



Winding Cypress Homeowners Association Board of Directors
April 12, 2023, 2:00 PM Open Board Meeting
APPROVED Minutes

Location: 7180 Winding Cypress Drive, Naples, Florida – Amenity Center (Event Room)

Board Members Present: William “Bill” Powell, Bill “BC” Bell, Dr. Michael Boriss, Kay Ballard, Steve Shedd. **Also Present:** Steve Harshman, Regional Manager, John Rowland, Property Manager, Jade McKim Asst Property Manager, 50 members of the association (plus 16 via Zoom).

Meeting Called to Order / Certifying Quorum: With a quorum being present, the meeting was called to order by President Powell at 2:00 PM.

Reading or Disposal Minutes: The reading of the minutes from the March 14th board meeting and the March 15th organizational meeting was waived. A motion to approve both meeting’s minutes was made by Michael, and the motion was seconded by BC. The motion passed unanimously.

New Business:

- A. **Revised Rules & Regulations:** Bill reviewed the recent steps taken to update the document, and stated there are three additions that require approval (the document can be found on the website)
 - 1. No recreational use of ponds (e.g., remote control boats, fishing)
 - 2. Amenity center doors cannot be propped open (due to animals getting in, making A/C run harder, the noise, etc.)
 - 3. Pickleball, tennis, bocce courts will open at 7AM

Owner Comments RE Agenda Item(s):

- A. “There are a lot of people who don’t know the rules. Who is going to enforce them?” *Bill: The owners are ultimately responsible for their visitors and renters knowing the rules (believe renters must sign an acknowledgement). Management will be responsible for approaching violators.*

Action Item(s):

- A. **Vote:** A motion was made by Michael to approve three updates to the Rules & Regulations document (see New Business A. above). Motion was seconded by BC. **DISCUSSION:** Kay questioned if the sliding glass doors (between the internet café and the covered fireplace area) could be opened for “flow”. *Bill: Yes if you rent both the internet café and the fireplace area.* Kay stated there are times (particularly when we have ticketed events) when we need to allow access through some doors. Does management have the option to activate/deactivate door fob access for individual doors? John was asked to investigate that. Vote passed unanimously.

Committee Reports:

- A. **Activities:** Michael stated that when the BOD created the committee, there was a need to assist the activities director. A year later, Maribeth, can handle events without the need for a committee.
- B. **Appeals** (presented by Donna Hubble, chairwoman): Our committee consists of 3 volunteers, who get involved if an owner disagrees with a violation. Our board liaison would notify us and provide

documentation. The owner is given an opportunity to present their documents and facts to the committee. The appeal is reviewed, and a committee decision (requiring a majority) is made. The committee then reports their decision. To date, there have been no appeals.

