

KEY ALLEGRO CANAL & PROPERTY OWNERS ASSOCIATION
DIRECTORS MEETING – November 15, 2021, 8:30 a.m.

Via Zoom Video Conferencing

DIRECTORS PRESENT: Lynn Powers, Myatt Hancock, Brink Brinkerhoff, Jim Martin,
John Schwarz, Jr. and Keitha Spiekerman

ABSENT: Stephen Portner

GUESTS: Henry Stewart, Chris Veatch with Spectrum AM, Forrest Word for Revetment

Lynn welcomed everyone to the November meeting. A quorum of Directors was certified, and Lynn Powers called the meeting to order at 8:30 a.m. Motion was made to accept the September 20, 2021, minutes as stated and written. Motion was passed unanimously.

FINANCIAL – Chris Veatch reported the financials as follows:

Balance Sheet:

The balance sheet continues to look good. Special Assessment has \$800k in cash and assets. The canal reserve account has approximately \$700k after making the annual contribution. The General Reserve has approximately \$132k in cash assets. Our operating account has approximately \$350k in cash assets and are still owed approximately \$12k in 2021 assessments which is below the 5% we reserve for non-payment.

P&L:

The operating income is now tracking behind budget. Income is \$268k with a budget of \$236k for year to date through August. The \$30K overage in income coming from ACC fees, pool fobs and merchandise sales. Operating expenses are approximately \$289k against a budget of \$266k. The overage in expenses is legal (almost \$14k over due to the lawsuit and ground maintenance, \$5k over due to the freeze with plant removal and an extra mulching), General and administrative at \$4k over due to additional mailings for legal and voting, as well as taxes (\$6k over due to past taxes being paid to reinstate the POA to avoid additional legal actions. We are also paying the delta from on canal to off canal into canal reserve for dredging. Our legal issues have cost \$23k over budget. Overall, net income was a loss of \$21.4k.

After reviewing cash flow by account to determine our needs over the next 12 months. Based on these needs and current interest rates, Brink made a motion to:

- Close Herndon Accounts for better interest rates
- Close American Bank account and put into Navy Army
- Open checking with Navy Army with 20K with Brink Brinkerhoff and Chris Veatch as signers
- All motions passed unanimously

MANAGEMENT REPORTS-

Chris secured bids for next year's ground maintenance contract.

Insurance for 2022 is secured and has come in under budget.

Bay shore Drive easement continues to be dug up and bored for the fiber optic cable conduit, it is fortunate the revetment work is following this activity.

We have finished with the contractual agreement with Key Allegro condos for bulk payment of annual dues, it was filed with the county last Friday.

Chris met with Texas Stream Commission this week and will begin testing water quality at three sites on Key Allegro. This is in conjunction with ACND, they funded the test kits, and there will be ten sites total being tested in Little Bay and Rockport.

SECURITY:

Brink reported there were two home burglaries in October which followed five months of no thefts in a home on Key Allegro. He is also discussing a potential second camera on the island with RPD.

ARCHITECTURE CONTROL COMMITTEE-

ACC has the following updated through mid-November:

- 108 permits through this year vs 97 in 2020
- 29 bulkhead permits compared to 17 in 2020
- 9 new builds vs 6 in 2020
- Canal side is looking much better with 34 dock permits this year coupled with another 43 from 2020

REVTMENT PROJECT:

Forrest Word spoke to the following points

- 20k to 40k bid for engineering two projects at entrance to Bay Shore and Bay Shore and Albatross was submitted by Mott McDonald
- Board is looking into alternatives for these two sites that involve cap damage and rock work at entrance and cap replacement and rock work at parking area at the end of Bay Shore
- Completion of any caps should be prior to revetment work scheduled for next year

NOMINATING COMMITTEE- Stephen Portner will be heading up the committee. Applications can be made to Chris Veatch or through the Key Allegro website. There will also an article in the Fall newsletter about this. Applications will be accepted through December 15, 2021.

NEW BUSINESS- No new items were discussed:

MEMBERS QUESTIONS AND STATEMENTS:

Debbie Kahanek asked for news on the Marina. Interested party is currently going through due diligence and the contract with ACND has not lapsed since Hurricane Harvey.

Scott Norman asked about progress of new bridge, official answer is completion is still expected for August 2022.

ADJOURN – The meeting was adjourned at 8:52 a.m.

NEXT MEETING- January 17, 2022, at 8:30 a.m.

An Executive Session was convened following the regular Board meeting.