



Open HOA Agenda

January 25, 2024

6:00 PM Broussard Community Center

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- Open and Welcome- President
 - Introduction of 2024 Board members and roles
 - Derek Evans, president; Amy Deslattes, secretary/treasurer; Anthony Rogers, common areas; Donny Richard, YOM; Shani Merchant and Tania Mitchel, socials; Rob Teal, ACC.
 - Financial Report
 - Account status and Reserve Fund- 2023 Year End status
 - Checking account (operating expenses and capital improvements): ≈\$65,000 (includes encumbered capital improvement funds designated to Sandy Bay entrance). This surplus was divided 70/30 between Capital Improvements and Reserve Fund
 - Savings account (reserve fund) ≈ \$49,000
 - Mutual Bonds (reserve fund) ≈\$63,000
 - 2024 Budget
 - Estimated operating funds: ≈\$208,000
 - Estimated operating funds are determined by a percentage of collectable assessments. Anything that is collected above that percentage at the end of the year gets distributed between capital improvements and reserve fund (currently set at 70/30 distribution).
 - Line item increases and additions in the 2024 Budget
 - General Liability, Directors & Officers, Property insurance 28% increase
 - Management software 18% increase
 - Grounds Maintenance & Landscaping 3% increase
 - Nutria Abatement annual contract
 - Formal Reserve Study
 - Assessments
 - Approximately 85% of lots have made at least the first installment of annual assessments.
 - 14 properties with liens, 1 foreclosed carrying a balance due, 2 in judgment/payment plan status
 - Board policy is to place liens for nonpayment after 90+ days; liens that reach 5 yr maturity without payment are processed for legal judgment. In all cases, attempts to resolve debt are made multiple times prior to legal proceedings. Payment plans are always the preferred option to get an account up-to-date and avoid legal action.
 - Financial QA
 - How much does Capital Improvements have for this year?
 - \$46,369 with \$13,176 of that allocated for Sandy Bay entrance as soon as the developer finishes the sign installation and landscaping. Association's responsibility will be lighting & irrigation (which includes boring under road), upgrade to any landscaping that is deemed necessary depending on what is

initially installed in an effort to ensure that entrance is at the same caliber as the Old Cypress entrance, trees along both sides of the road.

- What has been the process for the Reserve Study?
 - Initially conducted by a volunteer in 2021, the current reserve study lays out a schedule of anticipated use life for our community assets and anticipates what the replacement cost will be and when it will be needed. Using the study, we are able to predict years ahead of when major replacement costs will be incurred and make sure the savings strategy aligns with those anticipations. In 2023, we encountered several asset items that indicate our current study needs to be reviewed by a professional team that is experienced in determining actual replacement costs and use life based on current conditions of our assets. (Breaker for pond fountain was not included in the reserve allocation, cost of replacement >\$800; 2hp fountain replaced one year before end of use life at a cost greater than accounted for; masonry at Birchview roundabout deteriorating 90 years prior to estimated use life and only \$1098 allocated for replacement at this time (to note, electrical, irrigation, demolition, foundation, replacement of landscaping not included in reserve fund estimations).
 - As such, the Financial Committee (comprised of volunteer homeowners not on the board) recommended a formal Reserve Study be conducted to ensure all of our association assets were accounted for and accurately represented in the reserve fund allocation, as well as determining if our current annual contribution is sufficient to fund the reserves. The board solicited quotes from four companies. Submitted quotes were reviewed by the Financial Committee and they recommended that we contract with the company that could offer an on-sight visit and full study at a cost of \$2500. This will be a one-time cost in the 2024 budget, and should a future board choose to revisit a formal study, there will be a cost savings for recalibrating the existing study. To note, the contracted company applauded the current volunteer study and indicated that our association is much further along than many they contract with.
- Birchview Roundabout Replacement- current reserve fund based on 100 year use life, but construction is barely 10 years old, thus the reserve fund current allocation is only at \$1,098; does not include internal components such as utilities, landscaping, or demolition of existing. Reserve fund savings may be used to front the project but would need to be replaced via special assessment.
 - Due to deterioration of the structural components, the internal irrigation system has required five repairs in 2023 alone (one was a major main line replacement funded by reserve). This has impacted high water usage and utility bills. Irrigation system currently needs to be repaired again, but since this project is upcoming, water has been shut off and existing landscaping should be fine during the rainy season.
 - Scope of work (available on website) allows for contractor to submit for various height options and structural designs in order to be more cost effective.
 - Bids were solicited in November for six weeks. Only one bid was submitted. Financial Committee suggested the board revisit the bid policy and reopen bids after the new year. Bid process reopened for two weeks and will close 1/26/24. Financial Committee will open bids and make recommendation to board.
 - Board will determine final cost and estimated special assessment needed after applying allocated reserve funds. Special meeting will be held to inform residents and determine next steps in moving forward.
 - Project QA:

