

April 2021 Board of Directors Meeting

Call to order: John McKinney 7:05pm

Board members present: John McKinney, Terry Landry, LeighAnn Jackson, Debbie Wallace and Stacy Sudoh

Bridget Friday from Friday Properties Management

Owners present: Teri McKinney, Adrian Gonzalez, Madeline Highsmith, Elanor Williams, Gloria Guerra, Laurel Sienna, Victor Rodriguez,

John McKinney gave the presidents report. His reception was poor, and it was difficult to understand everything hie said. He called back in via phone. He was down in Port A and looked over the neighborhood after the freeze for 10 days a few weeks ago. We saw the effects of the freeze. He met with Island Rocks regarding neighborhood damage. He was thankful for the additional 200 plants that have already been planted since the freeze.

Bridget went over the financials, balance sheet, profit and loss and ledger. she said we have 1 assessment still out from being due in Feb. No one had any questions. She said \$2,113 in community savings account from Dec-Jan. She expects larger deposits in a few weeks from March. She does keep track of how much each management company pays in. This is not traced per house.

Spring break overall went well. We only had 3 instances of the security company asking people to leave the pool after hours.

She received reports each Monday morning from the previous week. Bridget met with the security. Village walk was around 75% full, but it seemed like a quieter group. Trash was decreased to 2x/week pick up from 3 with the smaller groups. Her plan is to continue 2x/week garbage pick-up in April and May. March was also the month our trash prices were increased. We knew this increase was coming, but it is significantly more than previous. We did budget accordingly for the increase in 2021.

Old Business:

Bridget sent out the freeze recap to the board of directions. She read over what she sent them.

*Feb Freeze Recap*

*The freeze took 170 big and mature plants. (This number could change in the next weeks, based on more dying) Rahman will be on the meeting Monday to go over information with us. The total of the bid is \$44,891.28. (Please see entire bid below)*

*I am recommending replacing the 170 mature plants with 250 of the 3 gallon plants and 80 1-gallon plants. I understand this is more than what died, but the size difference is huge, and space needed to be filled remains the same.*

*The oleanders have also died. We need to have a plan to replace them. We have included updating them with exactly the same. I have another thought to pull them back by a few plants to minimize the blind spots at the corners and put Pigmy Palms at each end with a few smaller plants for a 'garden type' setting at the entrances on both sides. John also had an idea of putting a shorter white fence (like the size that is in backyards facing the promenade's and then putting some palm trees and bushes/plants in groupings throughout the sidewalk).*

*Please note the oleanders next to the units towards 11<sup>th</sup> street are each homeowner. Each owner will need to decide how they want to proceed with those dead ones. The HOA has paid to maintain the trimming of them to look uniform, but we do not OWN the area they are planted on.*

#### *Financial Overview:*

*We have spent \$23,010 of our \$37,000 overages from 2020. Please remember we had \$20,000 excess in the checkbook and \$12,000 excess from the street overlay project in capital reserves. \$14,505 for 200 new plants*

*\$4,631 Electrical Upgrade*

*\$3,874 for rocks not put down yet, will be done after new planting completed.*

*\$23,010*

*This means we still have approximately \$13,900 left in excess (was going to be used towards a fence)*

*Our capital reserves currently are: \$76,900*

*Our community fee savings account: \$1,873.*

*There are many ways to finance this: Please note these are all options and the board will decide how to breakdown the costs in anyway.*

*I would first propose to use the excess 2020 funds (\$13, 900) And then finish paying the bill by these options:*

*A. Assess homeowners' full cost. Approximately \$316.23 per unit B. Use the capital reserves fully - \$0 cost to owners (taking \$30,991*

*from reserves)*

*C. Do a mix of both. If we did 1/2 the cost would be appx \$158.11 for each unit or any other combo of this could be done.*

**Bridget gave the options to pay for the plan.**

**Gloria Guerra was able to accompany Bridget and Rahman to help develop a plant to replace the neighborhood plants.**

Rahman went over the freeze damage. He said he is seeing about 75% of the birds of paradise starting to regrow. Currently there is no sign of life in the cardboard palms, bougainvillea, pigmy palms, bottle brush and esparanza. He saw about 12 sprouts off the oleanders. (About 233 plants, there are 12 sprouts, which would not be viable to keep to grow) All of the oleanders on the owners side there were no signs of life. Rahman said he has already spoken to some of the owners about pulling them out. Bridget explained those oleanders are the property of each homeowner. He said VW is no different than anywhere else. He said the damage is much worse than anyone had expected. Adrian Gonzales said it has been 7 weeks since the freeze, he wouldn't if you would think things would be showing signs of growth. Rahman said we should be seeing things growing already. some species are rotting and coming out of the ground. John M. said we have waited long enough. He said we need to start to replant.

