

Twin Harbors Property Owners Association, Inc.
Board of Directors Meeting
September 12, 2015

Directors Present:

Joseph Polizzi, Michael Farr, Paul Laverty, Amy Casey, Bill Belcher, Melvin Cassel and B. Milton (Chip) Choate

Directors Absent:

None

Guests Present:

Cliff Budd, Ken and Linda Van Hook, Steve Eckert, Hazen and Nanette Fanjoy, Pat Casey, Rick Garlock, Don Uptegraph, Susan Mitchell, Rufus Hobbs, Sandra Jaynes, Jim Wyckoff, Barbara Dickens, Jim and Wendi Wilder, and Pattie Smith

Joseph Polizzi, President, called the meeting to order at 9:03 AM.

Joseph Polizzi asked the board to review the Minutes for the August 8, 2015 board meeting. Amy Casey requested that two changes be made to the Minutes for August 8, 2015. Chip indicated that the changes would be made as requested. Paul Laverty made a motion to approve the minutes for August 8, 2015 with the changes presented by Amy Casey. The motion was seconded and approved.

Joseph Polizzi asked the board to review the Minutes for the September 5, 2015 Special Board Meeting. The primary purpose of the special board meeting was to discuss and take action on the procedures for amending the deed restrictions. Paul Laverty made a motion to approve the Minutes for the September 5, 2015 Special Board Meeting. The motion was seconded and approved.

Treasurer's Report:

Treasurer Paul Laverty, reported the cash bank balances as of end of August, 2015. Paul stated that the month of August did not yield surprises. The budget for the fiscal year ending August 31, 2016 will be discussed later in the board meeting.

Rufus Hobbs asked about an expense item for \$250.00 for trailer space repair. Paul reported that he would check into the item.

Account	Balance
THPOA - Regular Checking	\$49,245.63
THPOA - Special Assessment Checking	71,183.42
THPOA - Petty Cash	15.40
Total Available THPOA Cash Balance	\$120,444.45
Road Deposits	4,000.00
Donations for Pool Fund	538.43
Donations for Tractor Storage Building	2,100.00
TOTAL BANK BALANCE	\$127,082.88

The board reviewed the balance sheet for August 31, 2015, the income statement and the statement of cash flow for the twelve (12) months ending August 31, 2015.

Chip Choate made a motion to approve the Treasurer's Report, the motion was seconded and approved.

Open Forum:

Chip Choate appeared in Open Forum to inform the board and guests that the burn ban remains in force for Polk County.

In response to a question, Amy Casey reported that she had talked to Precinct 2 Commissioner Ronnie Vincent in August and Ronnie indicated that weather permitting, he expects Twin Harbors road work to be completed sometime during September.

At this point Pat Casey interjected to present his response to two negative votes regarding the specific Twin Harbors roads to be worked after the current scheduled work has been completed. Pat said he has asked on numerous occasions for the new Twin Harbors Road Policies and Procedures to be added to the website; however, this has yet to be added. Pat reflected that the county recommends that the roads which receive the most traffic, such as entrances and access roads, be maintained to the highest level, and we should utilize an unambiguous scoring system that grades the roads based on activity, condition, and prior investments. A primary road should be worked before a cul-de-sac.

Without a road plan, roads get worked based on personal interest. An example of which is the work done on Arrowhead Drive, several years ago. Arrowhead Drive is at the far end of our subdivision and has about 50 lots. At the time, two houses existed on Arrowhead Drive, yet the board mandated the paving of Arrowhead Drive to serve one house in the subdivision and one house outside of the subdivision.

The road plan in existence at that time was ignored. The county is an external source that will assist the determination of which roads which should receive attention.

By turning over Valleyview and Parkview to the county in 2016, the subdivision will save money because anyone who comes to the clubhouse/swimming pool must travel on Valleyview or Parkview.

The parking lot at the clubhouse/swimming pool would benefit from an application of chip and seal; however, the county will not provide any funds for the parking lot at the clubhouse, the parking lot at the main boat ramp, and the parking lot at the second boat ramp. Paul Laverty interjected that there never has been a parking lot at the second boat ramp so how could a parking lot at the second boat ramp be maintained.

The county has prepared and presented to the board a five year plan for Twin Harbors roads. By following the plan, the subdivision will be better prepared to budget and provide funds for contingencies.