- C. **ARC** (presented by Jayne Shedd, chairwoman): Ronnie Asafaylo stepped down from chair position, but is still serving on the committee. Jim Schopp volunteered to be an alternate - the committee must have a quorum of at least 3 people at their meetings. ARC reviews applications for exterior modifications, with the goal of helping to protect our investments. ARC reviewed 26 applications since the last report: 12 were approved, and several were sent back with a request for more information. The ARC Guidelines will soon get revisions, as will the Approved Plant List. Finalized lists will be posted on the website as "DRAFT" for 14 days before being voted on by the BOD.
- D. **Building & Grounds** (presented by Mike Merola, co-chairman): The management company is refiling the insurance claim to include the fountain light repair/replacement. We have an estimate and have verified that lights are national lab certified. The refill well located near the pond at the back gate has been wired and metered, but the power source is being worked on. RT Moore is working on the drain in the men's pool house bathroom (it is filled with cement). Pulte paying for the repair. The committee is meeting with BV to discuss issues revealed at the BV-hosted Zoom meeting . *Michael commented that he drove around with BV to investigate "issues" posted on Facebook; he found only one home with irrigation issues. We are 8 inches below rainfall. He has found BV staff willing to help. Michael complimented the committee for discovering the bathroom drains, which the inspector missed.*
- E. **Communications** (presented by Bonnie Bell, sitting in for Kellie Harris, chairwoman): the website had almost 2700 visits in March and over half were first-time visitors. 820 people opened the April 1st edition of the Cy-Press. The committee would love to receive recommendations for member profiles, as well as photos of residents being active in Winding Cypress. Please submit your ideas and photos to windingcypresscomm@gmail
- F. **Compliance** (presented by Jane Margulies, chairwoman): The committee works hand-in-hand with ARC and management (typically, Jade). Everything starts with a "friendly reminder" from Jade. Jane recommends reading the Rules & Regulations as well as the ARC Guidelines. Common issues are garage doors being left open, multiple "ornaments" in front yards, and dirty roofs. Committee members may visit with management to observe a residence. If you see something (you think is non-compliant), feel free to ask management about it. Rule compliance near the pool has been a big issue - reminder, there's no drinking in the pool.
- G. **Finance** (presented by Jim Sullivan, chairman): 2022 Audit draft prepared by GRG (Gerstle, Rosen and Goldenberg) was received the end of March and has been review by the Finance Committee. The Auditors commented on several issues for attention: Consider adding banking accounts in addition to First Horizon Bank to ensure funds are insured under FDIC (\$250,000). This issue recently highlighted by a Silicon Valley Bank. Establish written policies in the area of internal control for use of Working Capital, Capital Contributions, Reserve Funds and Credit Cards. Several open questions from the Auditors are being addressed and responded to. We anticipate the finalized Audit Report will be forthcoming soon We anticipate a clean "unqualified" Opinion": 2022 Audit Draft Report pending finalization:
1. Balance Sheet: Assets - \$1,539,000. Cash \$857,000 or 56%, Developer Receivable \$389,000 or 25%, Replacement Fund \$184,000 or 12% and Other \$109,000 7%. Liabilities - \$1,228,000. Prepaid maintenance \$695,000 or 56%. Deferred Reserves \$184,000 or 15%, Payables & Accruals \$306,000 or 25% and Other \$42,000 or 4%. Fund Balance - \$311,000. Working Capital \$443,000 Fund Balance \$(132,000). Note: Fund Balance = Beginning Retained Earnings the 2021 ending balance of \$123,000 less the 2022 loss of \$255,000 or a negative \$132,000.
 2. Statement of Revenues & Expenses: Revenues - Actual 4,030,000; [Budget \$4,108,000] an unfavorable variance of \$78,000. Actual Maintenance Fees 3,171,000 or 79% [Budget \$3,260,000] an unfavorable variance of \$89,000, Actual Café \$776,000 19% [Budget \$743,000] a favorable variance of \$33,000, Other \$83,000 2% [Budget \$105,000] an unfavorable variance of \$22,000. Expenses - Actual \$4,285,000 [Budget \$4,108,000] an unfavorable variance of \$177,000. The HOA variance was an unfavorable \$(44,000) a Café an unfavorable variance of \$133,000. Excess Operating

Revenues (Expenses) or Net Loss for 2022 was \$255,000 [Budget \$0] or an unfavorable variance of \$255,000. The HOA portion of the loss was a \$83,000 and the Shady Palm portion was a loss of \$172,000.

The Turn-over Audit (Forensic Review – Agreed Upon Procedures) was completed by GRG (Gerstle, Rosen and Goldenberg). The Finance Committee review was completed and comments provided to Board for review. Pending discussion with Pulte for finalization. *Steve: The first 2 months of this year, the Shady Palm was right on target revenue-wise. Expenses, however, were not managed – salaries were 35% higher than budget. Also operating expenses were 30% higher than budget. HOA revenue has been higher than budgeted, and we spent less. Roughly, there has been a \$35K loss in first 2 months.*

