

# MINUTES

## Memorial Northwest Homeowners Association

17440 Theiss Mail Route  
Klein, TX 77379

## Meeting of the Board of Directors

Tuesday, June 7, 2022

### PRESENT:

Greg Schindler, President  
Jay Jackson, 1<sup>st</sup> Vice President  
Ryan Aduddell, 2<sup>nd</sup> Vice President  
Kelley Minor, 3<sup>rd</sup> Vice President  
Joy Hemphill, Secretary

Art Byram, Area 1  
Gerome D'Anna, Area 3  
Craig Carter, Area 4  
Erik Barlow, Area 6  
Michelle Rodriguez, Area 7

### PROPERTY MANAGEMENT:

Lindsey Hall-Wikenczy, Chaparral Management Company - Cypresswood

### ABSENT:

Stephanie Williams, Treasurer  
Catherine Persino, Area 2

### VACANT:

Area 5 Director

(The Executive Session was held from 7:00 p.m. until 7:59 p.m.  
Minutes were prepared under separate cover.)

## General Session (8:02 p.m. – 9:32 p.m.)

Mr. Schindler summarized the executive session for the homeowners, to-wit: There was a scheduled 209 hearing with a homeowner; the homeowner did not appear. The board reviewed the legal status report from the association's attorney: Homes that have been delinquent for three to five years are heading to foreclosure and there are lawsuits against some homes for deed restrictions.

**Adoption of the Agenda:** Mr. Schindler asked if there were any objections or amendments to the agenda. The Board unanimously approved the agenda as presented.

## BOARD SCHEDULED ACTIONS

### **Texas Pride Presentation requesting fee increase:**

Kevin Atkinson, president and owner of Texas Pride Disposal, approached the board seeking a 7.8% increase to all homeowners for trash services. Mr. Atkinson started his presentation by giving a brief history of Texas Pride, having started in 2013 with two trucks and now having 23 trucks and two locations, serving residential and commercial customers in and around the greater Houston area. Texas Pride started with MNW in November of 2019, right before the COVID pandemic. The COVID pandemic presented unusual and demanding challenges: labor shortages due to sickness and lack of workers during the government shutdown as well as more

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at-home waste, such as a plethora of home delivery boxes, resulting from more people staying home. Since then, they have experienced weighty increases in costs such as fuel and insurance (21%). In addition, there are approximately 400 MNW homeowners who are not paying for their trash pickup, which causes excessive slow-downs as drivers are continuously taking the time to reference a non-pay list. Moving to Monday recycling days has been a positive for the company. Mr. Atkinson states that the more one recycles the better, as it is a future hedge against cost increases.

In order to remedy the slowdowns, Mr. Atkinson proposes a stickering process, where a Texas Pride-issued sticker will be given to customers who are paid up to place on their cans, so that the drivers can quickly spot those customers. Mr. Atkinson says Texas Pride will take responsibility for informing homeowners of this practice. Mr. Atkinson also requests a 7.8% increase to the monthly fee, with the proviso that there will not be any more increases until contract renewal in 2023.

Mr. Jackson motioned that MNW accept the 7.8% increase with no further increases until November of 2023. Mr. Aduddell seconded the motion. All voted in favor.

## **Homeowners Forum:**

Six homeowners were present for the board meeting.

A homeowner approached critical of the process and the number of steps necessitated by the ACC form to get trees trimmed and to replace his fence. He urged that the process run smoother for the homeowner.

A homeowner objects to receiving a first and second letter for a greenhouse that he had put up in 2008, having received approval at that time.

A homeowner is concerned about trees growing above and below power lines, and inquires as to who is responsible for such. The homeowner was informed that Centerpointe routinely trims trees around the power lines, suggesting the he contact Centerpointe to put in a request for tree trimming.

A homeowner queries whether employees of a business run out of the home can park on the street curbs. The board explained that per deed restrictions commercial businesses (unless federally or state protected) could not be run from residential lots within MNW. The suggestion was to report the license numbers for vehicles suspected of belonging to a business.

A homeowner is alarmed by a man with a shopping cart walking along Theisswood and over to Naremore, down to the bridge at the gully. Mr. Aduddell responded that the sheriff officers were alerted, human services and outreach notified.

## **Security Report:**

Mr. Aduddell states there was nothing of significance to report in security for this month.

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## **Architectural Control Committee (ACC) Report**

Mrs. Minor states that of the 61 violations that need a board decision for the next step, there are six homeowners that she recommends sending to the attorney. Mrs. Minor recited the history and dates of violations for each property, one on Hidden Trail, Teakwood Forest, Shadow Valley, Theisswood, Vintage Wood Circle, and Vintage Wood Lane. She motioned that these six be moved to the attorney. All voted in favor.

## **Contracts Report: Presentment of Recommended Management Company.**

Mr. Jackson gives the following report regarding the management company search.

Chaparral Management, formally SCS Management, has been notified that their contract is being terminated with cause. The termination date is set for September 1, 2022.

