

Exotic Isle Annual Homeowners' Meeting Minutes

Sunday, July 16, 2023, 1:00pm
(held at Arnim residence on island)
Exotic Isle, Bay City, TX 77414

Directors Present:

Travis Pace, Interim President
<vacant>, Vice President
Caryn Arnim, Treasurer
Jay Hughey, Secretary
Colleen McKeever, Board Member
James Shelton, Board Member

HOA Members Present:

Robert Pitts
Sharon Pitts
Michelle Rogers
Missy Shelton
Greg Baxter
Duncan McKeever
Mike Zabransky

Member Proxies:

Greg Arnim: Caryn Arnim
Skip Porter: Jay Hughey
Travis Hughey: Jay Hughey

- I. Call to Order:** at 1:15 pm by Travis Pace
- II. Quorum:** 12 persons present, 10/12 home properties represented including (1) by proxy; 2/4 lot-only properties represented including (2) by proxy.
- III. Welcome New Member:** Travis Pace bid a warm welcome to EIHOA new members including the Sam Skipper family, Donna Oliver and to the Bob and Sharon Pitts family
- IV. Approval of 2022 Minutes:**
 - Greg Baxter made a motion to accept Minutes of the 2022 EIHOA Annual Meeting and Travis Pace seconded the motion. The motion was approved by a unanimous consent of members present.
 - Duncan McKeever suggested that a subsequent follow up to Annual Meeting Minutes including outcomes to ongoing issues would be useful for keeping members up to date on various issues as they progress
- V. Treasurer's Report:**
 - Caryn Arnim reviewed current year-to-date financial reports including Treasurer's Expenditure Explanations, 2022 Balance Sheet Summary, Profit and Loss Comparison, and Accounts Receivable/Aging Summary for 2023. Caryn distributed hard copies of updated reports and summarized overall financial outcomes including

a deficit of \$7,000 arising from Accounts Receivable balance of \$17,000 in delinquent dues, noting that a general assessment was not implemented the previous year. The shortfall necessitated interim reliance on the Line of Credit to manage the shortfall. Caryn also noted that our \$14,000 reserve funds are intact. Caryn outlined several unusual costs incurred over the previous year that are outside of typical fixed annual expenses including costs for revisions and restating of the Bylaws and repairs to the ranch road. Caryn also reviewed increases in the cost of typical fixed expenses such as fuel, contract labor and lawn maintenance.

- Caryn stated that she was stepping down as Treasurer. She reviewed highlights of the document, Expenditure Explanations, which presents a brief narrative summary of cost details for various line item expenses contained in the EIHOA financial documents as well as any noteworthy changes in cost for some specific expenses. Caryn reviewed several items on the list including the following:
 - Selkirk HOA Fees fluctuate and are subject to assessments from time to time.
 - Insurance premium for general liability is approximately \$9k/year in addition to ~\$2k/year for wind insurance, totalling ~\$11k/year in insurance expenses
 - LCRA use fees and barge registration sticker costs are ~\$750/year
 - Shop Supplies include materials for pool bathrooms, miscellaneous Island repairs, paint supplies and other odd repair and maintenance materials.
 - Small Equipment costs including sander, chain saw, weed eaters, pole saw, etc. should decrease in 2023 as several pieces of equipment were acquired or replaced in 2022/2023.
 - Barge Expenses while typically the same year to year, were lower in the previous year due to barter for barge motor repairs with Tim Munoz of Busha, in return for trailer space rental.
 - Pool costs fluctuate for various reasons but average ~\$700/quarter.
 - Tractor repair and maintenance costs were higher in 2022 due to hydraulic system repairs but should decline in 2023.
 - Tram maintenance and repair is unpredictable and constitutes a significant element in the Isle budget. Houston Bearing has provided the majority of this work for many years but has recently informed us of their decision to discontinue any future repair and maintenance service for our tram system. We are still in search of a machinist company with the necessary insurance coverage to work on the mechanical equipment. We have secured a company to handle servicing of the electrical system and continuing the search for a contractor to work on tower repairs.
 - Water Well costs for 2023 will include replacement of a rusty valve. Testing of the well water by a State certified professional is included in the budget, though it is not technically required by the State because the well serves only 12 homes the threshold for State required testing is greater than 12 homes.
 - Utilities include water and electricity costs for the Selkirk property as well as cost for trash pick up. Dumpster costs have increased by a factor of 2 due to increased fuel and government fees. Three bids were obtained to find a cheaper alternative but there was no appreciable difference in the bids.

