

# THE SHORES

SOUTH PADRE ISLAND, TEXAS

## **Annual Owner's Meeting Agenda March 16, 2024**

- 1) Call to Order
- 2) Review February 18, 2023 Meeting Minutes
- 3) Review Financial Statements and Operating Budget
- 4) Review Insurance Coverage
- 5) Review Past Due Assessments
- 6) Marina Village Phase, Section 3 Supplemental Declaration
- 7) Updates to Declaration / Policies / Governing Documents
- 8) Island #2 Update and Supplemental Declaration
- 9) General Discussion
- 10) Schedule Annual Owner's Meeting for 2025
- 11) Adjourn

## **BOARD OF GOVERNORS**

Richard J. Franke, Jr.	President
Richard J. Franke	Vice-President
Dennis A. Franke	Secretary / Treasurer

## **February 2025**

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## **The Shores Owner's Association**

**February 18, 2023**

### **Annual owner's Meeting**

- The annual owner's meeting for The Shores Owner's Association was called to order on February 18, 2023 by Richard Franke / Vice President. The meeting was held at The Shores Event Center, 8505 Padre Blvd., South Padre Island.
- With members present, proxies and declarant roll was taken and the required quorum was met to conduct the meeting. The following persons were present:

Kent Ward	Joe Reagan
George Block	Margie Block
Manuel Benavides	Vicky Pineda
Omel Cardena	Brenda Landeros
Aaron Unterbrink	Brooke Unterbrink
Michael Scaief	Joe Logan
Ruben Montenegro	Pamela Montenegro
Santiago Victaurri	Luis Masso
Mike Lynham	Barbara Lynham
Chris Freels	Alejandro Najera
Elaine Bready	Doug Bready
Melody Scoggins	Philip Thomas
Betsy Thomas	Nadia Gonzalez
Barry Dickerson	Linda Dickerson
Alan Weismantel	Nan Weismantel
Jay Flores	Robert Salinas
Olga Barron	Richard Franke
Dennis Franke	Richard Franke, Jr.

- The February 19, 2022 Annual Owner's Meeting Minutes were reviewed and approved as presented.
- The financial statements ( Balance Sheet and 2023 Budget) were reviewed and approved. Overall the association came in under budget and was able to increase the reserve accounts. The monthly assessment remains unchanged at \$300 per quarter. The following budget line items were discussed:

Long Term Maint. / Replacement 2022 income was \$56,800. Of this \$32,730.58 was spent on expenses related to the replastering of the park pool. The pool replaster cost \$108,000 and a note in the amount of \$94,000 was obtained. The \$32,730.58 expenses are the

difference and the monthly note payments. The unspent funds in the amount of \$24,069.42 was put into the reserve account. It was agreed that a new bank account would be created to place these funds into to make accounting more transparent on the financial reports. It was also agreed to remove this budget line item from the operating budgeted expenses and have it as a standalone budget item.

The 2022 water budget was \$45,000 and the 2022 actual expenditure was \$19,103.54. The 2023 water budget was decreased to \$30,000.

The 2022 security budget was \$52,000 and the actual expenses were \$64,547.33. The 2023 security budget was increases to \$65,000. Because of ongoing issues with Stronghold Security the company contracted to provide security for The Shores was changed to Chambers Security. Security services have also been increased during the summer months to have a guard on site during the day. The current security schedule is an onsite guard every night from 7pm to 3am and an additional guard is onsite 11am to 7pm during the summer months and busy periods. The phone number to our patrol officer is 956-410-8150 should anyone need to contact security. Increasing security to having an onsite guard 24/7 was discussed. The cost to do this would be \$150,000 annually which would be \$85,000 above the current budget. This would mean an increase in the monthly assessment of \$22.00. It was decided that this was not necessary at this time.

The 2022 Telephone budget was \$5,000 and the actual expenses were \$8,098.74. The 2023 Telephone budget was increased to \$8,000.

The boat dock 2023 budgeted income was increased from \$10,800 to \$18,900 due to an additional 18 boat slips that are being completed now. The 2023 boat dock budgeted expenses have also been increased from \$7,352 to \$13,605 to accommodate these new boat slips.

- The insurance coverage for The Shores Owner's Association was reviewed and approved.
- Past due assessments were reviewed. Accounts receivables as of 12/31/22 were \$18,003.83. Several payments have been made since then and at the time of the meeting the balance was \$6,074.71. The management is continuing to work on bringing the past due balance to zero.
- A financial audit of the Shores Owner's Association was reviewed and approved. The firm Roberto Lopez CPA, P.C. has been contracted to audit the 2022 financial records at a cost of \$14,000. This audit should be completed in April at which time the findings will be sent to all owners. It was agreed to have an audit performed every three years.
- A proposed fitness facility to be constructed next to the park was discussed to determine if it is something desired by the owners. Renderings and cost projections were presented. Based on current conditions the estimated cost to build and equip this facility would be \$800,000. In order to fund the cost of the facility it would require a special assessment of approximately \$2,500 per owner. The renderings and cost projections will be sent out to all owners to review with a form to fill out stating I Support or I Do Not Support the fitness center. This is an initial poll not a vote. Los Corales condominiums, via their

representative, voiced their opposition to the fitness center. The Los Corales condominiums have two on site fitness centers and do not want to be financially responsible for construction of the proposed facility.