Don Uptegraph initiated a discussion of the sale of the older small tractor. Don asked specifically if the tractor was put out for bids before being sold. Was the tractor advertised for sale or was the tractor just sold? Don further stated that there are significant rumors floating around that the sale of the tractor was a "brother-in-law deal" and the tractor was sold for a price below value. The rumors need to be addressed and details concerning the sale of the tractor need to be made known to the property owners.

Joseph Polizzi responded that the tractor was indeed broken and broken to such an extent that the cost to fully repair the tractor was prohibitive. The board was told that the tractor needed a welding job and there was a question of the additional costs even repairing the tractor. Availability of parts was also an issue. Cost to repair was prohibitive and the tractor was legally and officially "junk". To be considered a tractor the unit has to be functioning.

Pat countered that, in his opinion, the tractor was damaged by improper usage. Joseph said the statement was not accurate. Pat said the tractor experienced a violent impact. Joseph responds that from the date of purchase, the tractor had a leak, and the leak became worse over time. The leak eventually became so bad that the tractor would not go forward and would not move.

Pat said that according to the previous board minutes, the cost estimated to repair the tractor ranged from \$1,700 to \$3,000. Used tractors of the same brand, with similar equipment have been reported to have been sold for \$9,000 to \$11,000.

Joseph said that it was a board decision the tractor, in its present condition, was dangerous to drive, and if the unit was sold as a tractor, the board or the association faced the possibility of a lawsuit, if the driver was injured. Pat countered that if the tractor was repaired, the tractor could have been sold for more.

Joseph reflected that the manufacturer of the tractor reported this model of tractor was designed for home use. Pat said that was true and what he has been saying all along.

Don made an attempt to return the discussion back to the original question. Did the board vote to sell the tractor or did someone just make a decision to sell the tractor without obtaining board approval? Joseph said the board voted to dispose of the tractor. Amy Casey interjected that the board voted to sell the tractor "as is"; however, no minimum amount was provided and no individual was mentioned. Michael Farr said that no minimum amount was provided.

Pat Casey asked if the shredder was sold with tractor and what was the selling price obtained. Joseph said the shredder and tractor were sold together to an individual who lives in our community for a total price of \$505.00. Pat estimated the shredder was worth \$500.00 by itself.

Jim Wyckoff asked Who made the decision to sell the tractor without presenting the sale proposal to the board? Did the board give specific approval to sell the tractor for \$505.00 or did you put the tractor out for bids? Who made the decision to sell the tractor to a certain individual for \$505.00?

Jim commented that others would have made a bid for the tractor if only the information regarding the sale of the tractor had been made known and the tractor was put out for bidding. Pat acknowledged that he would have made a bid for the tractor, had the tractor repaired, and then sold the tractor.

Joseph said that after a further review, it was determined that the cost of a full repair on the tractor would have been between \$4,000 and \$7,000, although it was never reported to the board. Joseph said that at least one more offer was received for the tractor. That offer was for \$125.00.

Jim Wyckoff once again asked the question, "Joseph did you sell the tractor without first obtaining bids? Did you advertise the tractor? How was anyone to know the tractor was for sale if you did not publish the sale of the tractor. Bids should have been obtained." Joseph said the board approved the disposition of the tractor.

Pat Casey quizzed Joseph Is there any chance the purchaser would consider returning the tractor to the POA. No idea replied Joseph.

Bill Belcher interjected that he has been informed the purchaser has already had the tractor repaired at a cost of \$2,500.

Once again, Jim Wyckoff asked exactly who made the decision to sell the tractor. Jim acknowledges that the board said to dispose of the tractor, but exactly who made the decision to sell the tractor without board approval. Joseph said he made the decision.

At this juncture, Cliff Budd said that there appears to have been a colossal screwup. "We need to drop this subject and move on. We have learned a lesson. I can say without reservation that other boards have screwed up and made very costly mistakes."

Jim Wyckoff stated that the President does not have the authority to dispose of a POA asset without board approval. This was wrong and the action to sell the tractor should not be swept under the rug. This action was irresponsible.

Cliff Budd once again reiterated that this was a screwup and it is time to move on.

Jim Wyckoff asked if there was any way to get the tractor back. Joseph acknowledged that he has no idea. Jim asked Joseph to look into the matter of getting the tractor returned.

