

PADRE ISLES PROPERTY OWNERS' ASSOCIATION, INC.

BOARD OF DIRECTORS' MEETING

TUESDAY, DECEMBER 16, 2025

1. Call to Order: 5:30 P.M.
2. Board Members' Present: George Reed, Drew Diggins, John Pasch (proxy George Reed), Natasha Muse, Bill Davenport, Terry Brown

Motion: Bill Davenport: Approve meeting minutes for October 2025	
Second: Terry Brown	
Aye: George Reed, Natasha Muse, Drew Diggins, John Pasch (Proxy)	Nay: 0 Abstain: 0

3. President's Comments:
 - Tax return has been successfully filed; results will be posted online once received.
 - Inform members of lawsuit that has been filed against the POA, Island developers and one individual serving on the current board. Adhering to the appropriate legal procedures and additional information will be shared as soon as permitted.
 - Moving water remains one of our primary concerns, and we are actively coordinating with the city on our ongoing project, which includes the installation of culverts on Encantada, the dredging of pipes, and the implementation of flood-gate solutions. We will continue to work closely with the appropriate departments to ensure these improvements are carried out responsibly and effectively.
4. Conflict of Interest: N/A
5. ACC Presentation: Mark Dragoo
 - ACC guidelines re-write in process
 - End of year report is not available.
6. Bulkhead Presentation – Rick McGinley
 - Expense numbers shown can be found on Agenda.
 - Recap of repairs:
 - 209 Linear ft cap repair
 - 16 panel seams/foam
 - 20 manta ray installations
7. Executive Director Report- Rick McGinley
 - Transparency:

- At our 1.9 ft/s (canal velocity) nominal scour threshold determined by previous LJA sponsored studies
- Existing drainage pipes will likely cause over 30 inches of upstream flooding
- By comparison the Proposed 3-box culverts result in only ~2 inches of flooding at a 4 ft/s surge
- Existing drainage pipes back water up nearly 3 feet. By comparison the Proposed 3-boxes result in under 5 inches at 6 ft/s extreme surge Existing drainage pipes create over 3.5 feet of backwater
- By comparison the Proposed 3-box culverts result in under 11 inches
- Scouring damage to the bulkheads begins at 1.9 feet per second due to the discharge velocity of the two drainage pipes: approximately 54 fps with a 1.9 fps flow in the canal
- Trimmed all the POA Palm Trees
- Wrote 2026 eVoting Plan for the POA Election

8. Treasurer's Report – Terry Brown

- The accounting basis adopted by the Padre Isles Property Owners Association is the CASH basis. Accordingly, revenues and expenses are recorded as incurred.
- 2024 Tax Returns based on the Financial Statements for the fiscal period ending 12/31/24:
 - Our CPA firm, Adamson and Company, timely filed the Associations' 2024 Tax Returns on Monday, November 17.
- Based on these returns:
 - 2024 operating results reflect gross revenue of \$2,812,972 vs. prior year 2023 gross revenues of \$2,527,621 for an increase of \$285,351 or 11%. This increase was due primarily to an increase in investment income; Investment Income for 2024 was \$586,714 vs. \$314,720 for 2023 for an increase of \$271,994 or 86%; Labor Expense for 2024 was \$386,295 vs. \$302,728 for 2023 reflecting an increase of \$83,567 or 27%.
- Accounts Receivable:
 - A review of the current Accounts Receivable listing shows a total outstanding balance of \$612,724. This includes receivables that are aged from prior years. All significant outstanding accounts are currently in the collection process, which includes demand letters and attorney action as provided for in our approved Collection Policy. The current outstanding A/R balance reflects a reduction of \$15,075 or an improvement of 2.5% over the prior reporting period.
- Auditors' Report for the fiscal period ending 12/31/2024:

- Continuing communication with our Auditors indicates that our Annual Audited Statements for the period ending December 31, 2024, will be available to us shortly. The auditor has confirmed that he is in receipt of all PIPOA reports and data necessary to complete the Report.
- Summary of Financial Operations vs. budget through November:
 - Actual gross revenues \$2,657,302 vs. budget of \$2,727,700 revealing revenue below plan by (\$70,398) or 2.5%.
 - Actual expenses \$2,351,152 vs. budget of \$2,354,536 revealing expenses below plan by (\$3,384) or less than 1%.
 - Projected net operating income of \$306,150 vs. budget of \$373,164 revealing NOI through November below plan by \$67,014 or 21%.
- Summary of Investment Accounts through November:
 - The November Herndon Plant Oakley investment statement reflects a total portfolio value of \$14,387,643 as of 11/30/25. Annualized income earned for the 11-month period ending 11/30/25 is \$511,287 or 3.5%. These values are after a \$250,000 fund transfer to our general operating account on November 17 to cover operating expenditure until the next CAM fees are received.

9. Old Business:

- “No Wake” Buoy Replacement - Buoy replacement is a significant and costly project. Currently, we are evaluating the most effective locations for new buoy installation and speaking with residents in the designated areas to provide “No Wake” signs for placement on their decks. In addition, we are working on a specialized buoy design intended to reduce long-term maintenance expenses and improve overall durability.
- Hold up on Billish Park Well project - We have also learned that timing is critical when it comes to permitting. Determining an appropriate location for the skate park has been challenging, as both the contractors and the city are still working with us to finalize the site. We will continue coordinating closely to move this process forward as efficiently as possible

<p>Motion: Terry Brown, Billish park water-well project, cease any and all work, actions, and/or investigations related to the previously approved work on the Billish park water well project, All previously approved, directed work, and/or actions taken on said project are withdrawn and cancelled. No actions or work is to be taken without a specific directive from the POA Board members.</p>	
Second: Natasha Muse	
Aye: 0	Nay: Geroqe Reed, Drew Diggins, Bill Davenport, John Pasch (Proxy) Abstain: 0

10. New Business:

- 2026 Budget Submission

Motion: Drew Diggins: Review Annual Budget before decision		
Second: Bill Davenport		
Aye: George Reed, Terry Brown, John Pasch (Proxy George Reed)	Nay: 0	Abstain: 0

- Upcoming Board elections:
 - 4 seats open
 - Encourage anyone interested in submitting their resume.
 - An excellent opportunity for members to get involved and contribute to their future association.
 - Residual bylaw action on the Seawall.
 - Associations websites with all social media platforms will be updated with election plans.
- Annual Meeting set- March 28, 2026, at 10:00 a.m. Location TBD.
- Next meeting:
 - January 27, 2026, at 5:30 p.m.

Motion: Bill Davenport, adjourn meeting		
Second: Natasha Muse		
Aye: George Reed, John Pasch (Proxy George), Terry Brown	Nay: 0	Abstain:0
Meeting adjourned 6:47 p.m.		