcement by the City.
- b. Whitecap Development: No new information to pass on to the membership.
- c. Other: Drew Diggins raises point of order: requests to move agenda item 10 forward.

<b>MOTION:</b>	Drew: I make a motion to vote on the appointment of a Board member to fill vacant Board seat.	
<b>SECOND:</b>	Ray	
<b>VOTE:</b>	AYE = 4. Sandy, Ray, Tommy, and Drew.	NAY = 2. Frank and Marvin Abstain = 0
<b>MOTION CARRIED</b>		

Board votes by secret ballot. Gary Klepperich and David Heitzman count ballots. David Rossi received 4 votes, Steve Brown received 2 votes.

<b>MOTION:</b>	Tommy: I make a motion to appoint David Rossi to fill the vacant Board seat.	
<b>SECOND:</b>	Drew	
<b>VOTE:</b>	AYE = 6. Marvin, Sandy, Ray, Tommy, Frank, and Drew.	NAY = 0 Abstain = 0
<b>MOTION CARRIED</b>		



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- 6. EXECUTIVE DIRECTOR REPORT:** Gary Klepperich. The Board will receive a report from the Executive Director on topics of importance since the previous meeting.
- a. Next Board meeting: October 25, 2022
  - b. Billish Park Irrigation Restoration
    - (i) Seized booster pump has been determined to be unrepairable, a new pump is being sourced, when installed the replacement pump will be enclosed to shield it from the effects of weather.
  - c. Compliance enforcement monthly update. 103 open violations 14 cleared violations.
  - d. Bulkheads
    - (i) Repair activity report: 67 open work orders at 9/10/2022, 7 work orders closed during the same period. Year To Date (through 9/10/2022) 98 closed work orders.
  - e. Tree trimming & removals: this activity was paused at the recommendation of the POA’s landscaping contractor during the City imposed water restriction. This activity should resume when the City lifts such restriction and that is estimated to be soon.
    - (i) Office/Boat ramps/common area
    - (ii) Medians & easements: Gary has been requested by the Board to contact the City to determine if they can provide financial resources for this activity since the medians belong to the City.
  - f. Office traffic/correspondence activity.

**7. CONSENT AGENDA:** Frank Stover, Secretary. (Routine items)

August 23, 2022 Board meeting minutes are included in the board information book.

Votes taken by email:

- a. The meeting minutes for Regular Board Meeting Minutes on August 23, 2022 were approved by email vote on 9/11/2022. Motion made by Ray, Seconded by Frank. Aye = Ray, Frank, Marvin, Tommy, and Drew No= Sandy,
- b. 9/12/2022: Ray makes motion: No Board member, or their spouse, respond on, or to, social media until we have a conference call with Cagle (regarding Jim McFadden letter). Motion failed for lack of a second.

**8. TREASURER'S REPORT - FINANCIAL REPORTS:** Ray Singleton. (The Board will review, discuss, and then accept all financial reports.)

<b>MOTION:</b>	Frank: I make a motion to add the Vice President, Drew Diggins, as authorization to the HPO account regarding the “two person” transfer authorization requirement should either the President or the Treasurer not be available.	
<b>SECOND:</b>	Tommy	
<b>VOTE:</b>	AYE = 7. Marvin, Sandy, Ray, Tommy, Frank, Drew, and David.	NAY = 0 Abstain = 0
<b>MOTION CARRIED</b>		



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Ray Singleton, Treasurer: Presentation of information regarding August 2022 single-person wire transfer authorization to HPO to send POA funds to the POA operations account at American Bank.

Marvin Jones, President: Presentation of further information regarding same transfer.

Ray Singleton, Treasurer: reports concern for the level of expenditures to one of the two POA bulkhead repair contractors and projects that should the current run-rate continue the budgeted \$762K would exceed \$1.2m.

Ray Singleton, Treasurer: reports that current year legal expenses exceed the budgeted \$25k and that the board should further discuss this expense.

<b>MOTION:</b>	Ray: I make a motion to accept the Treasurer’s August 2022 Financial Report.	
<b>SECOND:</b>	Frank	
<b>VOTE:</b>	AYE = 7. Marvin, Tommy, Sandy, Ray, Frank, Drew, and David.	NAY = 0 ABSTAIN = 0
<b>MOTION CARRIED</b>		

## 9. OLD BUSINESS: (Motions as required)

a. Parking Sticker Policy: Gary presented current POA policy. There remain issues with use of the POA boat ramps by unauthorized parties in the Sea Pines subdivision, the public, and, persons renting STR units. Discussion was had and a subcommittee of Sandy, David, and Frank was appointed to work with Gary to formulate a new “vehicle sticker” program to assist in alleviating the issue and enhancing compliance enforcement.

b. Dock extensions: Drew Diggins, discusses his issue regarding the ACC approval of the deck/dock extension at 15385 Yardarm, his opinion that it violates the restrictive covenants and encroaches upon the navigable waterway.

