

CYPRESS HOME OWNERS ASSOCIATION
SPECIAL MEETING
October 5, 2007

The Special Meeting was called to order by the President, Becky Fisher, on Friday, October 5, 2007, at 12 Noon.

Board members in attendance were:

Becky Fisher – President
Judith Fischer – Vice-President
Karen Hesky –Treasurer
Diane Woodman – Secretary
Lee Robertson – Member-at-Large

Also present:

Tracie Melton – Property Manager

The primary focus of the meeting was on the new “No-Site-Visit Reserve Study” and the budget for 2008.

RESERVE STUDY:

The Treasurer informed the Board of an omission discovered in the previous Reserve Study which will affect the 2008 budget. In 2002, the reserve painting projection figure was omitted from the study. The Treasurer questioned the property manager and Tracie Melton’s response was that the painting was removed because they were not sure when they would be able to paint again and that the item should have been re-entered in the 2003 study and was inadvertently overlooked until discovered this year. The incumbent Board members agreed with Tracie as to the reason for removal. The Treasurer mentioned that she had spoken to the reserve specialist Sean Andersen and that he stated that they were told that the buildings were being painted in their entirety during the year and would be funded out of the operating account. He said that repairs and touch ups do not qualify and that they would not have removed the painting for any reason other than complete repainting. The result of this error produced an inflated reserve fund balance in the past four years. The Reserve is now at 25% and should be higher.

Tracie explained that in 2002, because of the expense of the beginning roofing project, the Board voted to have painting projects done, as needed, by the general handyman. This expense was included in the general budget and continued as such for three years.

The Treasurer stated that she felt that the painting was fraudulently removed because of the discrepancies in the property manager’s statement versus the reserve study specialist’s statements. The President directed Tracie to contact Attorney David Cane for legal opinion on this matter.

BUDGET – 2008:

A dues increase of 20% was discussed and the Board was in favor of so doing. The amount would be raised to \$250 per month and would provide additional revenue to help offset reserve shortage. An increase of 20% can be assessed without a resident vote. Items included in the reserve fund to be included in the 2008 budget for replacement or repair is the replacement of play area surfaces and other components that have had a useful life of zero for a number of years.

Karen suggested a new CPA should be considered and a new quote should be obtained from the roofing company for mansards only.

ADDITIONAL ITEMS:

The October meeting date will be Thursday, October 27th. Board at 6:30 and General Meeting at 7:15.

A new billing and delinquent assessment collection policy will be discussed and reported at a later meeting. Judith provided an updated Delinquent Policy which the Property Manager needs to have David Cane review.

In discussing the Reserve Study the Treasurer stated that some components need to be reviewed, such as a leak at pool 3. Property Manager reported that a leak detection company was hired and no leak was found. The Treasurer felt that some components in the Reserve Study would be beneficial to change now for energy efficiency. Board to review components at a later time.

The locks will be changed on the office door at clubhouse #1.

A motion was made to refund \$100 paid by homeowner at 4582 for lost pool key. MSC

The resignation of Diane Woodman, Secretary, was accepted by the Board to be effective after this meeting. A motion was made to appoint Barry Wulwick and Betsy-Ann Toffler to the position of Member-at-Large. The Board voted on the replacement and the vote was split. Since it was split, the position will stay vacant until the next election in January 2008.

There being no further business, the meeting adjourned at 1:10 PM

Respectfully submitted,

Diane Woodman
Secretary