

BOARD OF DIRECTORS' MEETING

Winding Cypress Homeowners' Association, Inc.

Date: 11/11/2022

Time: 10:00am

7180 Winding Cypress Drive, Naples, FL 34114-Event Room

ZOOM

<https://us02web.zoom.us/j/82541272332?pwd=ZTRHczdNODB3TjNjWDZ1cGdid29tUT09>

Meeting ID: 825 4127 2332

Passcode: 096616

AGENDA

1. Call to Order - Mr. Powell called the meeting to order at 10:01
2. Establishment of a Quorum - Present: Mr. Powell, Mr. Bell, Dr. Schopp, Mrs. Ballard
Absent: Dr. Boriss - Also present John Rowland (Property Manager), Jade McKin (Assistant Property Manager), Roy Hyman (Sw. Property Management)
3. Board Meeting Protocol - Dr. Schopp explained the statutory difference between a town-hall meeting and an open board meeting. He also reviewed a change in the placing of the public comment portion of the agenda.
4. Reading or Disposal of Minutes from:
 - * 7/19/22 - Open Board Meeting
 - 9/20/22 - Executive Session re: Legal and Personnel
 - 10/11/22 - Executive Session re: Personnel
 - 10/18/22 - Executive Session re: Personnel
 - 10/19/22 - Executive Session re: Personnel
 - 10/26/22 - Open Board Meeting
 - 10/26/22 - Town-Hall Meeting re: Budget PreviewMoved to approve by Mr. Bell, second-Mrs. Ballard - unanimous

5. New Business/Informational Items

- Introduction of the new WC Property Manager and Assistant Property Manager John Rowland and Jade McKin
- Finance committee will continue their report and answer questions submitted by residents (see Appendix A) Mr. Sullivan, Mr. Shedd, Mr. Creamer
- Discussion of the 2/3 voting threshold - Mr. Powell previously sent a letter to residents regarding this issue. Mr. Bell discussed how the 2/3 voting threshold works. At the meeting next month, the board will have a discussion on how to proceed. Currently 2/3 of all residents - that is a very hard to accomplish. We would like that to change to 2/3 of those present/participating. The currently language was put in by the developer. The Florida statute is in line with where the board would like to move.

6. Public Comment Regarding Agenda Items

Note: 3-Minute time limit per speaker

I commend you for have two times when we can speak. I have looked at several menu price items from other restaurants - SP is higher. Vegan options should be put on the SP menu.

What is that date for 2/3 vote? December

Finance report - will we see financial updates periodically? That can be posted on the website

We should use Robert's Rules - we do. Wine costs are more expensive here than on 5th Ave.

What is the goal for SP? Break even, make a profit? As close to breakeven as possible.

2/3 vote - per person or per household? Household

7. Action Items

- Approve the FY'23 Winding Cypress budget - motion to approve Mr. Bell. Dr. Schopp - second - unanimous 4 yes - motion passes

8. Committee Reports:

Finance (Mr. Powell) - already heard from the committee

Access and Security (Mr. Bell) - no report

Activities (Dr. Boriss) - revised flyer for NY Eve

Communications (Dr. Boriss) - Thanks to Kellie and her team!

Buildings and Grounds (Dr. Boriss) - Mike Merola (Cochair) Fountain will be done in December as will as maintenance of the courts. Trees are being staked. BV gave us a 100K "coupon" - that will be used to help.

Shady Palm (Mrs. Ballard) - Oscar has made changes with Susan and Suzanne - uniforms - menu change - no food from 3:30-4:00 so the kitchen can switch to evening menu. May have a card vendor change. Inventory is finished and will be done on a monthly basis. Will continue to revisit menu prices and internal controls. Was closed yesterday until 5:00 so employees could participate in on-going education. A table was purchased for employee use. More tables were also purchased for additional seating. SP will be open

Christmas Eve and Christmas Day. SP has been open for Monday night football - continue to look at additional hours of operation

ARC (Dr. Schopp) has been very active - processed over 250 applications

Compliance (Dr. Schopp) - look at roofs, driveways, and sidewalks - removal of trees

Appeals/fining (Dr. Schopp) - none so far.

