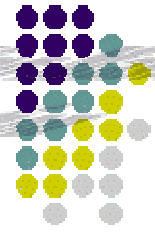


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# **Cypress Landing Master Homeowners Association**



## **Cypress Landing Master Homeowners Association Board of Director's Meeting**

**August 31, 2009**

**Bay Club**

**6:30 p.m. Review & Comment Period/7 p.m. BOD Meeting**

**Board Members Present:** Charlie Moore, Ron Buzzeo, Larry Howard, Bill Lord

**Board Members Absent:** Dave Grahek, Kathy Lawson, Mary Lou Sholl

**Others Present:** Tomi Moody-CAM; Bill Jackson-Assistant Treasurer; Mia Ramsden-Secretary

**Residents Present:** 23

The first half-hour of the meeting was a review and comment period during which the homeowners reviewed and commented on the 2010 proposed Operating & Capital Budget presentation by the Finance Committee.

A summary of the audience questions and comments and Board responses follow. In some instances Board responses, as well as various committee member responses, to resident's concerns are noted out of actual chronological order (at the meeting). This is done for clarity and in these cases Board/committee member responses directly follow a resident's comment. If furnished, resident's names are provided.

The 2010 Operating & Capital Budget financial presentation will be included in its entirety as an attachment to these minutes as well as links on the Cypress Landing website. Cypress Landing residents are urged to review the presentation in its entirety either by going to the HOA office and requesting to read the attachment or visiting the community website and utilize the appropriate link. The presentation will be summarized below.

The review and comment period was called to order at 6:30 p.m. Charlie Moore introduced Tom Omri, Vice Chair of the Financial Committee for the purpose of presenting the 2010 Operating & Capital Budget to the Cypress Landing Master Homeowners' Association.

Tom indicated his presentation tonight was to give our residents an understanding of the 2010 operating and capital budget as well as provide them with the opportunity to offer feedback to the Board. The presentation highlighted sources of revenue (amounting to \$669,800 which is \$5,779 less than fiscal year 2009), how budget funds will be spent (amounting to \$676,142 which is \$6,359 less than fiscal year 2009), and the amount set-aside for the reserves (\$121,131 which is \$2,385 over fiscal year 2009). He indicated the Reserve Model calls for \$841,378 for the fully funded Capital Repairs & Replacement Reserve requirement. The projected balance in January 2010 for the fund will be \$593,947, a shortfall of \$247,431 or about 29.4%. The 2010 capital budget amounts to \$61,606, which includes \$57,000 for the Bay Club furniture replacement/upgrades and \$4,500 for a pump replacement at the Bay Club as well as umbrella base replacements at both pools. It was noted funds to cover these expenses have already been set aside. Lastly Tom announced there will be no dues increase for 2010.

After a round of applause for Tom, questions were solicited from the audience.

One resident asked if we were bypassing an expense which should be funded out of next year's budget which will arise at some other point (at an even larger expense) in the effort not to increase dues. The response was no, we are

not. This year we will have a little over \$30,000 in excess of expenses and it is expected such an excess will continue next year.

This same resident asked if the reserve model depreciable asset recalculation takes place each year. The response is yes, based on the Master Asset List and all of the various committee input as to the expected life of each depreciable asset, the reserve model is updated and re-calculated each year.

Dan Bergbauer noted salaries have gone up about \$3,000 yet payroll taxes have gone down by roughly \$4,500 and could this be explained. It was noted this should be contributed to an error in last year's budget; too much money was budgeted in this area.

Dan commented upon the reserve replacement process in general. Tom Omri clarified funding should be adequate as long as the reserve is funded at least at the 100% level projected by the Reserve Model each year. Cypress Landing does not have to worry about running out of funds until after the year 2019. It was also noted that through Reserve Account funding efforts the past few years, the projected depletion of the Reserve Fund time span has been stretched out from 2012 to 2019. Last year we were at 69% of the reserve and this year we are going little over 70%. We are making progress in this area.

Bill Lord further stated the Finance Committee is assessing the life of some of the major expenses which are included in the reserve model. It is felt this should have a significant impact on our ability to continue to fund the reserve accounts. Charlie confirmed because of the conservative nature of the budget and the intense effort it takes to formulate each year's budget, we don't plan three, four or five years in advance.