Pat Casey indicated that if anyone is interested, tractorhouse.com lists the sale prices of comparable tractors. The old tractor was somewhat unique because it had a shredder along with a front end loader.

Jim Wyckoff again pointed out that this whole transaction was not done properly. Jim asked if the whole activity is just going to be swept under the rug. Jim, speaking to Joseph, said that Joseph should be more responsible in running the POA. Joseph should have never have sold the tractor for \$505.00, which was obviously not the best price.

Amy once again said the board approved to sell the tractor "as is" but no other issues or conditions were discussed. This transaction just doesn't look right.

Pat Casey then initiated a discussion of two letters that Amy asked to be attached to the July 2015 Minutes. These were letters discussing mowing specifications for mowing right of way that were approved by the board in August 2014, with the following exceptions. The tractor we had was considered to be inappropriate for the job to be done and there was a disagreement with the decision to sell the tractor.

In August 2015, board members, with the exception of Amy, said they disagreed with the two documents, yet in 2014, the board said they agreed with at least a portion of the document contents. Pat said that he had made arrangements to have the initial right of

way cutting for a total cost of \$600. Pat said that the proposal was not approved because the proposed bid was in email form. Pat commented that the report said the board would adopt the Texas DOT method for maintaining road right of way in a cost effective manner.

Joseph said that this was not correct. The board did not approve all of the Texas DOT methods for maintaining right of way, such as using chemicals along the side of roads in our subdivision.

Pat said that the proposal approved in 2014 would have used a tractor with the right kind of shredder. The new tractor does not have the right kind of shredder. Twin Harbors rights of way are not uniform in surface and the association needs a tractor with a bag wing to cut to the full width of the right of way. One pass with a bat wing will handle the entire right of way. Cost to operate is \$65.00 per hour.

Pat interjected that he manages pasture land and is accustomed to mowing. Pat once again volunteered to operate the tractor for the association. Joseph said there was an insurance problem with the use of a volunteer operating association owned equipment. The insurance will not cover the damage a volunteer might do to himself or the damage that might be done to others or the property of others.

Pat said the tractor has a six foot shredder and we are only mowing one foot closer to the tree line that we mowed with the old five foot shredder. Joseph said we are mowing closer than one foot closer.

Bill Belcher provided that the tractor was purchased to mow Twin Harbors rights of way because the bids we received from outside contractors were too expensive. Pat once again commented that the first bid received from another contractor was for \$600 for the first cutting.

Paul Laverty stated that the contractor was repeatedly asked for proof of insurance coverage and the proof was never provided. Pat said that we did tell the contractor he must provide insurance. Paul countered with "Yes, we did tell the contractor that insurance proof was required; however, proof was never furnished."

Pat then said that with the county taking over our roads, the county will mow our roads twice a year. Michael Farr countered with, "No, that is not true." At one of our meetings, with Ronnie present, Ronnie said that subdivisions are responsible for mowing within the subdivision. Pat ventured that we need to talk once again with Ronnie Vincent.

Joseph then said that we appear to be going in circles and we are not going to accomplish anything because this discussion is being held in Open Forum and no votes can be taken in Open Forum.

Joseph then asked Ken Van Hook if he would assume the task of checking out the insurance issue, prepare a written report, and submit that report to the board at the next board meeting. Ken accepted and will report on the insurance issue at the next board meeting.

Correspondence:

Chip Choate reported no correspondence was received in the month of August, 2015.

Complaints:

Paul Lavery reported that three new complaint letters were mailed in August.

Additional complaint letters are being prepared and will be mailed in September.

Building Permits:

Amy Casey reported that no Application Building Permits were received in the month of August, 2015.

Pool Report:

Bill reported there were no security issues during the month of August 2015. Oasis continues to provide routine cleaning and maintenance each Monday when the pool is closed. After the pool closes for the season, the pool and equipment will be inspected to locate potential problems.

Other Business:

Paul Lavery initiated a discussion on the establishment of a dollar permit fee schedule for certain types of actions within the subdivision. The fee schedule was reviewed. Pat Casey questioned if the fee for commercial logging of a lot could be carried over to cover the fee for construction of a new home, if the construction was started concurrently with the completion of logging. The answer was yes. Bill Belcher made a motion to approve the permit fee schedule and for the schedule to begin on November 1, 2015, after presenting the permit fee schedule at the annual meeting. The motion was seconded, with Michael Farr voting no, and the motion was approved.

