

KACA Board Meeting
Saturday, February 24, 2018- **2:00PM**

Meeting Minutes Final

Attendees - Tom Geren,, Charlie Adams, Mary Jo Lyons, George Krapfel, Gayle Connolly attending in person, Richard Beck attending via phone.

General discussion on bulkhead project and projected cost of new findings regarding failed bulkhead adjacent to the 1000 & 1100 buildings. Resulting from storm damage and not identified as part of earlier project scope. We may get some flood money to help mitigate this but won't cover entire cost.

Reviewed current budget, cash flow and timing against claim. Tom and Gayle working together on a spreadsheet itemizing all expenditures, cost of all projects and insurance claims.

Discussed proposal from Tom Geren, KACA Treasurer, to investigate a line of credit. Tom is recommending we consider this due to the uncertainty of the final amounts to be collected from the special assessment and the insurance settlements from both Harvey and the fire and the timing of on going bills that are coming due from the reconstruction project. The board agreed that we need to move forward with the bulkhead repairs that have been discussed and approved prior. This work needs to begin in order to be completed when the units are ready for owner occupancy once the renovations are completed. Some owners are negligent in paying their portion of the special assessment in a timely manner and this creates a cash flow challenge for the association. Payments for this work will be needed in short order once work begins. Discussed pros and cons of the line of credit. The board agreed that we do not want to rely on this unless absolutely necessary. The line of credit is to be used only as a last resort and the board agreed that if used it will need to repaid as soon as possible with cash flow. Board was in agreement that we wanted to do everything possible to avoid an additional assessment.

The board also discussed the need for an additional account to segregate insurance payments and reconstruction expenses. Tom shared his ongoing challenge of getting reconciled financial statements from Johnson & Creekmore, the associations accountants in a timely manner. This makes it difficult for him to calculate the association's current cash position at any given time. American Bank suggested we consider opening an additional account for this purpose. The account can be dormant or closed once we get everything reconstructed. Tom is not yet sure if a checking or savings account would be best. We suspect a checking account would be better to reduce the number of transfers of cash

between accounts. Tom plans to discuss further with Johnson & Creekmore and explore other options. If they can not provide a better solution he has proposed that the board provide him the authority to move forward with this.

The following resolution was proposed by Richard Beck and seconded by George Krapfel and passed unanimously by all members of the board:

“The Key Allegro Condominium Association Board of Directors (hereinafter the KACA Board) passed a resolution stating that The KACA Board authorizes the KACA Treasurer , Thomas F. Geren, to perform the following as needed:

- 1. Obtain a revolving line of credit from American bank – Rockport TX. in an amount up to \$150,000.***

- 2. At Mr. Geren’s discretion to open an additional checking or savings account at American Bank in Rockport, TX. as necessary to allow the KACA Board to better track expenditures related to the repair of the regime from damages inflicted by Hurricane Harvey and to segregate insurance payments related to such repair from the general operating funds obtained from monthly dues payments.”***

General discussion on the following items:

- Sliding glass doors - Board agreed that no variations would be considered due to the structural changes needed, cost of these changes and long term maintenance costs.
- Discussed agenda for upcoming owners meeting. Mary Jo to provide initial powerpoint draft. Tom will provide his projector for the meeting. Gayle to look into options for a microphone. Agreed that we would provide index cards for owners to submit questions on during the meeting.
- Reviewed the final 6 selections provided by the color committee. The goal was to provide 4 selections, 2 each for a single building color scheme as well as an alternating color scheme. Color committee final vote did not result in a clear majority. The board voted and agreed on the final 4 options to be provided to the owners for their vote during the upcoming meeting. We agreed to provide the selections electronically prior to the meeting to ensure all owners an opportunity to vote. Those unable to attend can vote via email.

Meeting Minutes Submitted 2/25/18 - Mary Jo Lyons, KACA Board Secretary