

**Village at Guste Island Homeowners Association
Open Homeowners' Association Meeting
REPORT ONLY - QUORUM OF MEMBERS NOT MET**

Date: July 14, 2022

Time: 6:30 p.m.

Place: Guste Island Pool House and via Zoom

**OFFICERS IN ATTENDANCE:
Ruth Ann D'Arrigo, & Chairperson
Joshua Chausse, Vice President
Joyce Laporte, Treasurer
Wendy Aschebrock, Secretary
Matt Leverett, Member at Large**

DEFINITIONS:

The Board: Shall refer to the five (5) above mentioned Board of Directors.

Members: Shall refer to all homeowners (proxies) in attendance during this virtual meeting.

HOA: Shall refer to The Village of Guste Island Homeowners' Association in its entirety.

Magnolia: Shall refer to Magnolia Management Services.

The Village: Shall refer to the neighborhood and its members residing in Guste Island Estates.

Declaration: Shall refer to Declaration of Protective Covenants, Conditions, Restrictions, and Easements.

ByLaw(s): Shall refer to The Village at Guste Island Estates HOA Inc. Bylaws.

The Parish: Shall refer to St. Tammany Parish

*As these are not formal minutes, if you have any questions concerning this report's integrity please reach out to Magnolia Management at (225) 286-7546 or email info@magnoliabr.com This report is an abbreviated version without detailed conversations.

I. ROLL CALL/DETERMINATION OF QUORUM/OFFICIAL OPENING OF MEETING

- A. President opened the meeting at 6:59 pm stating that since a quorum of members were not met (16 total members in attendance), this would be a report only instead of meeting.
- B. Each Director of the Board introduced themselves, stating which capacity they occupied on the Board.
- C. No official agenda was recognized due to no official HOA meeting being conducted.

II. OLD/UNFINISHED BUSINESS OR PROJECTS

- A. Street and Directional Signs/Introduction of the Project Proposal Form - Presentation by Member at Large
Headed by the President originally and led to the development of the Project Proposal Form allowing the Board to have a standardized procedure for allocating funds to new projects.

This project will help the Board address some of the parking restrictions in the community as well as make a strong impact aesthetically. The details involved in the signage information will put the community in regulation with St. Tammany Parish laws and regulations. If it is necessary to use towing to address parking restrictions - the Board does not intend to use towing unless it is necessary.

After quotes were compiled, Bradley Site Services was chosen as the vendor. This project originally had a budget estimated at \$10K, but the project came in under budget. A combination of funds are being used that were budgeted for and approved of at the previous budget meeting. The Board had only \$5K budgeted for the project - the additional garbage recovery funds of \$7K has been placed in the budget for street and directional signs, since these funds are no longer needed for garbage recovery.

Referring to the President for timeline on signage installation: The signs are now ordered, the quote is signed and Magnolia is currently sending the first installment payment.

Member questions and answers:

1. Will the Parish cover any of the expense for new street signs?
ANSWERED BY SECRETARY:: The property that the signs will be inhabiting are owned by The Village, therefore St. Tammany Parish is not responsible for covering these costs. St. Tammany owns the streets and would be responsible for paving streets, drainage on Parish property, etc.
2. Do homeowners typically foot the bill for the signs? *Member was under the impression that these funds would be taken from the Reserve account, as to not hold a certain amount of homeowners responsible for that.
ANSWERED BY MEMBER AT LARGE ("MAL"): Board made the decision in 2021 to include the signs as a line item in the Operating Budget, not in the Reserve.
3. Is that how it is normally done? People that live here now are being held responsible for this project that people that move here in the future will reap the rewards of.

MAL: The Board could have taken it on as a capital project, but the Board wanted it to be openly available so the community could vote on whether or not it was taken on as a project. The Board fell short budgeting only \$5K, then realized that \$10K was a better baseline here. The decision was made in 2021 to apply funds to the Operating Account, not the Capital Account. It is discretionary because the people living here now will receive the immediate rewards.

4. Since we are footing the bill now, is it really fair?

MAL: The Board felt this project was necessary because the current signs are dilapidating, and many complaints came in from the community concerning the parking issue. Therefore, the Board coupled the project concerning the street/directional signs as well as the parking issue project, to improve aesthetics and the Board can make an impact on the parking violations.