Michael Farr initiated a discussion to purchase one or two loads of fill material for Wildwood Harbor Circle and the grading of Twin Harbor Circle. Joseph Polizzi said that Twin Harbors Circle was causing problems for home owners and possibly damaging vehicles and he strongly endorsed the application of fill material and the grading. Pat Casey volunteered to assist Michael Farr with this issue. Chip Choate made a motion

to approve the purchase of up to \$2,000 of fill material for Twin Harbor Circle and the grading of Twin Harbors Circle. The motion was seconded and approved.

Paul Laverty initiated a discussion on a proposal to convert to a summer/winter schedule for the Twin Harbors office and mowing schedule. Paul indicated that activity slows down in the office during the fall and winter months, except for October and January when billings are mailed and most of the fees are paid. The Twin Harbors office will be open only on Saturday from Noon to 5:00 PM in November, December, February, March and April. New signage will be ordered and displayed on the fence. Mowing activity will be curtailed. Michael Farr made a motion to approve the conversion to a summer/winter schedule. The motion was seconded and approved.

Paul Laverty initiated a discussion of the Twin Harbors budget for 2015-2016. In response to a question, Paul indicated that income from the Special Assessment Fees shows an increase of \$16,000 due entirely to the anticipated increase in fees from \$60.00 per lot per annum to \$95.00 per lot per annum. Income from Regular Maintenance Fees are expected to decline because strong collection action in 2015 resulted in the collection of a large amount of past due fees.

Responding to another question Paul commented that we are closely following the Collection Policy. Pat Casey said that he did not think the current Collection Policy was online. Chip responded that he was sure the Collection Policy was online; however, he would check and confirm to Pat the Collection Policy.

Rufus Hobbs asked if we file suit against all past due accounts. Paul explained that each account is viewed individually. If an account is past due with the association and also with Polk County, then the prospects of collection are diminished. If Polk County forecloses on their taxes due, then all other liens are wiped out, this would include the association if we filed a lien. It cost almost \$200 for the association to file a lien in the Justice of the Peace Court. We want to be very cautious in how we spend our limited funds.

Amy Casey commented that she did not find a line for gasoline expense for the tractor and Paul indicated he would add \$800 for this expense and provide a new budget.

Joseph Polizzi made a motion to approve the budget for 2015-2016, subject to the addition of \$800 for gasoline for the tractor. The motion was seconded and approved.

Chip Choate initiated a discussion on requesting bids on a mowing contract for Twin Harbors common areas. Chip indicated he would prepare a mowing specification sheet, advertise for mowing contract bidders in the Polk County Enterprise and submit the bids to the board at the next board meeting. Chip also indicated that he would email the proposed mowing specifications to board members, to get their input prior to submitting

for advertising. Paul Laverty made a motion to approve requesting bids for a mowing contract. The motion was seconded and approved.

Chip Choate then asked for volunteers from members of the board to provide items for the annual meeting. Chip indicated he would be responsible for the donuts and kolaches and water for the coffee and tea, Amy for the coffee, Michael Farr for the orange juice, and Joseph for the ice.

Joseph made the following announcements.

The next board meeting is scheduled for Saturday, October 10, 2015.

Twin Harbors will hold its Annual Meeting at 10:00 AM on Saturday, October 17, 2015. Refreshments will be served beginning at 9:00 AM.

The Twin Harbors swimming pool is open May 1st to September 30th, Tuesday through Sunday, from 10:00 AM to 9:00 PM. The pool is closed on Mondays, except holidays, for routine cleaning and maintenance.

The Aqua Nuts will clean and paint the swimming pool benches on October 1st and October 2nd. The Aqua Nuts will hold a garage sale on Saturday, October 24th from 8:00 AM to 2:00 PM, to provide funds to purchase accessories for the swimming pool/ clubhouse area. If you have items for the garage sale, please bring the items to the clubhouse on Friday, October 23rd from Noon to 4:00 PM. Contact Judy Jackson at grandmajudy@mac.com, Bonnie Laverty blaverty@suddenlink.net or Nita Uptegraph 936-646-3136 if you have questions or need additional information.

Chip Choate made a motion to adjourn. The motion was seconded and approved. The meeting was adjourned at 10:41 AM.

Respectfully submitted,

B. Milton (Chip) Choate
Secretary