9. Other - Garden Club - Mrs. Ballard and Dr. Schopp met with representatives from the club - in the past there was a 2K in the budget for maintenance. Going forward, the board is committed to maintenance and will cover this area. Club dues will continue to pay for materials. BV will take care of trimming shrubs.

Mrs. Ballard - when residents send an email it goes to BC, Bill, and John.

10. General Public Comments

Note: 3-Minute time limit per speaker

Is there a spraying for hook-worms? We will look into it

Has there been any consideration for a playground? No

Is there a way to consider dropping Century Link? Most companies will only come in if they are the sole provider. This can be researched and explored.

BV issue - how do we expedite responses? We've asked them not to close any tickets until the issue is finalized. If you don't hear from BV - email the board or John.

Marriage license for rental agreements - SW Prop does a background check - asks for copy of a marriage license - that has been revoked - no marriage license will be required.

Street light repair - how and who repairs? FPL has tickets to fix - some are lights belong to WC some from FPL.

11. Adjournment - Dr. Schopp moved, second by Mr. Bell - unanimous

Appendix A

I see no entries in the 2023 budget for annuals, tree trimming.

Does that mean this will not be done?

In the aftermath of Ian, the trees need attention, and if the oaks are not trimmed, they will be more difficult to trim later.

Thanks,

Marianne Crowley **There is a line item in the budget 50K - done every three years so not in the '23 budget**

-Why does Shady Palm continue to operate in the red, especially considering that their prices are considerably higher than local restaurants of similar caliber, they pay no rent, and they pay no utilities? Is the total compensation of their employees over local norms considering both salary and allocated tips? If prices were lowered (to be in line with local competitors; side salad/bread offered with specials), would increased sales result in a higher profit (or lower loss)? Should we consider making the menu prices inclusive of sales tax and gratuity? -Dave Margulies **There's no quick answer - prices are compared to various similar restaurants. Using "Margin Edge" that will calculate the cost of food on the menu. People should have the opportunity to decide what they want to give for tip, etc.**

-What are the line items included in the Vehicular Access Control amount (\$227K)? Specifically, what items have been added to this budget line to cause the 22% increase from 2022. **'22 budget was prepared by Pulte and were lower than should have been. Contract for the guards.**

-What's driving the 69% increase in telephone/internet costs? **Was prepared lower than should have been (understated)**

-What kind of visibility will residents get to expenditures against the contingency? I would like to see line-item reporting to residents as to how this money gets spent. My fear is that it will become a large "petty cash" fund without proper governance or reporting of the spend. **Board oversees all expenses and control how/when the funds are expended.**

-What happens to unspent contingency funds? Do these roll over to fund the reserve? Are they given back to residents as a credit against the 2024 budget?

-What is the anticipated annual Shady Palm food-and-beverage minimum for each household in 2023? **\$660**

Thank you,
Stacy Nelms
7561 Blackberry

It was stated at the budget meeting that the monies being paid back from Pulte will be used at the discretion of the board.

-Why are the monies not going into the Winding Cypress Community surplus?

-First, I would like to thank you for all your hard work for the benefit of our community. Being involved in both property development and management

for over thirty years, I can appreciate the work it takes to make things run smoothly.

In reviewing the budget, I would like to voice one of my personal concerns. It seems that when Pulte marketed this property, they included, as an amenity, the Community Garden. For many of us in the garden, this amenity was an important factor in our decision to purchase in Winding Cypress. It appears now that our Winding Cypress Garden is no longer considered an amenity, even though it was developed by Pulte and used as a tool for the sale of homes by Pulte.

Last year, our garden manager, Kendra, spent many hours and much negotiation to include us in the 2022 budget. I see that in the current proposed budget for 2023, our \$2,000.00 budget was completely eliminated. This, even though Pulte's proposed 2023 budget showed \$2,600.00 for our garden.

This year, our new managers continue to strive to make the garden a truly "community" space. As gardeners, we currently do all the work within the garden, including normal maintenance issues. This, even though all other amenities are not forced to do their own work because they do have a budget. Our garden will continue to have maintenance issues which are minor in scope and cost compared to other amenities. I feel that the gardeners should not have to shoulder this entire burden themselves.