5. Has the Board decided where the signs will be placed?

MAL: Yes, multiple members of the Board walked the community with Bradley Site Services to determine placement of each sign.

6. What is the total number of signs to be placed?

PRESIDENT: There will be Snowy Egret & Guste Island Rd, White Heron & Guste Island Rd, Snowy Egret & White Heron; 2 speeding signs, 3 No Parking Signs.

7. Will the signs be taller?

MAL: They are fairly tall.

SECRETARY: While The Village owns the property, the Parish still controls the size/dimensions, placement of the signs (so many feet away from the streets, etc) and what information must be placed on the signs.

MAL/SECRETARY: The Parish doesn't control where in the community the signs go, with the exception to Guste Island Road. The Parish has regulations stating how far/close to Guste Island Road street and directional signs may be placed.

VICE PRESIDENT ("VP): Reading from the Bradley contract: 8 separate signs ordered. 3 for street and stop sign combinations, 2 speed limit signs, 3 No Parking signs. State law requires No Parking at each community entrance in order for the HOA to uphold its Declarations.

8. What will the signs say? They can't just say no parking.

VP: Right, the sign will say No Parking on streets or lawns, violators will be towed at owners' expense. Additionally there will be a place with the towing company's name and number so that violators will know where to

retrieve their vehicles. A towing company needed to be procured per the Parish ordinances, statutes, etc.

The Board doesn't want to tow, but after warnings and fees being assessed, the Board will enforce towing.

9. A member asked about the sheriff's office being called instead of a tow company due to her experience with a previous HOA.

SECRETARY: The Sheriff's Office was visited; St. Tammany Parish Sheriff will not come out for parking violations.

10. Will this include the cul de sac?

BOARD: Yes.

VP: (Updated Zoom participants on conversation - Zoom participants could not hear the conversation well due to echoing).

11. A member has someone that comes to her home weekly for services, will this car be towed if the guest has to park in the street?

SECRETARY/BOARD: No. (This information was also part of the June Newsletter) - if members have a special circumstance (ie party, someone visiting, home services being performed, etc), please let Magnolia know who will, in turn, forward to the Board. This way cars are not towed that belong. The main reason for pursuing towing services is to stop repeated violations by members/tenants). There have been numerous complaints from members about vehicles parked behind driveways, blocking members from leaving their home; cars parked in the cul de sac prohibiting vehicles the ability to drive around the cul de sac. This is the reason for retaining a towing service. The Board had to procure towing services by law to prevent legal action by a vehicle owner and to uphold The Village Declarations.

MAL: This project will save money because the Board spends a considerable amount of funds fixing divots, etc. created by vehicles.

12. Does the Board plan on fighting the vehicle owners for damage?

SECRETARY/MAL: That topic is coming up.

MAL: If you see Bradley working, and there are issues with their machinery, please reach out to Magnolia so we can hold them to the rules and regulations.

PRESIDENT: Bradley has been confirmed to follow all Parish regulations, they are licensed and insured as well.

SECRETARY to MAL concerning the parking violations protocol: MAL read the protocol:

-Warning will be sent out to vehicle owner/member of The Village.

- 14 days later, another warning will be sent out.
- After 30 days (after the second violation), vehicle owner/member will be fined \$100.
- The vehicle owner/member will be fined every 30 days, up to three months. In the 2nd month a notice will be sent that the car will be scheduled for towing along with a 3rd fine in the next 30 days.

The Board may not start this until signs are posted.

(Discussion concerning vehicles in violation, etc.)

VP: Stated that if a car is blocking a driveway, a member "has a right to call the Sheriff's Department; they will tow it if you cannot use your driveway - without having to call Magnolia." Anybody can report a car.

**It should be noted here that while anyone can report a car, the Sheriff's Office will not come out to tow a car (see question #9 above). This information was confirmed by the Secretary's research during a visit to the Sheriff's office. Members must contact Magnolia to report a car. If it is a matter of life and death or an emergency vehicle is attempting to get in or out, only then will the Sheriff's office get involved.*

PRESIDENT: If you are going to report a car in violation, the member has to know who the owner is. The Board has no way of knowing. Magnolia only drives through the community twice per month.