Marvin Jones states his opinion that the Board cannot overrule or overturn an ACC approval. He states that this is backed up by an opinion from the POA’s attorney Greg Cagle.

Drew Diggins, board member: Makes a motion that the Board hear an appeal from Drew Diggins, member, of the ACC’s approval of the dock extension approval at 15385 Yardarm.

Marvin Jones: states that the Board has no opportunity to hear such a motion and that the motion is illegitimate.

Sandy Graves: offers a solution that the owner reduce the size of the existing structure to allow for a different placement of the boat lift.



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<b>MOTION:</b>	Drew: I make a motion to hear appeal of Drew Diggins, as a PIPOA member, of the ACC approval of a dock extension at 15385 Yardarm.	
<b>SECOND:</b>	Ray	
<b>VOTE:</b>	AYE = 3. Sandy, Ray, and Drew.	NAY = 2. Frank and Marvin Abstain = 2. Tommy and David.
<b>MOTION CARRIED</b>		

<b>MOTION:</b>	Drew: I make a motion that the Board rescind the ACC's approval of the dock extension at 13385 Yardarm.	
<b>SECOND:</b>	Ray	
<b>VOTE:</b>	AYE = 3. Sandy, Ray, and Drew.	NAY = 0 Abstain = 4. Marvin, Frank, Tommy, and David
<b>MOTION CARRIED: Subject to POA attorney ruling that with no "Nay" votes the abstainers are not included in determining if the motion passes.</b>		

Further discussion by board members, decided that Drew, Marvin, and Gary would attempt to schedule meeting with the homeowner to further discuss this issue.

<b>MOTION:</b>	Drew: I make a motion to recess the Board meeting. 7:25pm	
<b>SECOND:</b>	Tommy	
<b>VOTE:</b>	AYE = 7. Marvin, Sandy, Ray, Tommy, Frank, Drew, and David.	NAY = 0 Abstain = 0
<b>MOTION CARRIED</b>		

**RECONVENE:** 8:00 pm

Marvin Jones: makes statement for the record, that Drew Diggins' motion will be recorded as passed, pending, a more formal interpretation from the POA's attorney, Greg Cagle.

b. Continued: Drew Diggins: presents proposed deck/dock extension guidelines to be issued to the ACC. Discussion by Board members, agreed by Board to forward the proposed guidelines to POA's attorney Greg Cagle to determine if it contained any covenants violation language.

c. Boat expense estimate for Canal Deed Restrictions: Gary presented an estimate of the cost to perform a quarterly inspection of canals for obstructions/compliance issues at \$480, and annually at \$1,920 annually.

<b>MOTION:</b>	Tommy: I make a motion to approve the hiring of a boat at the rate of \$40/hr for canal inspections for obstructions/compliance issues.
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<b>SECOND:</b>	Sandy	
<b>VOTE:</b>	AYE = 6. Marvin, Sandy, Tommy, Frank, Drew, and David.	NAY = 1. Ray Abstain = 0
<b>MOTION CARRIED</b>		

## 10. NEW BUSINESS:

- a. Member Board appointment: This Item advanced on the agenda to item 5.c.
- b. Aerator Lease electrical payment rate: Currently at \$80/month, this rate has been in effect for many years. Current electricity rates are increasing significantly in our area. Discussion by Board regarding setting a sub meter at one of the existing locations to determine actual usage, or to review manufacturer's specifications for the aerators in use and calculate the anticipated kilowatt usage and extrapolate an estimated electricity cost. Further discussion by Board to occur after receiving this information.
- c. Aerator request: A member has made a request for an aerator to be installed at the canal end at Gypsy/Whitecap & Atascadero. Gary reports that the cost of the unit is estimated at \$5,400 and installation labor at \$600 for an estimated total cost of \$6,000., Discussion by Board, including whether the completion of the water exchange bridge will impact this particular location, agreed to await further information.

**11. EXECUTIVE SESSION:** Recess to discuss matters of Legal, Personnel, Contract, and Appeals  
8:43 pm.

**12. RECONVENE:** 9:37 pm

**13. ADJOURN:** 9:37pm

<b>MOTION:</b>	Sandy: I motion that we adjourn (9:37pm).	
<b>SECOND:</b>	Drew	
<b>VOTE:</b>	AYE = 7. Marvin, Sandy, Ray, Drew, Tommy, Frank, and David.	NAY = 0
<b>MOTION CARRIED</b>		

**14. NOTE:** *To review the video-taped meeting please go to either Facebook > Padre Isles Property Associate > [Videos Tab], or the Website: [Padreislespoa.net](http://Padreislespoa.net) > meeting-minutes-agendas-budgeting-and-balance-sheets. Meetings are organized by date.*