

CELEBRATION CAPE
HOMEOWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING

A Corporation Not-for-Profit

Monday, September 26, 2016 at 6:30 pm

Held at: Celebration Cape Pavilion (203 Destiny Circle, Cape Coral, FL 33990)

1. CERTIFY A QUORUM AND CALL TO ORDER:

Jim Arnold, Board President, called the meeting to order at 6:32 pm. A Board quorum was established with Jim Arnold, Susan Dyszel and Linda Foreman present. (Tropical Isles Management did not have a representative present at this meeting.)

2. PROOF OF NOTICE OF MEETING:

Notice was posted at the Pavilion signboard in accordance with Florida Statutes, Chapter 720 and the Association By-Laws, and emailed to all Homeowners.

3. PRIOR MINUTES:

All voted in favor of approving the minutes from the Board of Directors Meeting dated August 15, 2016, and the Budget Workshop dated September 8, 2016.

4. NEW BUSINESS:

• **COMMITTEE REPORTS:**

i. **Architectural Review Committee.** Les Bader, Committee Chair, reminded everyone that Architectural Request for Modification forms must be submitted *prior* to beginning any project that would affect the exterior of a Member's home. Contractor license and insurance information must also be included with each submission.

ii. **Grounds Committee.** Dick Dyszel, Committee Chair, submitted a detailed report. Highlights:

1. **Palm Tree Damage.** On Sunday, 9/18/16, lightning struck one of the large Royal Palms located at the entrance to the community. Damage also included destruction of a flood light fixture and the lighting timer. Static charge from the strike also took out four control boards to the gate system.

Charges for repairs included: \$213 (light bulbs and fixture), \$18.47 (photocell for the timer), \$2,228 (gate system). Note: The Association's current insurance policy does not cover the cost of lightning damage to the gate system. Even if it did, the repair costs were well below the \$5,000 deductible.

Initial bids for replacing the palm tree were \$550 and \$975; we are awaiting a third bid. It is essential that the dead tree be removed quickly before the trunk weakens and makes removal more difficult and expensive.

2. **Landscape Services.** Over the past seven weeks, members of the Grounds Committee have been soliciting and examining bids from new landscaping service companies. Eventually, five companies submitted proposals for service: Pinnacle (current company), PCL, Estate, American Allegiance and Greenscapes.

The review process involved multiple interviews with company representatives, speaking with current customers and visiting properties maintained by each company. A detailed spreadsheet was created, which aligned the service details from each company for comparative purposes.

The Grounds Committee held a meeting on September 7, 2016 to review the large amounts of data collected, discuss the merits of each company bid, and make a recommendation for presentation to the Board of Directors.

Pinnacle was eliminated due to the Association's dissatisfaction with their lack of responsiveness and current performance. Greenscape was eliminated from the final consideration because their bid was vastly more expensive than any of the others.

The final three candidate companies were all very similar in terms of promised performance. The Committee felt confident that all of them would provide services far superior to what we currently have in place, which made the process of selecting one very difficult. Given the ever-deteriorating conditions of our lawns (especially the Zoysia turf), it was decided that American Allegiance was best positioned to correct these problems and restore our landscaping to the conditions we expect. The cost of their services would be close to current fees and will be less than the proposal presented by Pinnacle.

The Grounds Committee presented the following consensus recommendations to the Board:

1. Direct our management company—Tropical Isles—to act on behalf of the Celebration Cape HOA, and take steps to terminate the current contract with Pinnacle Landscapes as quickly as legally possible.
2. Recommend that the Board sign a service contract with American Allegiance. Service would commence on the last day of Pinnacle's service and run through December 31, 2017. In addition, the Committee asks that the Board authorize the Grounds Committee to work with American Allegiance on crafting a contract addendum that addresses our specific community requirements and expectations.
3. Advise Tropical Isles to administer the financial and legal aspects of the new contract, while allowing the local members of the Grounds Committee to act as the on-site point of contact with American Allegiance.
4. Ask that a representative of American Allegiance address the Membership at a duly-convened Association meeting. This would serve as a means for outlining the specific landscaping plans, and provide an opportunity for Members to hear what steps they can take to expedite the recovery of our lawns and contribute to the outgoing health of our landscaping.

