

## Summary of HOA Special Meeting for the Culvert & Gazebo Repairs

6:30pm, June 10, 2025, Online (Zoom)

### Meeting Objective

The Sykes Cove Board called a **special meeting to review, discuss, and vote on critical infrastructure repairs to the cove loop culvert and gazebo**, including contractor selections, budget impact, and funding strategy.

### Culvert Repair Summary

Background: The culvert has been nonfunctional for 20+ years, presenting escalating risks and maintenance costs.

- Key Drivers for Repair:
  - High potential for flooding during storm surges
  - Elevated pond salinity, impacting pump operations and costs
  - Legal liability for HOA
  - Inconsistent county response and lack of commitment to repair

**Vendor selected:** J.B. Earth Aquatics, **Cost: \$20,550**

**Funding approach:** Fully covered through 2025 Budget savings.

### Gazebo Repairs Summary

- Issues Identified:
  - Some Support boards, railings, and walkway floorboards require replacement
  - The Octagon flooring remains intact but will need near-term replacement
- Repair Options: Both options include top grade materials: Trex flooring and wood railings (Marine Grade).
  - Plan A: Replace support boards, walkway and railings - \$9000  
Funding – **Fully Covered** through **2025 Budget savings**
  - Plan B: Full replacement – Support Boards, Gazebo octagon, walkway, and railings - \$17,500  
Funding – **Fully Covered** through a **combination of 2025 Budget Savings, existing reserves & 2025 allocated reserves.**

Vendor: Dock Repair Service

## Financial Overview

2025 Operating Budget: \$113,000, Annual HOA Fee: \$550 (**no increase from 2024**)

- **Cost Controls & Savings Achieved in 2025:**
  - **Eliminated full-service property management** & overhead (savings \$15K)
  - **Replaced Lawn Maintenance Service** (savings \$5K)
  - **Reduced legal expenses** (\$9k)
  - Miscellaneous reductions in **pressure cleaning, tree trimming**, etc.

**Projected 2025 Surplus: \$33,794.31**

## Risk Mitigation for Repairs:

The 2025 budget allocates funds for electrical, pond, and irrigation repairs, with over \$4,000 remaining for the rest of the year. The reserve balance for these repairs exceeds \$15,000, and an additional \$6,500 is scheduled to be added in 2025 (total allocated to reserves is \$10,500 includes Playground & Gazebo). While current financials can support the repair costs, the Board reserves the right to issue a special assessment if expenses exceed projections.

## The Proposed Action Plan:

- **Approve Culvert repairs** immediately **using existing surplus savings. As a contingency, the board reserves the right to issue a special assessment should the project run over and incur more costs than expected.**
- **Approve Gazebo repair** but the **Start is contingent upon - Post-Repair Review of Culvert: evaluate actual vs. projected culvert costs.**
  - If the budget permits → Proceed with Plan B
  - If constrained → Proceed with Plan A, if funds allow
  - If funding is insufficient → Defer and return to board for further discussion

## Board Vote Outcome:

The Board **approved** proceeding with the **Culvert Repair**. However, the **Gazebo Repair did not pass**. While the proposal called for a phased approach, one board member motioned for immediate action. Four out of five board members disagreed, emphasizing the importance of verifying Culvert Repair costs remain within budget before allocating further funds. No further vote was taken.

Culvert Repairs are expected to begin in the next 4-6 weeks and will take 3 days.