MAL: These signs and the actual legitimate threat of towing makes a difference, at this point we cannot legally tow a vehicle until the signs are in place. The Board will not police the community - we are volunteers, we are not going to walk the community, it will have to come from homeowners.

SECRETARY: Call Magnolia and report the violation; Magnolia will let the Board know and the Board will require that a notice be sent.

13. A member restated the number of signs and where they will be placed again. President again confirmed - explaining that a No Parking sign at each entrance was required (by state statutes/parish ordinances).

14. If a car parks in one place, receives a warning, then parks in another, does the warning start again?

SECRETARY: No, violations run concurrent, they do not start again because the car is in violation in another spot of the community.

MAL: Concluded project.

III. NEW BUSINESS AND PROJECTS

A. Rentals/Leases - Presentation by Secretary

Secretary read through the project from notes attached from the agenda:
Many homeowners have expressed concerns regarding a number of units being utilized as investment properties (ie rentals). Some residents have expressed an interest in utilizing units as investment properties. Therefore a formal research project has begun and may eventually be voted on.

Member questions and answers:

1. What is the percentage of Fannie Mae loans compared to conventional?
MEMBER ANSWERED (257 Snowy Egret): They are lower because FHA has a cap in this market - Madisonville in general is in a \$310K-\$350K market. Member has an inactive real estate license however, works in a different real estate capacity. All of this information affects resale value. Right now resale value is strong.

SECRETARY: A typical ratio of renters usually allowed by HOA is 25-30%. The Village is at roughly 20% now.

MEMBER (257 Snowy Egret): As the community matures, a deficit happens, because renters move into older areas. SECRETARY concurred explaining that renters move into older areas because they tend to be less expensive in rent. This area may degrade if the community doesn't allow capping of rentals.

2. MEMBER(?): Why did we start this research?

PRESIDENT: We have received a number of emails from residents that are concerned about tenants - residents do not feel comfortable. Example, President received a call about her neighbor (a tenant) sitting on the roof of the townhouse at about 12:00 am.

3. Are background checks conducted by investors?

INVESTOR (149 White Heron): I know the [my] tenant personally.

4. Member suggested that The Village change the declarations to require background checks.

MEMBER (257 Snowy Egret): Background checks are allowed, however, cannot be required because of the Fair Housing Act. In a section 8 situation a tenant HAS to pass a background check. Just because a background check is conducted doesn't mean a

tenant cannot move in someone with a bad background.

SECRETARY: Section 8, however is not a part of the declarations/bylaws of the community, therefore cannot be a consideration.

MEMBER (257 Snowy Egret): Someone can move in someone else that may not have passed a background check. Also MAL brought up the idea of background checks on owners? Will this also be part of the governing documents as well.

5. If Section 8 happens, if not how do investors know that cannot happen?

It was explained that this is a part of the governing documents that each homeowner signs for and agrees to when they purchase their home.

SECRETARY: Will members want to cap the rentals? The Board will have members vote on this because as of this date The Village does not have a cap. Voting will be done very soon.

MAL: The industry standard is 30%, he is of the opinion that should be lower for The Village.

PRESIDENT: Homeowners should inform themselves and do their own research.

SECRETARY: The Village is the only Townhouse PUD within an approximate 30 mile radius with over 70% ownership and an HOA, per research done.

6. We average 20% rentals - then in a few years I want to rent my townhouse - would I be on a waiting list?

PRESIDENT: Suggested that if a renter moves out or an owner decides to rent, they may have 60-90 days to rent, otherwise you move to the bottom of the list. However, the Board will have to come up with a strategy.

SECRETARY: Current investors will not be kicked out. AirBNBs are against the governing documents. After the vote is taken - if a cap is agreed upon, the governing documents will have to be changed to reflect such to prevent lawsuits, etc.

VP: The Board wants to get feedback from the community because the community lawyer will have to be consulted to have governing documents changed. We are going to have a survey coming up to talk about and one of the items on the survey is whether or not members are interested in having a cap - so we can get feedback from the community.