The Board took the preceding recommendations under consideration. A motion was made and approved by the Board to proceed with the plans outlined above.

3. **Other Landscaping Issues.**

1. Raul (Pinnacle Landscapes) was onsite last week to perform a comprehensive check of the irrigation system. At that time, he was presented a copy of the Cape Coral Watering Ordinance requirements, and asked that our irrigation system timers be adjusted to

comply with that schedule. He was also asked to provide “per property” watering schedule.

2. Raul spent a full day troubleshooting and correcting several issues with loose connectors on decoders. Due to the time spent on this task, the Association can expect a larger-than-normal bill for landscaping labor.
 3. The day the wet check was being conducted, Raul had a conversation with Dick Dyszel stating that his supervisor (Ted) instructed him NOT to set the timers as legally required and requested, but to simply make Monday a dry day.
 4. On September 23, it was noted that Pinnacle’s mowing crews had not trimmed the grass per the monthly schedule on the south side of the wall exterior, and that the grass was extremely overgrown. Several neighbors have complained to the Association about the unsightly conditions.
 5. In the Committee’s opinion, the ongoing issues with irrigation system compliance and non-performance of contracted work are continued example of Pinnacle’s continued arrogance and disregard for our community and the City of Cape Coral. These issues have been reported to our management company for action.
4. **Wall Repairs.** The Committee is facing many challenges with soliciting bids for repairing the perimeter wall. We currently have only one firm bid for repairing the wall (from Precast, the original builder of the wall). Other companies that have been contacted declined to submit a bid citing potential issues with modifying proprietary work products.

As of this date, the Committee has submitted modified repair bids to McCloud and Main Gate. Another contractor, Northern Contracting, proposed having the Association pay to repair one of the columns as a test, to get a handle on quoting the entire project.

Dick Dyszel reiterated that the perimeter wall does not contribute to the collection of water along the rear of neighboring properties that abut the wall. Celebration Cape is self-contained as far as water collection and run-off. Therefore, the Association is not responsible for flooding or liable for water damage that may occur along these properties. Our management company shared this information with several homeowners along SE 9th Terrace.

iii. **Budget/Finance Committee.** Susan Dyszel, Committee Chair, presented the following Budget 2017 recommendations to the Board:

1. Highlights of the 2017 budget: 1) Budget was formulated with information provided by the Budget Workshop of 9/8/16, spending year to date and expected expenses for next year. 2) This budget reflects cost containment efforts made this year, expected events such as the effects of the lightning strike on the front gate and the plans for the creation of reserve funding. 3) We believe that we can recommend a slight reduction in the operating portion of the HOA fee to help offset the initial reserve assessment.
2. Many thanks to the members of the Budget/Finance committee: Peg Holecek, Tom Pegues, Don Montgomery and Jeff Rongish for their review, deliberations and suggestions that lead to this budget.
3. Budget Details:
 - a. The budget is displayed with expenses first and then revenues. 1) Administrative Expenses are set primarily by the existing contracts with Tropical Isles and Spires & Associates. (We have been able to trim the Office expense amount as we are distributing more information by email and less by US mail.)
 - b. Operating Expenses: 1) Lawn Service is a combined figure for both commons and lots and is based on the American Allegiance contract bid. 2) Plant replacement covers palm trees which are expensive to replace. 3) We reduced the amount for mulch as we have already

replaced some areas with rock. 4) We reduced the amount for irrigation as we have active volunteers to assist homeowners with replacing their sprinkler heads. 5) Wall maintenance is \$0 as we anticipate the approval of the initial assessment that will fund the renovation.

- c. Total Operating Expenses for 2017 are budget for \$121,980 or \$4560 less than the 2016 budget of \$126,540.
- d. The 2017 Operating portion of the HOA fee is \$535.00 per quarter per lot – a reduction of \$20 per quarter.
- e. With the initial reserve assessment of \$500 per quarter, the total fee due the HOA is \$1035 per quarter or \$345.00 per month for 2017.
- f. Both the operating budget and needed reserve will be recalculated for 2018.

