

# KACA Executive Board Meeting

(Held via Conference Call)

Tuesday, June 22, 2017, 7:30 PM

## Final Meeting Notes

Attending were:

**Richard Beck – President**

Tom Geren – Treasurer

Mary Jo Lyons – Secretary

Charles Adams

George Krapfel

The KACA board met today via conference call in an executive session to vote on board positions and discuss other business including new bank signature authorities.

**Executive Summary:**

1. The board voted on the following officers based on the elections of board candidates at the recent owner's meeting. Richard Beck made a motion to approve the vote, motion seconded by George Krapfel. Vote was unanimous.

**Richard Beck – President**

Tom Geren – Treasurer

Mary Jo Lyons – Secretary

Charles Adams – Architectural Committee Chair

George Krapfel – Vice President

2. Tom brought up the fact that we needed new signature cards at J&C. He suggested we have Mike and Heather from J&C as well himself and as representatives from the board since they are both local. Richard Beck motioned to accept the suggestion, motion seconded by George Krapfel, vote was unanimous. Let the minutes reflect the following:

*“The Board voted unanimously to authorize the following people to sign checks and deposit / withdraw money as needed on the Key Allegro Condominium Association accounts at American Bank in Rockport Texas and NavyArmy Credit Union in Rockport Texas:*

*Johnson & Creedmore signees: Mike Johnson, & Heather Bohn*

*Key Allegro Condominium Association signees: Tom Geren and George Krapfel*

*The following people are to be removed from the signature cards at both American bank and NavyArmy: Tara Ballow, Paul Stern and Richard Beck*

*Only 1 signature is required on Key Allegro Condominium checks.”*

3. Discussed Architectural Committee, Charlie proposed they would meet to develop a charter to define the scope of the committee, complete an immediate assessment of the property, agreed that if any owner wants to make a change it must be submitted to the committee for prior approval. This approach received

unanimous approval.

4. The board invited Jim Stech, former treasurer of the board, to address his concerns about the current status of the maintenance reserve fund. Jim shared that he thought we should issue an immediate call to cash to the owners to replenish the fund to a minimum of \$50,000. Points of discussion included the following:
  - a. Jim Stech – depleting the reserves the balance sheet leaves the association in a bad position. He is concerned that we would continue to face unforeseen expenses in upcoming maintenance issues and projects and have no available funds for immediate use.
  - b. Richard Beck – The current board is not bound by decisions of prior boards unless reflected in the by-laws. There is no current policy on the amount to maintain in the fund.
  - c. The board made the decision to utilize the funds to continue with the current building rehab project that turned out to be catastrophic in scope. The board felt that we were in a tough spot with no other option and everyone agreed that we could replenish the funds over time. This was reflected in the 2017 budget which was approved at the recent owner's meeting.
  - d. The board agreed that we anticipated possible overages in the bid process for the upcoming bulkhead repair, this was factored into the bid and the risk of cost overruns was low. The biggest concern was the cost of concrete and this was factored into the bid.
  - e. Tom Geren said that from a financial standpoint it is nice to have but not an obligation. The current budget has funds allocated to replenish the reserve and for current maintenance items.
  - f. Charles Adams suggested that it was good to have but having too much in reserves was also a challenge for the association and many owners would object to this.
  - g. George Krapfel said that money in reserve funds comes at a cost. We can slowly build it back and suggested we explore a revolving line of credit in case of emergency.
  - h. Richard Beck acknowledged Jim's concern that some mortgage loans (HUD loans) can require a certain amount in reserves to approve a loan. The board agreed that this was a low priority given the situation.
  - i. Mary Jo Lyons agreed that we were in a no win situation and we utilized the reserve for its exact purpose in an emergency. The line of credit could serve as a stop gap measure and the issue could be readdressed at next year's owner's meeting where it could be brought to a vote.

After much discussion, the board agreed that we had no other choice and we felt we made the decision in the best interest of all owners at the time and stand by the decision. The board charged Tom Geren with checking with the bank to see if we could obtain a revolving line of credit to bridge the gap in an emergency. There was unanimous consensus to proceed as planned.

5. Tom Geren to prepare a letter to the owners to announce the upcoming assessment for the bulkhead project approved at recent owner's meeting. The board discussed the idea of how to style the payment options to owners. All in agreement that funds should be collected by the time the project starts. The owners left the structuring of the assessment up to the board. The board agreed to send out a letter announcing it and allowing for 6 consecutive monthly payments for those owners that wanted to spread it out.

No other business discussed. Meeting adjourned at 8:30 PM

*Mary Jo Lyons* – KACA Board Secretary

**Approved – Richard Beck, President 6.23.17**