- H. **Safety & Access** (presented by Danny May, sitting in for Michelle Apgar, chairwoman): Ramco has been on property updating security and access equipment (starting from scratch in some instances). The transition date from our current contractor to RAMCO is targeted for May 8th. New FOBs and bar code stickers (for vehicles) have been ordered. The computer system will soon be installed at the main gate. The clubhouse system installation will begin next week. The committee has been evaluating access and security of community – which is very weak. A pedestrian access gate will be installed at the front gate area. The resident gate will have additional gate arms, as well as the back exit gate. The current FOBs are not tracked to a specific individual, but the new FOBs will provide a timestamp when a member uses it. We are going to a virtual guard/kiosk for the overnight shift. Visitors will push button to speak to an offsite person, show license, etc. Before the “live” guard goes off duty, they will spend an hour walking through amenity area to make sure it’s secure. We currently have multiple contracts related to access (gate maintenance for instance); the contract with RAMCO will save us a “significant” amount of money. Another project the committee is working on is the addition of 3 stop signs (Winding Cypress Blvd/Winding Cypress Dr, Winding Cypress Dr/Clamshell/Wiregrass, Winding Cypress Dr/Lily Way). An engineering study is under way to submit a permit to Collier County. Speed humps, although controversial, are being explored, but not pursued. Speed humps also require an engineering study. Fitness Center monitoring is being looked at to determine how to hold people accountable for violations and damage.
- I. **Shady Palm** (presented by Kay - no committee member in attendance): The committee has been happy to work with Marcus and Jacques, and to give guidance when asked. John will have an active role, as will Steve (the new regional manager who has a F&B background). We no longer have a hostess, so the committee is looking at using a sign-up sheet when there’s a wait for tables – please be “neighborly” if you have to wait. John will look at staffing and work with Marcus. The café also needs to do a better job with inventory which can look skewed on the financial report. The staff tried offering drinks poolside which seemed to go well; they may try it off-and-on. We continue looking at specials. We would like to offer music, but only if it increases business. Obviously, expenses need to get under control, and Steve Shedd is assisting. The committee is working on a community survey. *Michael: tips go towards our F&B minimum and should not. Steve: we could look at doing away with the F&B minimum (and get rid of the card system). We would build it into HOA dues. You are then supporting all operating expenses, and the food prices would be lowered accordingly (30-40%). We would not have to worry about separating out tips and F&B minimum. Michael asked what dues increase is estimated. Steve estimated \$100-\$200 more per unit. We would also need to charge at least \$1 for the F&B minimum as one is required per our current governing documents.*

Other:

- A. **Committee Assignments & Organization:** BC said the BOD didn’t discuss committees at their 2023 organizational meeting (immediately following the election). Bill has his hands full without being a committee liaison. Kay has agreed to be the liaison for ARC, Compliance, and Appeals committees. Steve will work with Finance and assist management with financial education for the Shady Palm. BC has Safety & Access and has asked to take Communications. Michael has Building & Grounds.
- A motion was made by Michael to disband the activities committee. Motion was seconded by BC. There was no further discussion. Vote was unanimous.
- B. **Pickleball and Tennis:** Michael said pickleball has a chartered club that should have open meetings and present a report at the board meetings. He would like to be the liaison. He also would like to

develop a tennis committee (5 members and a chair) to reinvigorate the activity. WC had one in the past; Michael wants the new club to have a closer connection to the board, and he would like to be the board liaison.

