

CELEBRATION CAPE HOMEOWNERS ASSOCIATION, INC.

**BOARD OF DIRECTORS / BUDGET MEETING**

*A Corporation Not-for-Profit*

Thursday, November 2, 2017 at 6:30 pm

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

**1. CALL TO ORDER:**

Jim Arnold, Board President, called the meeting to order at 6:34 pm.

**2. CERTIFYING OF BOARD QUORUM:**

A Board quorum was established with the presence of Jim Arnold, Susan Dyszel, Kevin Sutton, Linda Foreman and Peg Holecek (via telephone). Mark Rudland (Tropical Isles Management Services), and Doug Roedding (Spires & Associates, P.A.) were present. Also in attendance was Shane Johnson (representative from Gulf Wind Builders).

**3. PROOF OF NOTICE OF MEETING:**

Notice in accordance with Section 8.3 and Section 8.5 of the Association's By-laws of a Special Board of Directors meeting was posted at the Pavilion signboard in accordance with Florida Statutes, Chapter 720 and the Association By-Laws, and emailed to all Homeowners.

**4. NEW BUSINESS:**

WALL REPAIR

Shane Johnson, with Gulf Wind Builders, was introduced to provide a quick overview of the wall repair project. Of note:

- The estimated total cost for the project is expected to be around \$60,000.
- Repairs are being made: damaged column caps are being replaced and anchored on with hydraulic cement. All other repairs are being done to produce a sound, aesthetically-pleasing appearance.
- Painting will take place soon. It has been noted that the grass is growing along the south wall; the vegetation will need to be trimmed back or removed to allow painting to be completed.
- Given the harsh weather conditions of the area, it is anticipated that the paint finish should last 5-7 years before re-painting is necessary. The Association will be provided with extra paint for touch-up purposes.
- The City of Cape Coral is aware of and approves the work being done.
- Punch list items will be addressed, final walkthrough and approval by Association representatives should take place within the next week.

2018 BUDGET REVIEW

All Members of the Association were mailed copies of the proposed 2018 Budget—covering both operating and reserves budgets. Supporting documentation included an overview of events, considerations and decisions, reserves calculations and other factors which contributed to the proposed budgets. *[These documents are incorporated into this record by reference.]*

Susan Dyszel, Treasurer, took a moment to thank the other members of the 2018 Budget Committee (Peg Holecek, Drew Poskon and Don Montgomery) who contributed greatly to reviewing our finances and formulating the proposed budgets. Susan also asks that other Members of the Association consider serving on this Committee in 2018.

### Important Highlights:

- Using the September 2017 actuals, the Committee was able to recalculate and reduce the monthly HOA dues from \$200 to \$185 per month for each Owner. Of the \$185, \$160/month will go towards the Operating Budget, and \$25/month will be contributed to the Reserves fund.
- Excess Reserve funds will be evaluated and addressed near the end of December 2017.
- We may need to re-evaluate the Reserves contributions for next year (2018).
- The Association was very lucky that we did not incur unexpected costs during 2017. However, this year's fortunate experience should not be considered the norm when planning for future expenditures and budgets. We need to continue our practices of wise stewardship and exercise fiduciary responsibilities going forward.
- Irrigation Decoders. The Grounds Committee created a report identifying the location and dates of all irrigation system decoders for each Lot and Common areas. As these decoders fall out of warranty, the Association will need to cover the cost of replacing the units when they fail. While we hope that the decoders continue to work beyond the 5-year warranty period, we are collecting ~\$4500 annually in the Reserves account to have the cash on hand to cover these expenditures, as needed.
- Overall, landscaping costs are down as a result of the new contract with PCL Landscapes (when compared to the previous contract with American Allegiance).
- Other contractual agreements for the Association are holding at the 2017 rates.
- Property taxes are expected to increase about 5% for 2018.
- Insurance policy rates are also expected to be higher for 2018 coverage.
- The line item "Contingency" has been removed from the Operating Budget, since any unexpected expenses can be drawn from the pooled Reserves account.

### Budget Q&A:

Q: *Explain the line item of "Street Paving" in the Reserves Budget. What does this include?*

A: Due to requirements for funding Reserves, we need to collect funds to maintain the roadway, since it is one of our major common elements. Maintenance can include sealing of the asphalt or other such treatments as may be determined.

Doug Roedding and Mark Rudland (Tropical Isles) noted that in their experience with other communities, seal coating does not help extend the life of the asphalt, it is strictly for aesthetic purposes. Some of their communities are looking into using an oil-based, rejuvenation product. Something to keep in mind when it is time for our community to undertake this maintenance project. Doug also noted that the life span of a road surface is based on the soundness of the underlying surface, and how well the base was compacted. 25 years is on the high-end of life span expectations.

Doug Roedding further noted that he supports the Finance Committee's inclusion of funding this item in the Reserves account, and commends the Committee for doing an excellent job of researching and compiling the Reserve budget. It is important to note that the Association must always fund statutory reserves. It would require a vote of the Association Membership to decline such funding—an action that he does not recommend.