Dan's final comment related to the amount of funds allocated to cover our expenses and were we cutting things too close? He also questioned some legal fee expenses which have been incurred in the past. Dan is of the opinion a legal opinion not placed in writing is meaningless and cited previous examples. Charlie responded that the Board doesn't feel this is the case.

Jim Rudbeck wanted to know what our actual final reserves will be at the end of the year. Tom responded in January 2010 the reserve will be approximately \$600,000, which includes the \$77,000 going into the reserve account. He continued \$61,000 needs to be deducted from this amount for the Bay Club furniture and miscellaneous pool equipment/maintenance supplies. As a result, we will be down to roughly \$530,000 at the end of the year.

As there were no further questions, Charlie thanked Tom Omri and the Finance Committee for their efforts to formulate the 2010 Operating & Capital Budget as well as members of the audience who came out to hear and comment on the 2010 budget.

At 6:50 the review and comment period concluded.

**Cypress Landing Master Homeowners Association Board of Director's Meeting**  
**August 31, 2009**  
**Bay Club**

**Board Members Present:** Charlie Moore, Ron Buzzeo, Larry Howard, Bill Lord

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**Others Present:** Tomi Moody-CAM; Bill Jackson-Assistant Treasurer; Secretary; Mia Ramsden-Secretary

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**Open Forum/Question & Answer Session**

Jim Rudbeck asked for an update on the deer control issue. Charlie Moore responded the Board was not prepared to make any announcement on this issue tonight but that an update will be made at the Annual Meeting scheduled for September 12. Larry Howard referred Jim to the community website where the presentation made by the Deer Committee is posted.

Dan Bergbauer had several issues he wished mention. One of which concerned the revised election procedures utilizing the new proxy and ballots. Dan inquired if the Board ran the new procedures by legal counsel and, if not, he suggests they do so. It was explained the ballots provided to our residents give each resident the option of giving the Board President the option or proxy to vote or not to vote on any issue(s). Charlie noted the Board has not sought legal counsel and Dan was thanked for his comment.

Dan raised a question relative to the driveway access to the Bay Club initiative and the impact the perceived slope stabilization area (area in the vicinity of breezeway and in the back of the pool) might have on the initiative. It was stated a committee has recently been formed by the Board that will hire a professional engineer to provide a full assessment and develop alternatives for driveway access to the Bay Club. The committee report and recommendations will be furnished to the community when it is available.

Dan's next issue concerned the community sewer system. In 1993 Weyerhaeuser purchased 158,000 gallons of water processing capacity to meet community requirements. Our current usage projects to be approximately 115,000 gallons of water processing capacity. This amounts to roughly 43,000 gallons of water processing per day which is not utilized and, at current prices, this represents \$158,000. There is a provision in the 1993 agreement whereby Cypress Landing may allow the town of Chocowinity to buy back any additional water capacity. Dan is requesting the Board take some action on this issue and pursue it aggressively. Charlie stated both the mayors of Chocowinity and Washington have been in contact with him relative to this issue. Charlie stated all information will be passed on to the new Board and a decision will need to be reached. Charlie recollected when this issue was visited earlier this year, the Board determined the 1993 agreement was to be held in abeyance at that point in time and it was felt the issue was not worth pursuing and incurring legal fees.

Dan's last comment concerned the proposed three-year board term extension. He learned recently that the 3Com Telecommunications board of directors is recommending at their upcoming September meeting that the proposed board member term be limited to one year. At this point Dan read some specific comments from the 3Com board decision.

**Call to Order**

President Charlie Moore called the meeting to order at 7:10 p.m.

**Establishment of Quorum**

A quorum through presence was established.

**Change of Agenda**

None

## **Minutes**

Charlie asked if there were any comments or changes to the previous minutes of the board meeting held July 27, 2009. Bill Lord indicated the last sentence of the paragraph headed "Results of Capital Improvement Project Prioritization Web Survey" should be changed to read "Strong Support being considered a 1 and "No Support" being considered a 5." The sentence was incorrectly noted as "Strong Support being considered a 5 and no Support being considered a 1."

As there were no questions on this revision, Ron Buzzeo seconded the motion. A vote was taken on the motion and the motion to change the minutes to read "Strong Support being considered a 1 and "No Support" being considered a 5." passed unanimously.