- Property Taxes typically run ~\$6k/year and are the same year to year, our costs were higher in 2022 due to the agreement with Carl Groth to pay the delinquent tax bill in order to re-acquire his property for the HOA.
- **Accounts Receivable Summary**
 - **Delinquent Dues:** A review of the A/R Aging Summary Report shows that our situation is significantly improved over previous years with the resolution of delinquent dues following the sale of the Badillo property and subsequent recoup of the associated delinquent dues. Delinquency still exists for the Huerta and Devitt properties totalling roughly \$40k. A potential sale of the Devitt property may resolve a large portion of the unpaid dues that are still remaining.
- **Prosperity Bank Line of Credit**
 - Approved signatories for the LOC currently include Caryn Arnim and Jay Hughey; they will need to be revised as necessary by the Board of Directors following the 2023 election. Any revision to signatories will need to be approved by a vote of the new Board, documented in Board meeting minutes and submitted to Prosperity Bank for approval.
- **SBA Loan:** Caryn reviewed the SBA loan status confirming that a payment of \$900 per month will continue until the loan is repaid. Colleen McKeever made a request to review the balance sheet on the loan. Caryn will provide the information requested.
- **Assessment:** Caryn made a motion to pre-approve a potential assessment in an amount not to exceed \$15,000 in the event that a one is needed in 2023/2024 The purpose of the assessment would be to prevent another interim deficit or other unanticipated shortfall situation. Michelle Rogers seconded and the motion was approved by unanimous consent of the members present,

VI.

Old Business:

- **Tram Status:** With the cessation of service from Houston Bearing, we are currently without adequate service, maintenance, and repair support for operation of the tram system. Problems have developed in both the mechanical and electrical systems for the tram. These are in addition to the existing structural steel repairs and corrosion abatement needed on the towers and ancillary structures. Efforts to find sufficiently insured and/or bonded service companies to provide these services have been largely unsuccessful to date. We continue with a redoubled effort to find willing companies that are qualified and adequately insured to provide this work and will update members on progress as soon as possible.
- **Tram Use Authorization:** The Tram Use Agreement and Tram Operation Training Guide have been completed and are posted on the EIHOA website. All persons operating the tram including all members, their family members and any third parties such as guests, contractors, etc must complete all requirements for authorization as specified in the Agreement including review and submit a signed

copy of the document in order to operate the tram. The authorization is valid for one year only and must be completed and resubmitted annually.

- Barge Repair and Operation: Ramp repairs have been completed and new wood traffic rails have been installed. Jay Hughey will begin work to mirror the tram authorization agreement and training guide that will address the barge use policy.
- Back Channel Dredging: The dredging project is complete and came in on budget. A summary of the scope of work, schedule and cost allocation was generated by Duncan McKeever and is available for review for members upon request.
- Selkirk Clean-up: Fence repair needs to be completed
- Camera System: The camera system as previously approved was successfully installed and has been operational for almost a year. The system seems to be adequate for the intended scope of monitoring and deterrence.
- Selkirk Parking Lot: Additional road base will be added at some parking areas.
- ARC Committee and Application: Following a discussion of the ARC topic it was determined that written, Board approved design guidelines and application must be developed and adopted to adequately and fairly implement this requirements of the covenants and restrictions. Duncan has provided an application draft for Board review, Jay Hughey will review a range of templates for discussion at the next meeting of the Board.
- Tim Munoz: Following discussion it was generally agreed that the benefits of having a boat mechanic on site and motor repair costs mitigated by the barter arrangement were desirable for the time being and the lease/barter should continue.
- Maintenance staff: Seeking reliable part-time staff with appropriate skills and experience, Members are encouraged to suggest qualified candidates for the position

VII. Upcoming Projects:

- Road Base at Ring Road: Improvement on some portions of the ring road are needed. Two options were discussed: lime stabilization versus addition of gravel base. It was suggested that Darrell Rogers has experience on the subject and will be consulted for his recommendation for the issue.
- Boat Stall Additions: The need and community consensus were discussed and confirmed for allowing the addition of boat stalls to the west end of the existing structure.
- Covered Parking: present general concept, possible location, character, community consensus to allow, gauge level of interest, estimate rough number of spaces needed and call for a vote.
- Caretaker to be discussed and an action plan developed at the next meeting of the Board.

VIII. Board Elections:

James Shelton was nominated by Jay Hughey to be President of the Board of Directors. Travis Pace was nominated to serve as Vice President; Duncan McKeever was nominated to fill the office of Treasurer vacated by Caryn Arnim and Jay Hughey was nominated to continue as Secretary of the Board of Directors. Caryn Arnim, Bob Pitts, and Michelle

Rogers were nominated to serve as Board members at large. Jay Hughey made a motion to accept the above slate of candidates for election with a 2nd by Travis Pace to approve the 2023 Exotic Island Homeowners Association Board of Directors as follows:

James Shelton, President
Travis Pace, Vice President
Duncan McKeever, Treasurer
Jay Hughey, Secretary
Caryn Arnim, Board Member
Michelle Rogers, Board Member
Bob Pitts, Board Member

The proposed Board of Directors for 2023 was approved by unanimous consent of members present.

IX. Adjournment: Travis Pace moved to adjourn. Jay Hughey seconded and the motion was approved by unanimous consent of members present. Meeting adjourned at 3:10 pm.

Submitted 8/28/2023, by Jay Hughey (revised 8/29/2023 - misc. corrections)



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9/7/23
Date