Rahman stated the few oleander sprouts that we are seeing would be impossible to grow into a bush. You would need to be able to weed and remove most of the plant for it to grow. This was only on 12 of appx 233 plants.

Bridget stated she will need to send out an owner email to ask them to clean up and replace/regrow their yards very soon, so the neighborhood needs to take the lead in replacement. Island rocks has saved us a few weeks to do this project. We are already using high water bills due to the 200 plants already, we would be using the same water. If we did more next year, our water bill would be extremely high again. We may as well use the same water to do it all at once.

Madelyn H said how much she would like us to do an assessment to get things going, she is committed to the neighborhood, and she is all for the plan to move forward.

Bridget explained the plan for the neighborhood. Total is \$44, 891. That is replacing the 170 dead plants with 250 - 3-gallon plants, and 80 1-gallon plants. Bridget mentioned the numbers do not add up, but we are trying to replace very large and mature plants with much smaller plants. The area is still the same, so a higher number of plants is needed. This bid also includes removing and replacing 233 oleanders along 11th street, adding sand, irrigation and rocks. She said now is the time to redo everything. We looked at doing purple sage and other plants, Rahman did say the upkeep of sage would be harder upkeep.

John M. also had another idea on Saturday while Bridget was explaining the plan to him. — using the 11th street endcap, creating a new design might be something worth exploring. Bridget had Rahman do a few designs right before the meeting. It was sent to the BOD before the meeting, then sent to the owners attending during the meeting. Pigmy palms or Mexican Fan palms and other flowers/bushes were sued to show a type of pod design. This pod design is appx \$5,000 more than the current oleander plan. The lighting would be an extra cost. Discussion ensued about oleanders vs new design, including a white fence in different heights and palm tree lighting. Owners and board members gave input on different types of plants, bollards, and bushes.

The board voted to put a committee together to explore a few design options for 11th street and get back to them within the week.

Laurel Siena said she would be willing to be on this committee with Bridget and Rahman.

LeighAnn asked questions about the plants, the numbers and sizes and where they would be planted. She also was worried about them not making it through the summer as she said it is getting late to plant. Rahman responded to all her concerns and explained that June is too late to plant, right now is ideal in the coastal bend. We are already spending the water at capacity for the 200 new plants. We won't be adding additional water bills. Debbie said we need to be considerate of Rahman's time and if he has set aside time for us, we need to use it.

John M made a motion to approve the interior neighborhood plant plan, not including the 11th street endcap project. Terry seconded. All approved.

Rahman hopes to start within 2 weeks and would like to finish the entire project within a month. Plants are not readily available each week, so they would plant each time more arrived.

Terry said he would be interested in seeing new designs after looking at the oleanders after 13 years. He said the oleanders might be the best thing, but he feels it is worth exploring. The committee will present a few different designs to the board asap to approve the design. The board will vote for the endcap project via email.

The board then moved into discussion regarding options to pay for the freeze damage. Discussion for owner assessments, utilizing capital funds, and/or using the excess funds from 2020 projects and budget in any combination.

Bridget said we have some excess funds of 13,900 that we could use off the top. This plan is deemed a capital improvement so the excess from the street project would be able to be used freely. Currently we have \$76,900 in the capital reserve account. Our community fee account has \$1, 873. She proposed to use the excess funds first, then either assess owners or use capital reserves or any mix of both.

Bridget also mentioned if the board does end up doing a different design, there would be more costs associated with it. Victor stated he liked the pod idea but thinks a fence would be great with it, to be used as a barrier, with oleanders as well towards the dumpsters.

John M talked about liking the mix of all the ideas, he does say it would also be great to have additional lighting down 11th street side of the neighborhood.

John M proposed an owner assessment to pay for the winter damage to cover \$50,000 divided by 98 units, which is just under \$500 per unit. He said if we decide to spend more than \$50,000 then we take the rest out of capital reserves.

Adrian G said an assessment is practical and agrees with it. He said to assess the owners up to the point of full replacement. He also stated that any additional capital improvements should be covered by the capital reserves account.

Debbie Wallace said she is not in favor of assessing the total cost to the homeowners. She would like to use the \$13,900 used first. LeighAnn also agrees with no assessment as they have to replace plants in both their primary and secondary homes beyond the HOA needs. Adrian also mentioned it is important to leave as much as the capital reserve funds intact as possible for major items like hurricanes and sink holes. Terry Landry agreed about the leaving the funds in place.

