

**STRAND MASTER ASSOCIATION
BOARD OF DIRECTORS MEETING
OCTOBER 8, 2008**

A regular meeting of the Board of Directors of the Strand Master Homeowners Association was held Wednesday, October 8 at 8:01 a.m. in the Strand Boardroom.

DIRECTORS PRESENT: Ken Hedges, President
Anthony Defeo
Honey Gardiner, Treasurer
Bill Young, Secretary
Rick Tessmer

ALSO PRESENT: W. Neil Dorrill, Dorrill Management
Clay Booker, Esq.

ROLL CALL/APPROVAL OF AGENDA

The meeting was properly noticed, and it was noted that a quorum was present, with the members as listed above in attendance. A copy of the notice is on file in the Association offices at 5672 Strand Court. Item 5A was added as a discussion on Comcast, and **on a MOTION by Bill Young and a second by Rick Tessmer, the agenda was then unanimously approved.**

APPROVAL OF SEPTEMBER 8, 2008 REGULAR MEETING MINUTES

With corrections and additions, the Minutes were unanimously approved as amended on a MOTION by Honey Gardiner and a second by Rick Tessmer.

MANAGER'S REPORT

B. Update on Sheriff's Department Agreement

Mr. Dorrill noted that in the backup material provided to the Board, a draft agreement was included between the Board, the Sherriff and approximately a dozen property owner associations countywide. This relates to Mr. Lehman's concern at Cypress Cove, and apparently the problem tenants have moved out of the neighborhood. Exhibit B in the agreement requires a certification from the engineer of record that both the traffic control signage and striping conforms to the uniformed traffic standards. Mr. Dorrill noted that there are several neighborhoods that will not meet these criteria, mainly where these

neighborhoods have stop signs exiting onto Strand Boulevard, but do not have the required stop bar painted on the road. Secondly, the height of several of the stop signs is not correct, and signs will have to be replaced to meet the accepted traffic standards. If the Board chooses to go forward with this agreement with the Sheriff's Office, costs will have to be incurred to effect these changes, and Mr. Dorrill did not feel, given the Board's budget constraints at this point, that this was something that should be done at this time.

Mr. Hedges felt that any changes in any given community should be paid for by that community. Ms. Gardiner thanked Mr. Dorrill for his efforts, and **on a MOTION by Anthony Defeo and a second by Rick Tessmer, the Board unanimously regarded the draft agreement as informational only, and opted to do nothing else on the issue.**

C. Discussion of Road Reserve

At the Board's previous request, Mr. Dorrill indicated that he had met with the civil engineer to project the costs to resurface Strand Boulevard and get an idea of its expected remaining life. Strand Boulevard will last approximately another ten years, and will be subject to an annual inspection and normal upkeep. The cost to replace it is approximately \$436,000 including the contingency, and the cost of the construction phase is scheduled to be \$396,000. Mr. Dorrill added that this item will be revisited under the Budget discussion.

A member of the Board mentioned that he felt that the residents of Turnbury and Anna's Place were getting paving for free, and Dr. Defeo indicated that this item has been debated on three previous occasions, and prior boards had made sure that it was written in the documents that the repaving costs would be shared on an equitable basis on a door count policy.

Ms. Gardiner indicated that she felt this issue needed to be addressed in a workshop, because although a prior board did come to this fairness doctrine, not all association presidents have agreed to it.

Anthony Defeo made a MOTION that when the time came to repave, it would be done on a fair and equitable basis with a head count. The Motion died for lack of a second.

A. Update on Strand, Ltd. Irrigation Litigation/Permitting

A discussion was had with Counsel Steve Walker and Counsel Clay Booker relating to the pending litigation and the permitting issues involved, and they answered the questions posed by the Board members.

A short break was then taken.

DIRECTORS REQUESTS

A. Discussion on Comcast

Mr. Hedges advised the Board that the Comcast contract expires in October, and there have been the usual increases in price this year. It is anticipated that the availability of fiber optics will soon be in the area, and Mr. Hedges created a committee headed by Mr. Tessmer to investigate this issue and the possibility of obtaining it for the Strand neighborhoods.

B. Meeting Notification

The Board discussed the options to keep the residents informed as to what is happening with the Master Association, and it was suggested that the Presidents Council be urged to forward all e-mails that are sent to them regarding Association information. Mr. Hedges will send a letter to each president asking them to respond to him in writing as to their agreement to inform their neighborhoods of Master Association meetings and other information that is e-mailed to them.

Mr. Dorrill will post a sandwich sign 48 hours before the Board meetings are to be held with time and date information as well as the website information.