- Why don't we just level it?
 - Under the covenants, we are required to repair/replace damaged assets to a similar condition using a special assessment to cover any costs not covered by other sources (insurance, reserve fund, etc.). We cannot make jointly owned properties go down in value by removing them without the approval of all homeowners.
- How much of reserve fund can be used?
 - We can apply the allocated amount currently in the reserve fund to the project, but can't over-allocate because there are multiple big line items coming up for replacement within the next three years and funding fully through reserve would leave us significantly short on funds in the upcoming years.
- What about changing the covenants so a vote isn't needed to decide not to replace it?
 - This also would require a vote of all homeowners to change anything in the covenants, and given the turnout for previous votes, we are unlikely to get 66% responses. Additionally, the developer has rights within the covenants for final approval of any covenant changes as long as he owns property within the association. The financial cost and volunteer time needed to pursue and make a change in covenants would impact budget by at least \$500. The verbal opinion of those in attendance is 17 to 1 in favor of moving forward with bid selection and special assessment versus pursuing a change to the covenants
- Committee Reports:
 - Capital Improvements—goal of committee is putting back into the community and realizing progress in our community
 - Previous poll in September of 2023 (33% responding) was used to prioritize next projects. Two of those items (pool and lighting around walkways) would require extensive special assessments and increased budget requirements. The next three items were prioritized for 2023-2024, Sandy Bay entrance, tree plantings, restroom at mailbox commons area.
 - Sandy Bay entrance project has ≈ \$13,000 assigned; still waiting on developer to complete his commitment of signage and landscaping before project can proceed
 - Gathering bids for tree plantings to include trees around phase 3 ponds, in addition to trees at along Sandy Bay entrance
 - Restroom addition at mailbox commons area would likely require surplus funds dedicated over the next two years, but the project could feasibly get started this year
 - ACC
 - Total 2023 Requests
 - 79 Approvals
 - 0 In Progress
 - 0 Rejected
 - 1 Unsubmitted project that had to be reversed as it did not meet covenants
 - Discussion of frequent requests and FAQ documents. FAQs can be accessed on the website and cover some of the most asked questions for common ACC questions. <https://www.cypressmeadowssubdivision.com/faqs/>

- Procedures for requests
 - ACC Form must be completed and emailed to the committee BEFORE work is done. Work completed without an ACC committee approval will result in an ACC fine. Many times, work done prior to ACC contact results in additional work and extra expense for the homeowner, when they could have been saved some headache and expense by going through ACC prior to construction.
 - Residents' responsibility to get necessary permits from the City if required
- c. Commons Areas-
 - i. Inflation increases are the main culprit for rising costs in common area expenses (utilities, chemicals, parts and supplies). If you see something out of the ordinary, please send an email so it can be addressed (i.e., possible water leak—the sooner it's reported, the sooner we can get water turned off and save utilities)
 - ii. Fountains have required significant repair. Some repairs are due to human usage (fishing string or trash sucked into pumps), some due to nutria damage. There was a shift in spending approach for 2023 to include a quarterly review of pumps to identify weakness in advance and this has effectively saved the association from more costly repairs later.
 - iii. Lawncare and landscaping increase by 3%, still well under the inflation increase that a new contract would have taken on. RCI has been much more responsive as they learn the neighborhood, but some challenges with changing crews throughout the year.
 - iv. Be aware of nutria trapping in the commons area. Keep kids and pets away. New annual contract allows ongoing abatement project so we can be proactive in keeping nutria from destroying common areas at a significant savings (two trapping callouts in 2023 cost nearly the same as our new annual contract).
 - v. Dumping/leaving things in commons areas (Christmas trees, duck houses, etc. please ask first so we can do things right and protect our ecosystems).
- d. Violations
 - i. Total of 54 notifications in 2023, 34 were first time warnings (warnings have 15 days to comply with covenants prior to receiving a fine)
 - ii. Most frequent: trash cans stored in front or side of home, parking on grass, boats/trailers
 - iii. 2023 property upkeep letters were largely successful in maintaining overall visual aesthetics of subdivision. On an ongoing basis, exterior property upkeep-yard and home will be reviewed. Exterior maintenance and upkeep of property is required by covenants. For homes in initial phases of the subdivision, please take time to review your exterior for needed paint, cleaning, shutter repair, etc. See covenants:
3.13 Repair of Buildings. Improvements hereafter constructed upon any land within the subdivision shall at all times be kept in good condition and repair and adequately painted and otherwise finished by the Owner. The opinion of the Architectural Control Committee as to the acceptability of such condition shall be final.
- e. Communications
 - i. 87 Welcome Packets distributed to new residents in 2023
 - ii. 515 email subscribers
 - iii. If any small business owner would like to contribute flyers, coupons, etc. to welcome packets, please reach out.

- f. Socials:
 - i. 2024 proposed events: Easter, Kids' Fishing Tourney, Bubble Bus, Halloween, Christmas, Vendor Pop-ups, Garage Sales
 - ii. Volunteers are needed to help make these a success
- g. Yard of the Month
 - i. Awards given once/month, includes sign, pictures, write up in newsletter, \$50 dues credit (committee members and board members cannot be recipients)
 - ii. Email nominations to yom@cypressmeadowssubdivision.com