

THE OAKS CONDOMINIUM ASSOCIATION
A TEXAS NON-PROFIT CORPORATION

THE OAKS CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING – GENERAL SESSION
MONDAY, JUNE 18, 2018
MINUTES

The general session of the Board of Directors meeting for The Oaks Condominium Association was called to order at 7:08 p.m.

Present

Christina Heldman
Richard Krychowecky
Brad Lumb
Dennis McGregory
Kathryn Moose
Jim Sallee

Absent

Bruce Hadwin

Ray Garza, the onsite Property Manager, was also in attendance.

MINUTES

The minutes from the general session of the May 21, 2018 meeting were presented.

MOTION - Mr. Krychowecky made a motion to approve the minutes from the May 21, 2018 meeting as presented. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

PRESIDENT'S REPORT

Mr. McGregory had nothing to report.

TREASURER'S REPORT

Mr. Garza presented the Treasurer's Report for the Association as of May 31, 2018.

The Association collected \$260,716.26 for the month, which is \$8,357.26 more than the budgeted amount of \$252,539.00. The total amount collected year to date is \$2,300,879.16, which is \$29,648.16 more than the budgeted amount of \$2,271,231.00.

Maintenance and repairs for the Association were under budget for the month in the amount of \$6,629.46 and over budget for the year in the amount of \$35,430.57. The Association is over budget due primarily to expenses related to repairs of roofs, foundations and boilers.

The total operating expenses are under budget for the month in the amount of \$28,110.93 and over budget for the year in the amount of \$40,068.63. The Association was over budget in this category primarily due to unexpected costs related to utilities.

The balance in the operating account and petty cash account is \$72,305.94. The cash balance in the reserve account is \$1,364,782.48. Total assets are \$1,437,088.42 as of May 31, 2018.

MANAGER'S REPORT

Mr. Garza presented the Manager's report for the Association:

Work Orders - 55 work orders were assigned and completed during the last reporting period.
Landscaping - When the community lost an employee last October, instead of replacing him, his salary was used to outsource special landscaping projects, gutter cleaning and irrigation. The Association is still positive \$600.00 year to date.

Landscaping - Mr. Garza thanked Mr. Lumb and Mr. Hadwin for the time they have dedicated to the community to improve the landscaping.

Personnel - A maintenance employee resigned this month after being offered new employment that he was better suited for. The Association will seek candidates for his replacement and start setting appointments for interviews.

Transformers - The Association now has, on property, a backup for both the 125 KVA transformer and the 250 KVA transformer. In the event one fails in the future, the only necessary down time should be the time needed to replace the transformer.

Welcome Packet - Mr. Garza and Ms. Bell have worked together to improve the Welcome Packet of materials that is distributed to owners and tenants. The packet and forms are available online and as a printed booklet available in the management office. Printing expenses were reduced by 35% due to a change in printing companies.

OLD BUSINESS

--- New Director - Jim Sallee:

Mr. Mcgregory announced that earlier in the evening during an executive session of the meeting of the Board of Directors, Jim Sallee, owner of Unit 233, had been appointed as a new member of the Board.

--- Landscaping Contract

The Board discussed the Association's current landscaping contract with Grounds Keepers, which is set to expire on June 30, 2018. Mr. McGregory advised that he had reviewed the bids received prior to the May 2018 Board of Directors meeting, all of which had a significant increase in what the association is currently paying. He further stated that he and Mr. Lumb had met with several other companies during the last calendar month who have submitted bids, as well. Mr. McGregory believed none of the new bids were acceptable.

Mr. Garza advised that Grounds Keepers were willing to continue to provide services to the Association on a month-to-month basis at a rate of \$10,254.52 per month (including tax). The Board generally agreed to continue to search for a long-term solution, while allowing Grounds Keepers to operate on a month-to-month basis.

MOTION - Mr. Krychowecky made a motion that the Association accept the bid from Grounds Keepers for month-to-month landscaping services at a rate of \$10,254.52 per month. Mr. Lumb seconded the motion. The motion was approved by vote of the Board of Directors.

--- Unit 738 - Electric Car Charging Station

The Board discussed the request from Jie Chen, the owner of Unit 738, requesting approval to install an electric car charging station in his parking space. Mr. Krychowecky advised that he spoke to Mr. Chen and learned that Mr. Chen had not yet purchased an electric car and that he did not intend to further consider the purchase until approval had been granted by the Board to install the requested charging device. Mr. Chen informed Mr. Krychowecky that his parking space was in a metal car port and Tesla would be providing the device and performing the installation.

The Board discussed many variables of allowing electric car chargers to be installed in the common areas of the property including potential liability, the fact that the community is not individually metered for electricity, the aesthetics of a free-standing car charger, the cost to install the charger, the location of the device, the possibility of a monthly fee for the use of a charger (a fee in addition to the unit's maintenance fee), and drafting and adoption of a resolution on the issue.