A vote on the revised minutes was now taken. Bill Lord made a motion to accept the minutes as modified, which was seconded by Ron Buzzeo. As there was no discussion, a vote was taken and the amended minutes of the July 27, 2009 board meeting were accepted unanimously. (Attachment 2)

## **President's Comments**

Charlie Moore stated approximately two weeks ago vandalism occurred within the community where road signs were spray painted as well as the brick work on the fountain on the Phase 2 side. This vandalism was noted by a member of the Security Committee and reported to the county police. The police are currently investigating the matter. Charlie encouraged all residents to participate in our Neighborhood Watch program and to be vigilant and report any instance of vandalism either to the HOA office or directly to the police.

Charlie continued the Board is a little concerned about the upcoming Annual Meeting in that there may be some people attending the meeting who are not residents and, as such, should not be present. There is no direct evidence of this but in view of some repeated newspaper comments and telephone calls, several members of our Security Committee will be on hand at the doors leading into the auditorium to ensure only our residents participate in the meeting.

Charlie also noted that Paul Spruill, the Beaufort County Manager will speak on the upcoming property value reassessment. As a result, Paul is required to notify the County Commissioners any time he is going to speak in public and they are entitled to be present. Consequently, it is possible we might have one or two county commissioners at our annual meeting.

Lastly, Charlie mentioned the Board has been approached from someone representing SESAC, a business that licenses copyrighted music. They have approached the Board at Cypress Landing and indicated they are aware we conduct public performances wherein music is played. In some cases (1) the music is played by live musicians who receive remuneration, (2) the music is played by a disk jockey who receives remuneration and (3) the music is played by individuals performing for free who may or not have the copyright privilege of utilizing the music they use. This organization would like Cypress Landing to pay them a yearly licensing fee of \$600 and we could play any and all of their music. However they will not inform us what their music is.

As a result, the Board has retained legal counsel to advise us how to deal with this. It looks like we can employ a paid DJ and the DJ can play music as long as the music played is legally purchased and we can have live musicians/singers as long as it is for free and the music utilized is legally obtained. In any case, we are going to have to work with our attorney and formulate a policy that we can implement to be certain we are not infringing on the copyright of music. It was further stated members of music licensing organizations such as SESAC, must physically be present at an event in order to successfully bring suit.

At this point several Social Committee members in the audience raised their concerns as they, on behalf of the Social Committee, have employed a DJ to play at several upcoming events. They are looking for more specific information. Charlie informed the residents a policy (including specific forms to be completed by any DJ wishing to be present at one of our social functions) will be established at the October board meeting, which will be the first board meeting following our annual meeting.

## **Committee Reports**

### **B&G —On-going Project Updates.**

Prior to providing a project update, Chair John Reiner stated 14 members of Buildings & Grounds power washed the Bay Club, saving the HOA roughly \$2,000.

**Bay Club Retention Pond.** The retention pond needs to be dredged and debris, weeds and small trees/shrubs need to be cleared out. A vendor has been identified and will submit an estimate. The cost for this should be covered by B&G, as B&G advocated placing money in the reserve account for such occurrences and there currently is \$20,000 in this reserve account.

**Pond Depths.** B&G has identified a vendor who will physically perform a GPS mapping of all our ponds, to include measuring the pond depth, for a modest fee of \$3,700. The important point in this mapping exercise is not necessarily determining the pond depth, but determining the depth of the pond where the water flows in because that is the point where silt builds up and the pond fills in. This will be discussed at the October board meeting.

**Slope Stabilization.** In an effort to divert water from further eroding the area to the left and right of the covered walkway leading to the Bay Club, an estimate has been received to replace the current galvanized gutters on the Bay Club, which are over 15 years old, as well as adding gutters to the breezeway and along the cupola. This gutter replacement/addition might preclude the necessity for further slope stabilization in the form of a retaining wall.

*There were no questions to John from either the Board or members of the audience.*

**Finance —2008 Financial Audit Acceptance.** Vice Chair Tom Omri requested the Board accept and approve the independent auditor's report on our 2008 financials. He read the following key paragraph from the audit "...In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cypress Landing Master Homeowners Association, Inc. as of December 31, 2008 and the result of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America..."

Tom's recommendation that the Board accept the independent auditor's report on our 2008 financials was seconded by Larry Howard. As there was no discussion on the part of the Board or residents, the vote was called on the motion and the motion to approve the independent auditor's report passed unanimously.