I realize we are a small group within the Winding Cypress community and therefore, we have a small voice. However, we are also asking for a very small budget as compared to other amenities. I am therefore asking you to reconsider our status as an "amenity" and our budget, as we are a proud and dedicated small amenity within WC. Thank you in advance for your consideration.

Regards,

Gale Frascatore

-Hope this question is being directed to the correct authority?

Has Winding Cypress ever approached Xfinity or Comcast to provide service to the development?

As you are aware we continually have outages with Centurylink. Although we have only been owners here for just over a year this is the 4th outage I'm aware of to our home aside from Ian which is fully understandable.

My wife and I both are lucky to be able to work remotely but not when we do not have internet service.

I tend not to read complaints on the chat forums but it does appear CenturyLink is an inferior supplier to other services.

Again, as a follow up, has there been any inquiries with other services which are available directly across the road at the front gate? I'm sure with the size and prestige of Winding Cypress providers would be happy to offer services.

We are currently considering flying home as business is brisk and we cannot be without service. Currently CenturyLink estimate repairs to be completed by approximately November 4/22 at midnight. **We have a contract with CL - originally entered in from the builder.**

Thanks for reading my email and hope for a reply asap.

Blake Loft

-Dear Members of the WC Board,

First and foremost I would like to thank all the board members for your time and expertise to ensure WC runs efficiently, effectively and maintaining the standards of this beautiful community we call home.

I am writing in behalf of the 24 members of the WC Garden Club. The garden is an amenity in WC although it is not reflected so in the HOA budget. The garden is listed in the proposed 2023 budget under the Grounds portion of the budget. I We the members, as well as many other property owners feel that the garden is an amenity in WC. The garden is a key selling point that real estate agents often point out to potential buyers. The community dog run is also another selling point not listed as an amenity. In fact, the garden and the dog run were what attracted us to WC.

MEMBERSHIP IN THE GARDEN CLUB:

This year the club had to raise the yearly dues to \$30 for a half bed (last year \$25) full beds are now \$45 up from \$35. Right now the club dues primarily go to replenishing the soil in the raised beds. The cost of soil has increased significantly from last year.

We purchased 40 bags of soil, 16 bags of manure, neem oil, four very large garbage cans on rollers to aid in moving them on the gravel, garbage bags, new garden sign, watering cans etc. Monica Hibbs and I took on the responsibility of the garden this year and made these purchases with our own money. To date Monica has laid out over \$1,000 of her own money so we could

get the garden ready for planting season. The reimbursement process with SW property's is insane!

Currently the garden upkeep, maintenance, replenishment, and repairs and even so much as having to cut the huge hedges surrounding the garden are being done by garden Volunteers, many of an older demographic. We cannot rely or expect this amenity to thrive if it is solely being maintained and financially replenished by a few residents!

PROBLEMS AND REQUESTED SOLUTIONS:

GRAVEL: budget for annual raking and additional gravel in garden area by Brightview.

WATER: Is the irrigation system to each bed in operating order?

SOIL: amend budget for soil to be replenished on an annual basis so gardening can be successful.

WEEDS: Gardening is a very time consuming process and beating the Florida climate and conditions is an uphill battle. The majority of WC residents are seasonal and the garden becomes a jungle quickly.

SOLUTION: Year round quarterly weed control for the grounds by Brightview. Members are responsible for weeding their own beds.

FUTURE REPAIRS:

Replacement of wood on raised beds, new garden trellis which was destroyed by Ian, new storage cabinets for supplies, new hoses, etc

Ideally we would like to see the garden club membership dues to pay for the following rather than just soil.

- *keys to the garden

- *lock replacement on gate and cabinets

- *soil testers and water meters for each bed

- *lime and fertilizers

- *pay for master gardeners to visit and speak or support us by analyzing gardens

- *establish a butterfly garden

- *netting and metal plant stands

- *traps for palm rats

- *tools that need replacing

In summary, I realize due to the many unforeseen expenses, I don't expect to get everything on my wish list but I feel I have included only a bare minimum of what WC should provide for a community amenity.