B. Security Cameras - Presentation by Vice President

In doing research, The POA already has a camera system on Guste Island Road. In order to preserve everyone's privacy, the Board decided not to pursue security cameras. Security cameras would be very expensive as well. Research was done as due diligence as per members requests.

C. Grass Inc. Lawn Care - Presentation by Vice President

The Board is researching problems areas that Grass Inc is not addressing, if there are any areas that are not being addressed, members should let Magnolia know.

Member Questions and Answers:

1. Are we getting the parking rocks squared away? Member stated that the Parish has "had enough". It has been over a year since they (the Parish) requested the area be fixed. Does the Board have a time frame to do this? Does the Board realize that the Parish said that they wanted the area to be in its original state? Member doesn't want it to be forgotten because people still park there, they don't care. Member doesn't feel like it is important to the Board.

PRESIDENT/VP/MAL: It is on the agenda, but this job is a large job. The Board is more concerned about getting the cars to not park there. There isn't a time frame. To put the area back to its original state is difficult because certain other items have to be addressed before the Board can begin that project, such as vetting vendors (insurance, licensed, etc), making sure what is below that area so that gas lines, water mains, etc are not damaged. In order to stop people from parking there - that is the very reason for No Parking signs to properly be placed.

VP: If we don't have proper signage, the water company will tell us they can't do anything, the Parish is the only one who can do something at that point and they don't care that much. They want us to clean it and they want us...(undecipherable)

Member asked if the Parish told us that? VP said that the Parish hasn't said anything further since he has been on the Board.

PRESIDENT: We know about it, we had to prioritize - because the previous Board had to get new insurance for the community because of the bankruptcy, among other projects that took precedence. While the problem was removed incorrectly, however, the Board was hit with other problems that needed attention.

MAL: There is an order of operation that has to be followed, unfortunately the original problem was never researched, and this Board does not want to do that. A larger problem could be created by just paying someone to fix it and the Board doesn't want to do that without understanding the correct way to solve the problem.

D. Homeowner Survey - Presented by Vice President

VP read through the types of questions members will see on the survey, how the survey will be presented to members. Magnolia will send the survey out by email. VP stated that he will be the only person who sees the members' addresses, he will only share raw data with the Board. The Board will look at the suggestions

and create a strategy.

VP's goal - to have a good place to live as well as create a line of communication.

Member questions and answers:

1. A member expressed that residents (from what they hear) do not know about certain things going on such as the newsletter. Residents have told them "they don't know", and that there is no communication. 147 didn't get the newsletter - so he reached out to Magnolia. However, if something is important, can Magnolia just mail it out?

PRESIDENT: If something is important, members will get a separate email - it won't be in the newsletter.

MEMBER: Not everyone checks their email - Elana has expressed that she doesn't have time, she doesn't know what's happening, and asked why aren't they mailing it?

PRESIDENT: 90% of the people use email and other technology. The Board is trying to keep fees low.

2. Isn't about \$800 or \$900 already included in the budget (for mailing purposes)?

MAL: We hope not to spend that.

3. Then why charge us for it?

MAL: We don't want to use it because if a situation comes up and we have to consult a lawyer - then we will burn through those funds because of the formal procedures that may arise. So please use the survey to express this concern.

4. For instance - if insurance papers are not turned in, members will be fined. She had no idea that was the case.

PRESIDENT: All the members who had not turned in their insurance declaration were emailed - and received an answer from 90% of those members - how many reminders did it take? It was in email, newsletters, on the website, we spoke about it in meetings.

5. When I uploaded my insurance declaration from the last meeting - I received a message that the site wasn't ready, and could not accept it.

PRESIDENT: The webpage has all the minutes and newsletters...

MEMBER (147 White Heron): No, no, I just think there are people that don't operate on a technical level.

PRESIDENT: People pay their dues online, the first page is public area - tenants can look at that and see the rules and regulations. Behind the homeowner portal, you have all financials telling homeowners where their money is going.

MEMBER (147 White Heron): No, I understand that you are saying that - it was just a suggestion. People were blind sided because they don't check their email, it's just not something they do. I'm just saying that we have to be fair to everyone, and everyone's circumstances - if it is something important then, you know.

PRESIDENT: If it is important for them, they can check the website.