4. Notes to Budget:

- a. All operating and reserve assessments are divided equally by 57, the number of lots. This is in compliance with our CC&R document.
- b. The initial assessment for reserves for 2017 is \$2000 per lot or \$500 per quarter. If we do not need the entire amount for the renovation of the wall, the remainder will be retained in the pooled reserve and future reserve assessments will be recalculated yearly.
- c. Summary 2017 Budget:

OPERATING EXPENSES	
Administrative Expenses	\$14279.00
Operating Expenses	\$10,3751.00
Utilities	\$3,950.00
Other Expenses	\$0.00
Total Operating Expenses	\$121,980.00
TOTAL OPERATING REVENUE	\$121,980.00
TOTAL RESERVE ASSESSMENT	\$114,000.00
TOTAL QUARTERLY FEE PER MONTH	\$1,035.00
Quarterly Operating Fee per Lot	\$535.00
Quarterly Reserve Assessment per Lot	\$500.00
TOTAL MONTHLY FEE PER LOT	\$345.00

- 5. Additional points to note regarding the proposed budget:
 - a. Per our CC&Rs, the Association is legally bound to establish and maintain reserve funds. Some of the reasons for this mandate include:
 - i. We must be able to demonstrate our financial ability to any contractors hired by the Association.
 - ii. Realtors could point out the lack of reserves to potential buyers, which would be a detrimental setback to the seller and the community at large.
 - iii. If the City of Cape Coral chooses to sue us for non-compliance on any issue, we would need funds immediately available as remedy.

The Board accepted the Committee’s budget proposal. A motion was made to approve the 2017 Operating Budget; it was carried and unanimously approved by the Board. The initial assessment to fund the reserves account will be put to a Membership vote.

5. OTHER BUSINESS:

Security. The community recently experienced the theft of mail from several mailboxes. Eyewitnesses and personal security cameras witnessed the event. The issue was reported to the Cape Coral Police Department and the U.S. Post Office has been notified.

Because of this unfortunate incident, the **Board is making an executive decision to close the main gate**

24/7. To effect this change and provide appropriate access to essential services, several steps need to be taken. Our management company will take the lead on coordinating the following:

- The call box will be modified with special key access for the U.S. Postal Service.
- Other delivery services such as FedEx, UPS will be provided access via dispatch services.
- Set-up access codes for utilities, emergency vehicles, service providers, newspaper delivery, city services and others as identified.

Owners are advised to update the management company with any changes to the phone number(s) associated with the gate access. Homeowners will need to activate the gates for personal contractors (e.g., pool service). Additional gate transponders and pedestrian gate keys are available from the management company.

The Association will be given at least a week's notice before the full-time closure takes effect.

The Board, having no other business to discuss, opened the floor to inquiries and discussion topics presented from Members in attendance.

6. OWNER COMMENTS/OPEN FORUM:

Issue: Renters at #155 are violating the Association's Rules & Regulations, specifically on matters concerning garbage storage, personal behavior.

Board Response: The Board is aware of the situation and will remind the owner and the lessees about complying with the Rules & Regulations.

Issue: Non-resident vehicles associated with a specific address have repeatedly bypassed the gate access and proceeded the wrong way into the community behind another vehicle as it is moving through the exit gate.

Board Response: The homeowner will be notified and advised that this will not be allowed. ***This is a reminder that homeowners are responsible for the behavior of all guests and visitors.***

7. NEXT MEETINGS:

The next Board of Directors meeting is scheduled for Tuesday, October 11, 2016 at 6:30pm, at the Pavilion (203 Destiny Circle, Cape Coral, FL).

8. ADJOURNMENT:

There being no further business, the meeting was adjourned at 7:47 pm.

Respectfully submitted,

Linda Foreman
Secretary, Board of Directors
Celebration Cape Association

(The preceding minutes were approved by the Board of Directors on December 11, 2016.)