Q: *Are we collecting enough funds in our budgets?*

A: Doug Roedding stated that we are adequately funded, and financially in good shape.

Q: *What is being done with the money in Members' Equity. How can we utilize these funds?*

A: It is advised that we do not deplete the fund entirely, and keep some funds set aside in the event of unexpected or unplanned expenses—which could avoid the need for a special assessment. Additionally, a portion can be put into the Reserves account. We will carefully evaluate the appropriate amount of funds to maintain in each account.

Q: *What represents a good Reserves schedule?*

A: It's required when capital expenses exceed \$10,000. The schedule should contain individual identifiers, based on common elements. Ours is a pooled reserve (instead of line item) giving us more flexibility with expenditures. Mark Rudland stated that we are on track with our current Reserves.

Peg Holecek also noted that the Finance Committee and the Board will regularly re-evaluate the reserve budget, and adjust as necessary. The goal is to keep a healthy budget, while not overfunding any account.

#### 2018 Budget Approval and Actions

With no other budget-related questions or concerns on the floor, Jim Arnold, Board President asked to entertain a motion to accept the proposed 2018 as presented. Kevin Sutton seconded the motion. ***The motion was carried, and all Members of the Board voted in favor of approving the 2018 Budget for Celebration Cape.***

A copy of the finalized budget will be sent to Tropical Isles for its records. HOA fees of \$185/month or \$555/quarter will be reflected in the coupon books mailed to each Owner.

Once again, the Board offers its sincere thanks for the great job performed by the Budget Committee.

#### **5. OPEN FORUM / Q&A:**

Q: *Can the Association get a general schedule of planned landscaping services?*

A: Basically, no. The contract spells out that PCL will perform a set number of services (mowing, trimming, fertilizing, etc.) per year. Most services are weather dependent. We will receive reports of the services performed during the previous quarter.

Q: *Why is the irrigation activating on unscheduled dates/times?*

A: We are aware of an issue with Timer #3. We are working with PCL to get it re-programmed.

#### HOA Payments

An individual Homeowner addressed the Board, stating that the Board did nothing to help them with dealing with past due HOA assessment payments, and implying that the Board voted to impose collection fees and legal expenses. Homeowner claimed that payments were late due to the added financial burdens caused by hurricane Irma.

Without addressing the particulars of this Homeowner's situation, the Board noted that the management company followed all proper procedures and communication channels in this regard. The Board implores all Homeowners to contact our management company and/or accountant if they are having difficulties making HOA payments in a timely manner. It is important to address the issue pre-emptively before it becomes a problem with potential legal ramifications.

#### **6. OTHER BUSINESS:**

##### Pressure Washing

At the July 30, 2017 Board Meeting, the Grounds Committee was directed to obtain multiple bids for pressure washing the common area hardscape areas. Kevin Sutton collected the bids and compared the costs and project specifics from four different companies (each of which would produce proper licensing and proof of insurance). The costs ranged from \$2,500 to \$4,450.

The work to be performed would involve the cleaning of the roadway, sidewalks, curbing gutters and other common area surfaces. The cleaning of mailboxes was **not** included in the bids for community pressure washing.

The Board recommends that mailbox cleaning is undertaken by the Association Members and in a neighborly fashion: Homeowners within each group of mailboxes should take turns on a regular basis to ensure that the mailboxes and post are kept clean.

***After comparing each of the bids, and with no expectation that paying more would render better results, Jim Arnold, Board President, moved to entertain a motion to accept the services offered by Flagg's Pressure Washing, and to approve expenditure of \$2,500 for these services. Motion was made (Linda Foreman), seconded (Jim Arnold) and so moved by all Members of the Board.***

It is expected that this project will commence within the next couple of weeks. Once the exact dates are determined, notification will be sent to the Association via email. Residents and their guests will be required to keep their vehicles off the roadway during the service period.

#### Holiday Party

Susan Dyszel reminded everyone that we are quickly approaching the holiday season. The Social Committee would like to plan our community holiday party for either December 9<sup>th</sup> or 16<sup>th</sup>. We also need volunteers to host either the appetizer or dessert portion of the party. Susan will email an invite to the community with the specifics.

### **7. NEXT MEETING:**

The next meeting of the Board of Directors is scheduled for Friday, December 29, 2017 at 3:00pm at the Pavilion.

Several matters will be addressed, including:

- Insurance Coverage for 2018
- Members' Equity
- Mulching around Pavilion and Gazebo areas
- Pavilion Area Improvements
  - Some ideas under consideration include: water, electricity, installation of lights, plant replacement, re-sodding of missing turf. All ideas for maintaining and improving our common areas are welcome, and should be submitted to the Grounds Committee.

### **8. ADJOURNMENT:**

There being no further business, a motion was made to adjourn the meeting. The motioned was seconded and all voted in favor to adjourn at 7:25pm.

Respectfully submitted,

Linda Foreman  
Secretary, Board of Directors  
Celebration Cape Association

***(The preceding minutes were approved by the Board of Directors on Friday, December 29, 2017)***