Pulte has used the amenity to sell over 700+ homes here and it would be a shame to abandon it without thoughtful planning and resources.

The garden was budgeted in 2022 for \$2,000. In 2023 the proposed budget for Sunny grove included a 30% increase for the garden for a total of \$2,600. The current proposed budget under Brightview for the garden is zero!

I believe the garden could be an amazing amenity that residents will enjoy for many years to come if we simply plan for it and care for it as we do for all the other amenities here in WC.

Thank you for your time and attention to my email.

Best regards,

Ann Cuhaj and Monica Hibbs

Can you please share with us the breakdown by amenity of the court resurfacing contract that was approved by the WC HOA Board of Directors last week? The pickleball and tennis courts are consistently lumped together however they are two very different types of courts that require very different maintenance, as we have all learned.

Is the expense for the court resurfacing project part of the 2022 expenses or is it in the 2023 budget? What line item shows the resurfacing project or is it being taken from the Reserve Fund? **Funds will come from reserves and the maintenance from the '22 budget.**

Also, we would like the WC HOA Board and Finance Committee to revisit the 7 year pickleball court life as provided by Kipcon for the Reserve Analysis. The pickleball courts are 5 years old (according to reserve study) and their wear is very evident. To our knowledge the only maintenance performed on the courts have been net repairs, wind screen repairs, and power washing a few years ago. We do not believe a 7 year estimate is accurate based upon our community usage of the for courts and the fact that pickleball is the fastest growing recreational sport. We would suggest that a 5 year life is a more accurate representation of the court life. -Winding Cypress Pickleball Club Committee, Doreen Habben, Secretary

-My wife, Sue, and I went to the BOD Meeting at 7:00 pm on October 26, 2022 and found it to be very informative. Several members of the Board noted the tremendous amount of time and effort put in by the Board, Board Committees and Focus Groups, all without any pay for their time and commitment. Sue and I, as well as all owners we're sure, are so appreciative of the hard work you put in.

I know firsthand the Herculean effort the Board had as I served on the Transition Committee, Chaired by Mr. Michael Rubbinaccio, as Chair of the Finance

Subcommittee, along with 6 other owners (two of which are on the current Board), and we didn't have a sheet of paper when we started! Michael did an outstanding job of working with his 7 subcommittee chairs to create a 218 page Transition Committee Report (TCR) issued January 24, 2022, with the primary purpose to assist the Board in transitioning to the first-ever Board made up entirely of owners. This was a tremendous blueprint covering all aspects of Winding Cypress and must have been very beneficial to the Board as it began its journey in 2022. I point this out because during the Board presentation that night, and in the Budget/Workshop attachment above, the Board indicated this regarding creation of the 2023 Budget:

“Now imagine this: creating a very first budget for an organization of 766 stakeholders, virtually from scratch. Imagine having to do that with no real historic data to draw from as the only prior budgets were generated by a developer whose primary & legitimate goal was to sell & divest itself of every home and who was accountable only to itself in doing so”

While I think we all feel the current Board did a tremendous job, I feel it's disingenuous to make the above statement in that the Board had the TCR (imagine if it didn't!) and as Finance Subcommittee Chair, my subcommittee had access to all CPA Annual Reports since WC inception in 2014, along with detailed internal reports produced by SWPM, which we found to be in sync with the Annual Reports. The outside CPA was employed by Pulte, but it had a professional obligation to opine on Managements Financial Statements and Notes, and it did so issuing “Clean Opinions” for all annual periods. In addition, SWPM did present in all prior years for approval very detailed Annual Budgets by line item and with explanations – very transparent!

Here are my questions / comments to the Board regarding the HOA and Shady Palm 2023 Budgets:

At the Board Meeting at 10:00 am on October 26, 2022, the Board, in mine, Board Member Kate Ballard and to many owners at the Meeting, passed an approximate \$44,000 in funds to repair the tennis, bocce and pickleball courts. I asked when this money would be spent, 2022 or in 2023, and the Board didn't know. I feel the Board acted prematurely for two reasons: first, there were no funds budgeted for this in 2022, and second, the 2023

Budget even if it has appropriated funds, has not been approved yet by the owners! I believe the Board put the cart in front of the horse. Those in attendance wanted it tabled for future consideration so leadership of the three groups could be sufficiently involved in the choice of the work to be done, the vendor and the cost. I did inquire if the Board got the specifics from an independent professional (not involved in the bidding) to prepare a Request for Proposal, RFP, before giving it out for bid. Based on Board's response, I don't feel it did.