Memorial Northwest has been in some mode of replacement search for the current management company for almost two years.

The Memorial Northwest HOA prepared and distributed an RFP (request for proposal) in late 2020. The proposal was answered by six respondents. Based on their responses, not all respondents were qualified and, thus, were eliminated.

Memorial Northwest HOA has some lofty goals for property management and gaps which need to be addressed with the incumbent management company, such as: Onsite, dedicated management of the community center and properties; improved deed restriction reporting and compliance, including inspectors, reporting methodology, and quality of homeowner communications; improved assessment fee and overdue account collection processes; improved interface and oversight with legal referrals; stable corporate structure; experienced property management team to provide required guidance for emergent issues and complex problems; and strong accounting and financial reporting services.

Two respondents to the RFP provided extremely professional proposals, spent considerable time learning about our issues and management paradigm. Both companies have extensive experience with large back-end support organizations; good reviews; strong management teams; a similar approach to property management, with some notable exceptions; best-of-breed technology and internally source systems; and skilled transition teams to assist with changeover.

Through the selection process there were some notable differences between the companies: Company 1 was unwilling to propose a "portfolio" management solution. They firmly believed our property would benefit from a fulltime manager and the portfolio-style management used with Memorial Northwest rendered less-than-optimum results. Company 2 presented both a fulltime onsite manager and a portfolio management solution. They believed they could do either method successfully. They then deferred the selection to us.

Continuing through the vetting process, some nuisances between the companies became more evident. It was becoming more complicated to get complete answers from company 2. The two primary issues were charging all overdue homeowners a handling fee of \$20/month to their account if there was a balance owed. This handling fee was for the benefit only of the

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management company. We found this practice to be distasteful. They were also requiring a filing fee with each ACC application paid by the homeowner or the HOA or paying a software license fee for software they have developed. We found this counterproductive to our policies and possibly detrimental to homeowners' compliance with the ACC policies. Company 2 will not be presented to the board for acceptance.

The challenges to overcome are: Changing from a portfolio management to fulltime management will be more expensive for the membership; current and future staff and work balance, logistical issues like office space, networking and hardware requirements; homeowner communications and acceptance; transition plan from incumbent to the new management company; accounting, records and other intellectual property.

The benefits with Company 1 are:

- ▶ On site manager:
  - ▶ Homeowner direct and dedicated interface
  - ▶ Single resources for all inspection processes and reporting
  - ▶ Provides all meeting preparation and meeting minutes
  - ▶ Provides interface for all homeowner account management
  - ▶ Will provide complete management of the community center and the property except for the tennis scheduling and pool management.
  - ▶ Will greatly improve the homeowner satisfaction with the management company providing a direct contact for homeowners to meeting directly with the manager
- ▶ Homeowner Portal
  - ▶ Account Info
  - ▶ Billing
  - ▶ Violations
  - ▶ Architectural Control
- ▶ 24 Hour Support center for emergencies, account information, payment processing

**Recommendation:** The Management Company Selection Committee would like to recommend the following:

- ▶ Approval from the Board to notify First Service Residential of our endorsement for First Service Residential to become the new management company of record for Memorial Northwest Homeowners Association pending the following:
  1. Negotiation of fine-print items and final contract or agreement for services;
  2. Contract review by the Memorial Northwest Attorney;
  3. Execution of Agreement for Services
- ▶ An expected starting date for services to the homeowners is September 1st, 2022.

**Contract details:** Primary monthly service costs for the management company, not including special projects and homeowner reimbursed expenses:

- ▶ Initial Setup Fee **\$500.00 (one time)**
- ▶ Monthly Management Fee **\$2,400 per month**
- ▶ Bundled Administrative Services Fee **\$1,969 per month (all are not homeowner reimbursed expenses)**

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- ▶ Dedicated Fulltime Resource (salary and benefit expenses) **\$6,700.00 per month**  
(estimated costs; actuals will vary depending on experience and market)

## **The next steps are:**

- ▶ To form a transition committee responsible for the oversight of the transition;
- ▶ Document all rules and procedures;
- ▶ Collect all intellectual property and records from the current management company;
- ▶ Resolve open and incomplete collections and deed-restriction issues
- ▶ Begin communications to the homeowners.

Mr. Schindler asked for a vote of those in favor of moving forward with negotiation for a final agreement for services and a review of such with MNW's attorney. All board members voted in favor.

## **NEW BUSINESS**

Because of the July 4<sup>th</sup> holiday and possible holiday travel, Mrs. Minor motioned that the July board of directors meeting be held the second Tuesday of the month (July 12<sup>th</sup>) as opposed to the first Tuesday (July 5<sup>th</sup>). After discussion, Mr. Aduddell seconded the motion. The motion carried with six in favor and two abstentions.

With no further business before the board, Mr. Aduddell motioned to adjourn, with a second from Mr. Bartlow. All members voted in favor.

(With no further business before the board, the meeting was adjourned at 9:32 p.m.)

Next Board of Directors Meeting: Tuesday, July 12, 2022