MOTION - Mr. Krychowecky made a motion that the Association contact its attorneys to discuss the issue and receive a recommended course of action. Mr. Lumb seconded the motion. The motion was approved by vote of the Board of Directors.

NEW BUSINESS

--- Unit 495 - Foreclosure

Mr. Krychowecky advised that Unit 495, that had been vacant and in control of the Association due to foreclosure for non-payment of assessments, had been foreclosed on by the mortgage lender on June 5, 2018. Due to foreclosure, the mortgage lender will now be required to pay assessments from June 5, 2018 forward. Mr. Garza explained that the assessments while the property was in control of the Association have been written off.

--- Unit 211 Foundation

Mr. Garza informed the Board that Shane Soltani, the owner of Unit 211, had expressed foundation concerns in his unit and requested the Board have an engineer make an inspection.

MOTION - Mr. Krychowecky made a motion that the Association contact McCrory Engineering and schedule an inspection of Unit 211. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Unit 125 - Ask Before You Alter

The Board reviewed an application from Joan Vinall, the owner of Unit 125, requesting approval to remove her wood fence and some hedges located in front of her unit, in order to build a wood deck. The application was tabled until proper measurements and dimensions could be determined.

--- Insurance Renewal

The Board reviewed and discussed the 2018-19 insurance recommendations provided by Brady, Chapman, Holland & Associates. In aggregate, the annual premiums would amount to \$288,586.00. Mr. Garza presented the option of paying the entire annual insurance premium in full, rather than monthly installments. Mr. Garza estimated this would save the Association approximately \$4,700.00 in finance charges; Mr. Garza explained that he had addressed this with Mr. Hadwin, who favored the idea.

MOTION - Mr. Krychowecky made a motion that the Association approve Brady, Chapman, Holland's proposal and utilize reserve funds to pay 50% of the \$288,586.00 annual premium in the first month, lowering the subsequent remaining monthly installments and saving the Association approximately \$2,300.00 in finance charges over one year. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Unit 71 - Water Penetration

Mr. Garza informed the Board of continuing water penetration issues related to Unit 71. Sharla Walker, the owner of Unit 71, had requested the Board investigate drainage issues related to her unit so it could be fixed permanently. Mr. Garza advised that the Association's maintenance

team had spent a large amount of time, over a period of years, trying to correct this issue. He further suggested the Board might consider removing the large tree in front of Unit 71, as its roots may be causing some of the problem.

MOTION - Mr. Krychowecky made a motion that Mr. Garza and the maintenance staff should perform a complete visual inspection of the immediate area and, at the direction of Mr. Gregory, contract with necessary professionals to see that the situation is corrected. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Green Bank Accounts

MOTION - Mr. Krychowecky made a motion the Association merge its two Certificate of Deposit accounts at Green Bank. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Community Social

MOTION - Mr. Krychowecky made a motion to authorize \$400.00 for a community social to be held in the late summer. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Water Leak, Insurance Claim and Parking Resolutions

Mr. Krychowecky reminded the Board that several months earlier, it had begun the process of drafting new resolutions governing water leaks, insurance claims and parking on the property. He advised that the Association's attorneys had already reviewed and approved proposed water leak and insurance claim resolutions. Mr. Krychowecky further advised that the Board had generally agreed upon a parking resolution draft, but it had not yet been reviewed by the Association's attorneys.

MOTION - Mr. Krychowecky made a motion that the draft parking resolution be provided to the Association's outside counsel for review and approval. Ms. Moose seconded the motion. The motion was approved by vote of the Board of Directors.

--- Unit 508 Staircase

Mr. Garza advised the Board that the City of Houston had inspected the staircase leading to Unit 508 and had issued a citation providing the Association 180 days to correct the issue. Mr. Garza explained that Futral Welding was the contractor who made the original repairs and he would be contacted and instructed to make the necessary repairs required by the city. Several Board members expressed a desire to see this issue be addressed immediately and corrected as quickly as possible.


ADJOURNMENT

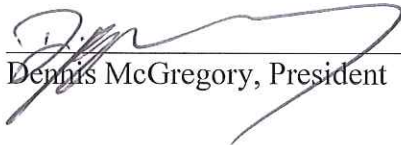
MOTION: Mr. Krychowecky made a motion to adjourn the meeting. Mr. Lumb seconded the motion. The motion was approved by vote of the Board of Directors.

After adjournment, the Board allowed an open forum for the audience present to address their concerns to the Board of Directors and Property Manager.

APPROVAL

Approved this the 16th day of July, 2018.

By: 
Christina Heldman, Secretary


Dennis McGregor, President