Hickory Bay Towers Board Meeting
March 27, 2024
2:00 PM in the Party Room
Building #1

Members present:

George Kemp	James Arnold
Ernie Bates	Gary Reinke
Lisa Pyles	Cindy Taylor
Grace Martin	June Fennell
Rob Jones	Darlene Shelton, RowCal

The meeting was opened with a prayer by James Arnold. George Kemp presided.
Cindy Taylor was introduced as the new board member.

There was a lengthy discussion regarding the notification of all homeowners of a meeting to provide information regarding the changes to the Rules and Regulations and the amendment to the by-laws regarding qualifications for leasing condos. This will be followed with a vote by the homeowners. The homeowners not living on site will be mailed an information packet including the ballot, a copy of the amendment and a proxy. It is necessary to have a yes vote from 79% of the home owners for the changes & the amendment to be approved.

It was agreed that there will be two meetings on April 18, 2024. One in Building 1 at 2:00 p.m. and the other in Building 2 at 4:00 pm. This is to eliminate the overcrowding that has occurred in the past and also allow homeowners the flexibility of choosing a time to meet. Cindy stated that she would prepare a flyer explaining importance of the meeting, the reason, the date, and the times. Rob volunteered that he would distribute the flyers to the homeowners.

Darlene will assemble a packet for each homeowner containing the ballot, the amendment and a proxy. On April 15, 2024 two teams will contact the homeowners in each building to explain the items on which they will need to vote. George Kemp and James Arnold will deliver to the homeowners in Building 2. Cindy, Lisa and Darlene, if she is available, will deliver the packets to Building 1. If the homeowner decides to vote at that time, the team will witness the signature.

If the amendment passes, the document will be signed by George Kemp and notarized by Darlene Shelton.

After a lengthy discussion, it was decided to let the amendment stand as it is for the vote. During the discussion James Arnold stated that the owners in Building 2 do not want any more condos sold that will be leased as income property. Their fear is that it will eventually become entirely rentals.

Gary Reinke expressed his position to negate the amendment explaining the mortgage interest rate difference between mortgages of investors (those who will rent their condo unit(s) and those who will purchase a condo for personal use. The investor will pay a higher interest rate of a mortgage because it is an investment, and the lender will determine the rate based on a percentage of owners who rent and those condo owners who live in their unit. The purchaser of a condo to reside as their permanent residence will pay the current market interest rate for a residential condo regardless of how many investor condo units are rented.

When communities restrict who can buy property, which is what a vote for this Amendment will do, property values will drop because you have restricted the number of potential buyers for your property. A second dilemma can be the inheritance of a condo by a relative and if they can't rent it and have to sell, the buyers of property will be lessened because of this proposed restrictive policy and the owner will have to sell at lower price.

Ernie Bates inquired how leased properties would be monitored, enforced & who would be responsible for keeping accurate records. Darlene commented that RowCal has a program of rental monitoring. Whoever owns the unit will pay for this privilege.

George stated that the property cannot be classified as commercial unless one of the units became an office for a commercial business.

The new management contract with RowCal will go online May 1, 2024. They have an online portal and a mobile app. The staff will not change nor will the business location.
The management fee is the same as with Halo and the contract is renewed yearly. Fees may be increased upon renewal at percentage equal to the greater of the S.S.A.'s most recent cost of Living Adjustment or 5% (five percent). The contract may be cancelled with one months' notice by the association. Likewise, the RowCal may cancel the contract on one month's notice if the association does not follow the by-laws and/or good business practices.

Preventive maintenance will be available but is not currently set up. There will be a 1-800 emergency phone line when everything is in place. If a homeowner should call the emergency call line and the situation is not an emergency, the association will be billed accordingly. As a result, the association will then bill the homeowner for the any charges.

In regard to proof of insurance, Darlene assured the board that the documents were on file with Halo and would be given to RowCal at the proper time. The decision was made by the board to sign the contract.

The required reserve study by Hart Reserve Study is tentatively scheduled for January 2025. The fee will be $10,000 divided into two payments of $5,000 each. Hart will require access to drawings of the building.

James Arnold motioned that the meeting be adjourned and George Kemp seconded. The Board approved the motion.