TREASURER'S REPORT

A. August 31 Financial Report

Ms. Gardiner advised the Board that the deficit as of this time is \$98,200, of which \$87,000 is attributable to legal expenditures. A CD was redeemed at Fifth Third and put into the cash reserve account at that bank. The \$775 due from Eden has been paid. In response to a request from a Board member, the monthly balance sheet will be posted on the website along with the minutes.

B. Adoption of FY 2009 Budget

The Board went through the first version of the budget line by line, starting with Quarterly Maintenance Fees at \$260, assuming a \$100 special assessment. Primary road irrigation remained the same, cable television increased to \$330,000. Christmas decorations have been at approximately \$12,000 for the past few years, and remain that for the coming year. The Horticulture line item was discussed, and the actual this year may be higher than budgeted. Landscape replacement has gone down. Lakes and Water Management was high for the present year, and Preserves and Maintenance is an ongoing cost, but has been slightly reduced.

The gate access software at \$15,360 is the yearly amount that will be owed for the coming several years. The Board discussed the problems at the guard gate which is not yet fully operational, as the router has had problems. Dr. Defeo indicated that there are still problems with security at the gate, and that this issue will have to be addressed. Gate repairs have been increased to \$4,000. Engineering should be increased, as it is only at \$1,500. Accounting has been increased, and all records will now be kept at Dorrill Management and work done in house. Legal fees are at \$60,000, and Ms. Gardiner asked the Board what they felt the amount should be. Mr. Dorrill felt that it was an item that could be reduced, and Ms. Gardiner noted that in the second version of the Budget, it has been reduced to \$45,000.

Management fees have remained the same for the second year in a row. Liability insurance has gone down, as it was posted incorrectly in the budget the previous year, and property that is not owned by the Association is no longer being insured by it. The Reserve contribution was at \$27,000, which is what was budgeted the previous year. Ms. Gardiner reminded the Board of the discussion the previous month regarding a special assessment. The \$107,000 noted was for legal fees, of which \$98,000 was paid for with borrowed money. The \$100 assessment is to pay back the money borrowed from the Reserves, which were underfunded. In response to a question from a member of the Board, Ms. Gardiner clarified the Reserve calculation as being the total amount to pave Strand Boulevard in ten years, \$440,000. With the \$100 assessment, the amount borrowed can be made up. There is only \$55,000 in reserves at this time. Dr. Defeo suggested that a subcommittee be formed to meet with the head of the commercial property owners association, Mr. Gilhart, in an effort to see how much they would be willing to contribute to the litigation process. The Board discussed this issue, and Mr. Dorrill will work on the numbers before the committee meets with the commercial property owners.

A member of the Presidents Council asked that they be provided with a statement regarding the special assessment so that residents will all have the same, correct information. This will be done as soon as possible, and Mr. Hedges and Ms. Gardiner will work on the letter and the bill to each individual neighborhood. OVERTALK.

Ms. Gardiner then went over Version C of the Budget, and on page 2 the differences were shown and discussed. The quarterly maintenance fee was reduced to \$250, the legal fees were reduced to \$47,000, and the special assessment was increased to \$140, which included legal fees and prior years' deficits.

Other options included not funding the reserve contribution in 2009, which would take off \$27,000. The Board discussed funding the reserves and how it could best be accomplished and how to best serve the needs of the residents both now and in the future. Ms. Gardiner felt that Version C would be the best Budget to adopt, as it assumes that the deficit for 2008 is going to be \$128,000, which she believes is the more accurate figure. OVERTALK

After further discussion and on a motion by Ms. Gardiner and a second by Dr. Young the Board adopted on a vote of 4-1 (Dr. DeFeo opposed) Version B of the 2009 Budget. The quarterly assessment will be \$260, with the special assessment being left at \$100. Ms. Gardiner thanked everyone for their patience and help, and Mr. Hedges thanked her for her hard work on the budget. A copy of the budget will be mailed to each association president, and it will also be posted on the website.

MISCELLANEOUS CORRESPONDENCE

There was no further correspondence of note for the Board's consideration.

PUBLIC COMMENT

In response to a question from a member of the public, Mr. Hedges indicated that the information is still in the process of being inputted into the system at the gates, and this week the internet access will be sent to the residents who can enter their local phone numbers for secure access to the Strand.

ADJOURNMENT

With no further business to come before the Board, and with the agreement that the next meeting would be held on November the 12th, the meeting was adjourned **on a MOTION and a second at 10:22 a.m.**