MEMBER (147 White Heron): They are not aware of the website.

SECRETARY: When members purchased their homes, they all agreed to the governing documents saying that we will accept all the forms of communications.

6. A member stated that many residents ask her how do they pay their dues? Is there something on the website? I had to send Magnolia (Karen Russon?) an email because I couldn't log in?

PRESIDENT/SECRETARY: The newsletter has Magnolia's information and website is www.the... - when Magnolia took over, everyone received a letter by mail with Magnolia's information and this information is given to new homeowners at closing.

VP: A question can be added to the survey, such as, "Is there a better way to contact you other than just emails from Magnolia? That is something we need to consider in the budget..."

7. Suggested that when there are meetings - to send the link out to stream the night before.

PRESIDENT: Pointed out that the emails are sent plus there are signs at each entrance.

8. How hard is it to send a blast (the night before an HOA meeting) to 112 homes (by email)?

VP: It is something we are trying to work on - this was our first live streaming and in person simultaneously.

* At this point a conversation on different ways to pay dues, the difficulty with paying dues, etc commenced. The President went through the procedures that take place if someone does not pay their dues.

IV. TREASURER'S REPORT

A. Balances as of July 14, 2022: (Presented by Treasurer)

1. Operating Account: \$20,892.04
2. Reserve Account: \$43,859.04
3. Capital Account: \$26,678.95
4. Total Assets: \$93,173.88
5. Delinquencies: \$6,301.01

No liens at present; a small explanation of how delinquencies are calculated. VP stated that the Board may request Magnolia send out a statement to each delinquent member with a breakdown of the reason they are delinquent and the exact amount.

B. Break down of accounts (Presented by MAL)

1. Operating Account: Day to Day operations (a checking account)
2. Reserve Money Market Account: Unplanned costs; kept to obstruct the use of special assessments.
3. Capital Account: Specific items are allocated to this account for later use (ie roofs).

V. MEMBER QUESTIONS/ANSWERS

- A. Gutters: An ACC form (found on Magnolia’s website) must be completed and gutters have to be white. This will be approved. Gutters are an expense of the homeowners.
- B. Pressure washing: Pressure washing will not be completed this year. The industry standard is to pressure wash every other year. If a member chooses to pressure wash their home at their own expense and something is damaged as a result, this expense is on the member. This will be budgeted for and presented to members at the annual budget meeting. The Board puts together a budget. 50% of the members HAVE to DISAPPROVE the budget in order for it not to pass. The Board asked that IF the budget does not get approved, the members explain the reason so that the Board can address those concerns.

VI. RESERVE STUDY (Presented by Member At Large)

The Board will propose a line item for the 2023 budget concerning a professional Reserve Study. The budget should be between \$4,000-5,000.

The Board is researching companies to help determine what needs to be accomplished for The Village to set a framework to determine how much money it needs to remain liquid and solvent. This study will consist of helping the Board estimate what future expenses will be with regards to roofs, maintenance and upkeep, etc., and what will need to be in each account. Magnolia does not perform this service (nor does any Property Management Company) - because of the conflict of interest that resides. Members were concerned that dues would rise with a study’s counsel. The Board explained that they are not looking to raise dues; the Board only wants to have a future plan for income/expenses, systems and procedures in place for now as well as future boards. An example was offered that the KB homes would have been specially assessed for replacement and maintenance projects (fences and painting) had DSLD not purchased land and built homes that contributed to current dues.

*NOTE: Roofs were replaced using insurance funds as they were damaged by a hail storm.

VII. NEXT MEETING (Vice President)

Possible Open HOA meeting in October, 2022. The agenda will include:

- The 2023 budget along with a vote for such by November, 2022
- Homeowner Survey

VIII. ADJOURNMENT

8:30 pm

The Village at Guste Island Estates Board approved this report:

Ruth Ann D’Arrigo, President (digital signature)

Date Approved: July 18, 2022

Joshua Chausse, VP (digital signature)
Date Approved: July 22, 2022

Joyce Laporte, Treasurer
Date Approved:

Wendy Aschebrock/ HOA Secretary (digital signature)
Date Approved:

July 18, 2022

Matt Leverett, Member at Large
Date: July 22, 2022