- A motion was made by Michael to create a new tennis committee. Motion was seconded by Bill. There was no further discussion. Vote was unanimous.
- C. **Management:** John said the office is developing a form for getting new FOBs and vehicle bar codes. He reminded the audience that lap swimming lanes are not to be obstructed, and said management is looking at possibly limiting lap swimming hours.
- D. **Questions from Kay:** Kay shared she has received various questions from owners. Did we pay for the coffee machine? *John will follow up.* Margin Edge charges us a \$10.50 monthly fee because we pay the bill with a credit card. How do we get that changed to paying by check? *John: he sees the bills and Terri (Seacrest's accountant) pays them. John was asked to look into it.* There's a new piece of gym equipment – how was the decision made to select it? *John: John and Jim Sullivan had a discussion, and it was approved in AppFolio.* Some owners have asked permission to help with sprucing up the space between the tennis and pickleball courts. *Mike: due to hidden irrigation and utilities, recommend talking to BV and getting a few quotes. Mike will let the board know the estimates.*
- E. **Threshold:** BC asked if the board wanted to talk about the threshold vote again, bearing in mind 511 yeses would still be required to pass any change. *Steve: we have no ability to do a special assessment without a two-thirds vote. If we ever overspend, we don't/can't pay our bills. Bill: the language is developer friendly. We sent emails, wrote articles, paid for a guest speaker, and had volunteers knock on doors to educate voters, but over 200 people still did not vote. 759 homes have closed. Bill asked the audience to share their recommended threshold numbers by emailing the BOD.*
- F. **Thank You:** Michael said thank you for the love and support he and his wife, Cookie, have received during the 8.5 months.

General Member Comments:

- A. "250 people signed a petition to allow colored lights. At the last meeting it was tabled*. Will you bring it up again? Your argument that we can't exclude other groups is not legitimate. Also, I believe there should be a 2-year limit on committee positions." *NOTE TO READER: a board member made a motion to approve colored lights, and it was not seconded.
- B. "Want to know status of lakes; why aren't they being filled?" *Drought. Working on refill well.*
- C. "I am a CDD board member. The CDD does not send supply water to the lakes."
- D. "Thank you to Steve for finance numbers. Loss is shocking. Is there a process in place to identify how much each household spends?" *Steve: data not available. We can pursue it again.* "Has the board considered getting rid of the management company? Has the board rolled over? Their SR VP should be held accountable." *Steve: reserves cannot be used to pay those expenses. Michael: SP goal is to make the loss as small as possible. "It will never make a profit". Steve: we need to keep the loss manageable.*
- E. "Can you add like a red exclamation point in HOAst to prevent stopping at first vote? *BC: Good suggestion; we will have Jade see if it's possible.* "I don't support adding F&B to dues."
- F. "Thanks for clarity. It's a wake-up call. We need transparency and are getting it now. SP is the biggest issue, and it takes so much of our time. Wouldn't it make sense to contract it out - not open it up to outside the community. We could adjust the menu. The property manager is not in the restaurant business. I'm comfortable letting committee members serve as long as they are contributing. I will help with the threshold vote. Can we try to push through the landscaping near the pickleball courts to make room for the over-crowding? The PB Club would be willing to help."
- G. "Will we receive the same number of fobs and stickers we have now?" *BC: Decision not made yet.* "There's a light out in PB court. How quickly can we get it replaced?" *John: Bently Elec coming tomorrow to look at it.* "Concentrate on the 200 people who didn't vote. I think adding F&B to our dues is a unique idea."
- H. "Who does the board email go to?" *BC: President, VP, property manager.* "Why?" *BC: Keeps it from getting too confusing, due to multiple members responding (possibly in different ways). When we*

receive them, we forward them to John or the appropriate board member. Kay: I want to be included. Can it be changed? Bill: we voted to do it this way.

- I. "We all live in Paradise. Let's be positive."
- J. Comment from Michael: "I been gone over 8 months and haven't gotten to weigh in on lights. I support meaningful support. Let's have a fundraiser, like the PB Club had for hurricane victims."
- K. "I was a cop for 32years. I signed the petition, and I agree with Michael. Buy them lunch, say hello, give them a handshake. You can show your support in different ways."
- L. Comment from Michael: Remember to pick up applications for the tennis committee.

Adjournment: There being no further business to discuss, a motion to adjourn was made by Bill. Motion was seconded by BC. The meeting was adjourned at 4:38 PM

Respectfully submitted,

Signature:

Dr. Michael Boriss, Board Secretary