- A new HOA website is being developed where association's governing documents will be accessible. The domain name is theshores-hoa.com and should be live by the end of February. Once the website is up and runner a notice will be sent to all owners.
- All the actions of board for the previous year were ratified. These actions include the following. Design code updated and re-filed with the county. Supplemental Declaration of the Marina Boat Docks at The Shores was amended to clarify existing dock structures and allow the option to assess the slip owners of one or more of the T-heads but not all in the event of disproportionate costs among the T-heads. 600 series boat dock was added to boat dock declaration adding 20 new slips that were built be declarant.
- The meeting was then opened to general discussion.
- The development of island number 2 was discussed. The bridge is being constructed now and should be completed in July at which time the utilities and roads will be installed. The channel where the bridge is being built is closed during construction. The bay can be accessed by going around island 2.
- A new marina front condominium project called Corales Bay Towers is being developed at wharf street and the marina. This will be a 6 story building containing two and three bedroom units starting at \$580,000. The units are being sold now and construction should begin in April. For more information contact Franke Realty.
- A matter unrelated to The Shores, The Historical Museum of South Padre Island, was discussed by Dennis Franke. The museum is being built at 610 Padre Blvd. just north of the Isla Grand Hotel and a rendering of the building was provided. Dennis mentioned that if anyone has any historical photos, artifacts, etc. that they would be willing to donate or loan to the museum it would be greatly appreciated and to please let him know.
- It was brought up that some of the owners were having issues with gate number 5. These issues are being addressed.
- The Shores Owner's Association Board is as follows:

Richard Franke, Jr.	President
Richard Franke	Vice President
Dennis Franke	Secretary / Treasurer

- The next annual owner's meeting was scheduled for February 17, 2024
- There being no further business the meeting was adjourned.

Respectfully submitted,

The Shores Owner's Association

**THE SHORES OWNERS ASSOCIATION FOUNDATION ANNUAL BUDGET  
INCOME EXPENSES 2023 VS BUDGET 2024**

	<u>2023</u>		<u>2023</u>		<u>2024</u>
	<u>Budget</u>		<u>Actual</u>		<u>Proposed Budget</u>
<b>Income:</b>					
<b>Operating</b>					
Assesments	\$ 308,160.00		\$ 299,588.18		\$ 320,480.00
Finance Late Fees	0.00		3,019.06		0.00
Pool Party Rental Income	0.00		700.00		0.00
Start Up Fees	0.00		8,100.00		0.00
Interest Income	0.00		47.71		0.00
Total Operating	308,160.00		311,454.95		320,480.00
Long Term Maintenance Income	77,280.00		74,940.00		80,120.00
<b>Boat Dock</b>					
Boat Slip Assessments	18,900.00		17,400.00		21,600.00
Finance Late Fees	0.00		234.79		0.00
Start Up Fees - Boat Slips	0.00		100.00		0.00
Total Boat Dock	18,900.00		17,734.79		21,600.00
<b>Shores Foundation</b>					
Membership Dues	0.00		5,600.00		0.00
Interest Income	0.00		427.79		0.00
Total Foundation	0.00		6,027.79		0.00
<b>Total Income</b>	<b>\$ 404,340.00</b>		<b>\$ 410,157.53</b>		<b>\$ 422,200.00</b>
<b>Expenses:</b>					
<b>Operating</b>					
Accounting	\$ 18,000.00		\$ 19,414.10		\$ 18,000.00
Bank Service Charges	5,000.00		4,271.03		5,000.00
Equipment Expense	9,500.00		7,878.24		9,500.00
Gate / Gatehouse	15,000.00		15,942.44		15,000.00
Insurance	18,000.00		38,027.08		40,000.00
Water	30,000.00		18,627.95		25,000.00
Landscaping/Grounds Maint.	25,000.00		25,116.76		25,000.00
Legal	5,000.00		3,060.83		5,000.00
Management	12,000.00		12,000.00		12,000.00
Park Expenses	28,000.00		27,704.13		28,000.00
Pest Control	2,300.00		1,515.50		2,300.00
Repairs and Maintenance	40,000.00		34,666.55		40,000.00
Security	65,000.00		83,031.18		70,000.00
Supplies	3,500.00		1,177.16		3,500.00
Property Tax	2,800.00		1,363.65		2,800.00
Telephone	8,000.00		6,807.11		0.00
Trash	2,500.00		1,770.62		2,500.00
Electricity	13,000.00		13,078.31		13,000.00
Total Operating	302,600.00		315,452.64		316,600.00
Long Term Maintenance Expenses	24,900.00		24,264.44		24,900.00
<b>Boat Dock</b>					
Bank Service Charges	600.00		300.00		600.00
Insurance-Boat Docks	1,100.00		2,200.00		2,200.00
Water	1,200.00		1,051.87		1,200.00
Repairs and Maintenance	8,000.00		8,000.00		8,000.00
Supplies	500.00		500.00		500.00
Property Tax	5.00		1.70		5.00
Electricity	2,200.00		2,000.00		2,200.00
Total Boat Dock	13,605.00		14,053.57		14,705.00