### **Treasurer's Report**

Assistant Treasurer Bill Jackson reported for the Treasurer. On the balance sheet Unrestricted Operating funds amount to \$236,545 and there are still two delinquent lien accounts-one homeowner and one lot owner. Through July 31<sup>st</sup> Net Ordinary Income amounts to \$38,853, which compares to last year's July 31<sup>st</sup> surplus of \$37,200. Income is below budget by almost \$7,500 and expenses are under budget by almost \$46,000. Lastly, our tax returns for 2008 were completed and filed on time. (Attachment 3)

*There were no questions and the Treasurer's Report was accepted.*

### **Community Association Manager Report**

Tomi furnished a project status report. The Iris Lounge Bar and Cabinet Refinishing project has been completed at a cost of \$1,219. There have not been any updates by the police to the recent vandalism, but the defaced DOT signs have been replaced and/or cleaned. The community office has completed the Workers Compensation audit and might receive a small refund. The HOA office continues to work on the annual meeting preparations and those residents assisting with the meeting mailing (Mia & Bill Ramsden, Barbara & Jim Curran, Seb & Nadine Barrett, Merrie & Sam Summey and Barbara Ryan) were thanked for their efforts. This mailing effort entailed almost 40 volunteer hours. In addition, Tomi recognized George Badey for creating the voting packages and ballots. Tomi reported Scott has returned to work with light duty instructions and has been able to resume normal pool duties as well as other light maintenance functions.

Lastly Tomi is requesting the board approve the expenditure of \$1,586.16 from Capital Repair & Replacement Reserves to purchase a replacement fountain motor. She is also looking for Board permission to identify individuals (third party and/or residents) to accomplish the tasks of inspectors and counters for the upcoming Board Election and By-law Change. (Attachment 4)

*There were no questions from the Board or audience relative to the CAM report.*

*Tomi's request to purchase a replacement fountain motor constitutes a motion and this was seconded by Ron Buzzeo. As there was no discussion, a vote was taken on the motion to purchase a replacement fountain motor for \$1,586 from Capital Repair & Replacement Reserves and the motion carried unanimously.*

Relative to Tomi's request that the Board grant her permission to identify individuals to accomplish the tasks of inspectors and counters for the upcoming Board Election and By-law Change, as dictated by the new election and voting procedures, Ron Buzzeo seconded the motion.

*At this point Charlie pointed out this past year the Board passed a new voting procedure. This voting procedure was based upon having an Election and Voting Committee and the procedure had certain tasks assigned to the election and voting personnel. For reasons outside the voting procedure, the E&V Committee resigned en mass. So the CAM is in the position of having to execute a procedure based upon having an E&V Committee which does not exist. As a result, she is requesting the Board authorize her to solicit from the community individuals to perform those tasks*

*A vote was now taken on Tomi's request to solicit members of our community to perform the roles of inspectors and counters for the upcoming Board Election and By-laws Change and the motion carried unanimously.*

**Unfinished Business**

—**Board Sub-Committee to Review Committee Organization Report.** President Charlie Moore stated Mary Lou Sholl is the Chair of this sub-committee and in her absence read the following report. “As of August 31, 2009 the Committee members are Fred Lavin, Charlie Moore, Grace Placente and BJ Reckman. The committee has met twice and is reviewing the charters of all standing committees with a focus on the future of the community as it matures and promoting camaraderie between newcomers and established residents.” (Attachment 5)

**New Business**

—**2010 Operating/Capital Budget.** Vice President Ron Buzzeo made the motion that the Board accepts the 2010 Operating and Capital Budget as presented by Tom Omri, Vice Chair of the Finance Committee. Bill Lord seconded the motion. As there was no discussion on the part of Board members or residents, the vote on the motion to accept the 2010 Operating and Capital Budget as presented was taken and the motion carried unanimously.

**Announcements**

Annual HOA Meeting ..... SAT 9-12-09..... 10 a.m. Southside High School  
All meetings are open to community residents and non-resident property owners.

**Adjournment**

Charlie Moore asked for a motion to adjourn the meeting. Larry Howard so moved and Bill Lord seconded the motion to adjourn. The meeting adjourned at 7:45 p.m.

**Respectfully submitted,**

*Mia Ramsden*

**Mia Ramsden, Secretary Cypress Landing Master Homeowners Association Board of Directors**

**Attachments:**

1. Financial Committee 2010 Operating & Capital Budget
2. Amended July 27, 2009 board meeting minutes
3. Treasurer's Report for July 2009
4. CAM Report dated August 31, 2009
5. Board Sub-Committee to Review Committee Organization Report dated August 31, 2009