John M wants the board to think about property values and the importance to the lien holders. When homes are bought, we get questions every time regarding the size of capital reserves. Lenders want money in the accounts in order to finance them. John also reminded people that the community is made up mostly of rental homes and second homes. He doesn't feel \$500 is unreasonable. Debbie disagreed. Terry discussed an alternative - doing 1/2 assessment and 1/2 funding from capital reserves. Immediate cash flow is not the issue currently. Why not give the homeowners the remainder of the year to pay it off? Bridget did say she would like it to be 6 months, so that it is all done by November 1st, and then late payments be completed fully before the end of 2021. LeighAnn went over costs of the split and discussed \$158 would be due under Terry's proposal. (Plus, whatever is decided on the 11th street endcap design later in the week).

LeighAnn thinks that anything over the \$316 owner assessment should come out of the reserves.

Terry made a motion to use the \$13,900 excess then split the money equally between owner assessments and capital funds to be paid over 6 months. He thinks most people will pay now and only a few people would need the extra time. Laurel wondered about how the bylaws work regarding capital reserves. Terry address how the accounting works and how the reserves we have accumulated can be used for these types of projects.

John M did not want Terry's motion. He made a motion to use the \$13,900 excess funds, and then assess each homeowner for \$316 and then whatever is decided over the \$44,900 would be taken from the capital reserves. He said is very reluctant to take too much out of the capital reserves. Terry and LeighAnn both said they agree with that idea. Board members voted all to approve. No nays.

LeighAnn said she sees the 11th street area as the outskirts of the neighborhood, and this would be doing lots of cost and overhead to the outer edges of the neighborhood. She said in the next few years we will have having more costs with pools and gates, and she would like to see less money going to this area.

The next item agenda is the fence review of the south fence. The board stated they would table the fence for now as the costs are skyrocketing for wood as well as the money is going to be spent on the landscaping for the near future.

#### NEW BUSINESS:

We have been having issues with the pool timers. They are not digital and cannot be used to turn off at an “exact” time. This is an issue when the pool lights go off within “15 minutes” or so. It would be great to have the pool lights turn off exactly at 10pm at both pools. Each timer costs \$300 and we would need two. LeighAnn asked to make sure the timers work in the chemical areas. Debbie felt like it is an important issue to “signal” to people to get out of the pool. Rahman has currently set the timers for 20 minutes early, but then the timers lag and then sometimes turn off after 10pm. John M made a motion to buy 2 digital timers. Debbie Wallace 2<sup>nd</sup>. All members approved. Motion carried.

#### SHORT TERM RENTAL INFORMATION:

The city has put out some new rules and information regarding short term rentals. After speaking to most management companies, Bridget found out that they are going to take care of this for their own owners. Bridget said if the HOA mandated the same placards, every time an owner changed property management companies, the sign would need to be replaced. These are 2x2 placard that needs to go next to the front doors. The HOA will not have anything to do with policing the placards. The city also has put limits on sleeping rooms. Victor state the city also now has every person counts for occupancy, previously it was only adults. Officers can also now issue citations for violators. It is unclear if the citations go to the renter, the owner or the management company. Victor will look more into the rules and changes and update as necessary. LeighAnn was able to send the newspaper article to all. Laurel Sienna was able to go to the city website and has downloadable PDF's. The ordinance says a person is someone 12 or older per Laurel reading from the ordinance on the website. It seems the city website and the newspaper are not in agreeance.

Victor also stated there has been several fires in the city. Victor said we need the blue reflectors on the streets. Bridget did speak to Rahman about it awhile back. Rahman walked the neighborhood and found about ½ to be missing.

Victor also is worried about removing some of the old satellites that are rusted. John M asked Bridget to send a letter to those who currently have satellite dishes. Laurel

mentioned that she wasn't sure that the HOA does not have the authority to regulate how people receive their communications. Laurel stated it is a federal law that people can't be prohibited a satellite dish. Debbie stated she can't get spectrum into her house. She must use direct TV. Laurel read from the federal guidelines online the size of the dish can be controlled. LeighAnn stated the old dishes that are not in use should be removed. John M said we should table this idea until the next month.

Next board meeting scheduled for Monday June 28<sup>th</sup> at 7pm.

Debbie made a motion to adjourn. John M seconded. All in favor. Meeting ended at 9:17pm.

Respectfully submitted,

Bridget Friday