**THE SHORES OWNERS ASSOCIATION FOUNDATION ANNUAL BUDGET  
INCOME EXPENSES 2023 VS BUDGET 2024**

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Proposed Budget</u>
Shores Foundation			
Accounting	1,800.00	1,500.00	1,800.00
Total Foundation	1,800.00	1,500.00	1,800.00
 Total Expenses	 \$ 342,905.00	 \$ 355,270.65	 \$ 358,005.00
 Reserves - Operating	 5,560.00	 (3,997.69)	 3,880.00
Reserves - Long Term Maintenance	52,380.00	50,675.56	55,220.00
Reserves - Boat Dock	5,295.00	3,681.22	6,895.00
Reserves - Foundation	(1,800.00)	4,527.79	(1,800.00)
Total Reserves	\$ 61,435.00	\$ 54,886.88	\$ 64,195.00

**2024 Maintenance Assessments:**

**Marina Village I & II**

**1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> Quarter:**

237 Lots @ \$80 /lot/mo x 5 mo	\$ 94,800.00
237 Lots @ \$20 /lot/mo x 5 mo	\$ 23,700.00
259 Lots @ \$80 /lot/mo x 7 mo	\$ 145,040.00
259 Lots @ \$20 /lot/mo x 7 mo	\$ 36,260.00

**Boat Slips**

**1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> Quarter:**

36 Slips @ 50/lot/mo x12 mo	\$ 21,600.00
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**Los Corales Condos**

**1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> Quarter:**

84 units @ \$80/unit/mo x 12 mo	\$ 80,640.00
84 units @ \$20/unit/mo x 12 mo	\$ 20,160.00

Regular Assessments	\$ 320,480.00
Long Term Maintenance	\$ 80,120.00
Boat Slips	\$ 21,600.00
<b>TOTAL</b>	<b>\$ 422,200.00 /yr</b>

**THE SHORES OWNERS ASSOCIATION  
COMBINED BALANCE SHEET  
As of December 31, 2023**

**Dec 31, 23**

**ASSETS**

**Current Assets**

**Checking/Savings**

First National Bank - Foundation	88,849.59
FNB-Long Term Maintenance Reserve	63,669.42
First National Bank Checking	10,345.25
Boat Dock Reserve Account	18,411.16
Operating Reserve Account	122,388.93

<b>Total Checking/Savings</b>	<b>303,664.35</b>
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**Accounts Receivable**

Accounts Receivable	48,767.38
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<b>Total Accounts Receivable</b>	<b>48,767.38</b>
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<b>Total Current Assets</b>	<b>352,431.73</b>
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**Fixed Assets**

Equipment	703.60
Furniture & Fixtures	44.62
Improvements	8,513.35
Land Improvements	431.77

<b>Total Fixed Assets</b>	<b>9,693.34</b>
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<b>TOTAL ASSETS</b>	<b>362,125.07</b>
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**LIABILITIES & EQUITY**

**Liabilities**

**Long Term Liabilities**

Note Payable-First National Bank	57,957.17
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<b>Total Long Term Liabilities</b>	<b>57,957.17</b>
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<b>Total Liabilities</b>	<b>57,957.17</b>
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**Equity**

Retained Earnings- Foundation	88,001.16
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Retained Earnings	164,959.22
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Net Income - Foundation	848.43
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Net Income	50,359.09
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<b>Total Equity</b>	<b>304,167.90</b>
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>362,125.07</b>
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**ASPEN SPECIALTY INSURANCE COMPANY**  
**COMMERCIAL PACKAGE POLICY CIUHOA004329-01**

**Inception Date:** 4/28/2023

**Expiration Date:** 4/28/2024

**Named Insured and Address**

The Shores Owners Association  
8605 Padre Blvd.  
South Padre Island, TX 78597

**Producing Agency Name and Address**

Wade Sales and Blake Sales, LLP  
PO Box 3355  
Brownsville, TX 78526

**Package Policy Premium:** \$15,940.29

**Windstorm Premium (TWIA):** \$17,732.00

**Total Premium :** \$33,672.29

**Commercial Property Limits** \$2,000,000

**Commercial General Liability** \$1,000,000 per occurrence \$2,000,000 aggregate

**Umbrella Liability** \$5,000,000

**Hired / Non-Owned Auto Limit** \$1,000,000

**Personal and Advertising Injury Limit** \$1,000,000

**Damages to Premises Rented Limit** \$50,000

**Liquor Liability** \$1,000,000

**Director & Officers Liability** \$1,000,000

**Windstorm Coverage on 2 dune walkovers** \$100,000 each

**CIUHOA004329**

**ISSUE DATE : 4/23/2023**