

Cliff House Board of Directors Meeting

2016 Annual Meeting

January 16, 2016

715 South Upper Broadway, Suite 101, Corpus Christi 78401

Meeting opened at 10:00am

JJ opened the meeting / welcomed everyone to the meeting.

The board members present were JJ Hart, Karen Pohlmeier, Brad Padgett, David Walker and Trey McCampbell.

Others present at the meeting were Monica Vaughan, Roberto Alaniz, Glenn Helms, Paul Koepke, Rane Clayton, Art Allen, Jerri Leonard, Robin Harper, Terri Povec, Lizette Saenz, Marsha Bromley, Christi Berry and Nancy Carlton.

JJ asked for comments regarding the minutes from last year's meeting.

No comments were made.

A motion was made to pass the 2015 Annual Board meeting minutes. David Walker made the motion. Brad Padgett seconded the motion. The minutes were approved.

JJ touched on a few items that were included in the packet that was recently sent out. He started by commenting on Craig's performance as the Property Manager over the past two years. The board is happy with his dedication to the Cliff House and the job he is doing. JJ mentioned that Craig does not "punch a clock," meaning that he does not necessarily have set hours. He comes in on holidays and weekends when needed and takes time off when warranted. He responds to calls, voicemails, texts and emails when he can. If he doesn't get back to you immediately, he finds the time to do so as soon as he can.

JJ then commented on the pending elevator repairs. Unfortunately, Schindler Elevators has been slow to get the work scheduled. In the meantime, we have elevators that are prone to breaking down. Craig has helped to curb this problem by monitoring as many move-ins as possible, as the majority of the issues tend to be caused by residents bumping or jamming the elevator doors during a move-in or move-out. This causes the sensors on the doors to malfunction resulting in the elevator shutting down. Due to this monitoring, the incidents have lessened but are still a concern. The work will be done to fix this issue properly, but will most likely not happen until the upcoming brick work is completed. The board prefers not to have 2 major projects happening concurrently

JJ touched on the fact that values of the units have been steadily rising over the past few years since the interior improvements were done and that the Cliff House will be actively marketing the building in 2016. The plan for the website is that it will be up and running within the next 2 months.

JJ then touched on the fact that the board is being good stewards of the Cliff House's money. Over the past 2 years, dues have been raised once and only by one cent, a full time property manager was brought on, improvements were made to the building, insurance and electricity rates have been renegotiated, the credit card has been utilized allowing for bills to be paid with no late penalties, etc. The cash back feature of the credit card has also allowed for additional income (approximately \$2000/year for the Cliff House).

The issue of getting more amenities at the Cliff House was briefly discussed. Due to larger projects needing more time, money and effort, there is no money in the budget right now to add an exercise room. However, if anyone

wants to give their input on landscaping ideas, etc., the board will be happy to listen to suggestions. If you have suggestions, please email them to JJ. JJ added that the lines and numbers in the parking lot will be re-painted soon.

JJ gave a brief update on the external brick work. According to AGCM, the work will begin on March 1st. It was originally slated to begin on February 1st, but has recently changed. The engineers will be starting on the Southwest corner of the building. JJ explained that AGCM was able to add a few areas of the building to the first phase since we have come in slightly under budget with the preliminary numbers. When the work does begin, Craig will have to temporarily move some of the vehicles' parking spots for a few months so the engineers will have room to work. Those affected will have their spots temporarily moved to the overflow parking area. The work should hopefully be completed in May.

The 2015 Financial Statements Report from Trey McCampbell (Treasurer)

Trey gave an overall explanation of the financial reports including the 2015 Balance Sheet and Income Statement.

Comments/Discussion/Questions

A discussion arose regarding the Cliff House reserve fund. The budget currently does not have a line item to add any funds to the reserve account. The upcoming brick work and elevator repairs are being paid for with the help of bank loans, not the reserve account. There is currently \$28,971.46 in the reserve account. The discussion centered on it sometimes being difficult for prospective buyers to obtain an FHA loan when purchasing a unit at The Cliff House. FHA lenders have certain restriction on reserve accounts that many local lenders do not have. There are no plans currently to add to the reserve account. The focus right now is on improving the building. The reserve account will be discussed at a later date if needed.

A motion was made to pass the 2015 Financial Statements and enter them into the record. A motion was made by Karen Pohlmeier and seconded by David Walker. The motion was passed by a show of hands (no votes against).

The 2016 Cliff House Budget

JJ Hart gave an overall explanation as to how the budget was shaped and decided upon. He reviewed key changes in the budget from the prior year. The remodeling and elevator loans have been added but the Frost loan has been paid off. There will be no additional dues increases this year.

A motion to approve the 2016 budget was made by David Walker and seconded by Brad Padgett. The motion was passed by a show of hands (no votes against).

The issue of power washing the building came up. Currently, we are washing the balconies every 2 years. They are going to be washed this year. If we want to wash them more often, dues may need to be increased.

The two open board member spots were voted on after the two candidates gave short speeches. Karen Pohlmeier and Terri Povec spoke and the ballots were cast.

David Walker was thanked for his 2 years of service on the board.

10:50 – Election.

Craig Hewerdine and Trey McCampbell counted and tallied the votes in Craig's office.

Voting Results:

69.4% Voted (Quorum was met)

Karen: 62.5% Yes

Terri: 59.8% Yes

The board members for 2016 are as follows: JJ Hart (President), Trey McCampbell (VP and Treasurer), Karen Pohlmeier (Secretary), Brad Padgett and Terri Povec.

Meeting adjourned at 11:24am