Can the Board reconcile the Total Owner Assessments to the Total Estimated Expenses regarding the 2023 Budget. I see the following:

Maintenance Assessment	\$3,638,455
Total HOA Income	3,706,705
Total HOA Expenses	3,497,671
Net Profit	209,034

The Budget already has \$180,000 "Contingency" fund, so is the Board also expecting a further \$209,034 in "Contingency," which owners will contribute to in 2023 via assessments? **Can be used for various items or put in the general budget**

How much will the CPA Firm, Outside Legal and Engineering Firm charge for its 2022 work on the Turnover, Reserves and Engineering Analyses? Will these be accrued in Actual 2022 or will these be expensed in 2023? If in 2023, what expense lines will be impacted? I ask because the 2023 Budget only has \$12,000 for Audit/Tax Return, and \$36,000 for Legal, and \$0.0 for Professional Fees. Will overflow go against the \$180,000 Contingency?

Have all 766 homes been built so all 766 owners may be assessed? If not, how many homes are left to be closed and when will that happen (count by each quarter-end in 2023)?

The TCR did strongly recommend, with a great case study in its report, that our Board's own Accountant/Attorney/Engineering Firms obtain legal

opinions as to the need for greater Reserves owed by Pulte before final turnover of all financial/legal obligations to the owners. This should have a significant impact on owners' assessments now and in the future. I understand the Board has its own CPA Firm/Legal Team for the Turnover Audit and review of the necessary Reserves, and its own Engineering Firm to determine if Pulte's, Kipcon, did a professional analysis of these concerns. When will these Board Representatives be done with their work? Will positive financial adjustments be passed back to the owners in future assessments? **Will depend upon the outcome**

Whereas it appears Shady Palm got an "Ace" to help it turn things around, and it will increase prices, Food CGS will still be estimated at 56% of Sales which is still high. In addition, the SP will still lose \$125,841 after projected NL of \$189,036 in 2022. Yes it's treated as an "Amenity," but I hope this can be closer to breakeven in future years.

I hope the Board will address these issues at the 2023 Budget Approval Meeting. And again, thanks for your hard work!
God Bless!
Jeff Gorden

-I just noticed in the budget that Shady does pay utilities, so I would like to remove that word from my question, making it:
Why does Shady Palm continue to operate in the red, especially considering that their prices are considerably higher than local restaurants of similar caliber, and they pay no rent? Is the total compensation of their employees over local norms considering both salary and allocated tips? If prices were lowered (to be in line with local competitors; side salad/bread offered with specials), would increased sales result in a higher profit (or lower loss)? Should we consider making the menu prices inclusive of sales tax and gratuity?
Thanks,
Dave

What goes in to the \$16,000 allocated to Telephone in the 2023 budget.
Thanks,
Kay Ballard

As a homeowner in Winding Cypress one of the draws was the many amenities. One of which was the garden club. Once I received a plot I was surprised to find the HOA did not provide any funds for this amenity. Last year we were able to receive funds. While I know we are a minority of members, we are a part of this community with small needs and few requests. And we pay dues and work hard to keep the area maintained during growing season. The maintenance of the tennis, pickle ball, bocce courts, and dog park are among the other amenities and are provided funds. I am disappointed to find that the HOA does not feel obliged to maintain this amenity touted as important to residents. I would ask you reconsider providing a small allocation of funds to help maintain this valued amenity many of us enjoy.

Respectfully,

Darlene

Mrs. Ballard and Dr. Schopp met with representatives from the Garden Club. There was a concern that the \$2K for maintenance was not found in the '23 budget. The board has made a commitment for on-going maintenance for all amenities including the community garden. So, even though it's not specifically in the budget, the garden will be maintained. Club dues will continue to be spent on tools and materials for the garden.