

The Village at Guste Island Estates HOA OPEN COMMUNITY MEETING
Wednesday, December 15, 2021 at 6:30 p.m.
Club House on Guste Island Road

The Village at Guste Island Estates HOA met on Wednesday, December 15, 2021, at 6:30 p.m. at the Club House on Guste Island Road.

Board Members in attendance were as follows: Delcina Betts, Ruth Ann D'Arrigo, Martha Daussat, Julie Rosen, and Sandra Puig.

Other attendees:

Joy Neely from GNO Property Management

A quorum was met, 36 homeowners attended allowing the presentation about the STATE OF THE VILLAGE AND PLANNING FOR THE FUTURE to proceed.

A homeowner requested to note the minutes that the HOA Board would not allow zoom or videotaping.

After the community meeting, homeowners in attendance were given a hardcopy summary. A copy of the summary is attached to these minutes.

An email address has been created to contact board members directly concerning this project. VillagesHOABoard@gmail.com. Please direct questions regarding Governing Documents and changes for the project via email. Continue to use GNO for all ordinary day-to-day Village support.

Agenda: STATE OF THE VILLAGE AND PLANNING FOR THE FUTURE

The objective of the meeting:

Present current issues and possible solutions to homeowners in our Community which will be decided as a community.

Discuss how insurance affects the Village Community HOA dues

Determine what direction the Community needs to go

What steps are necessary for an equitable solution for the entire Community

Why decisions were made for repairs to be the homeowner's responsibility

GOVERNING DOCUMENTS

The Village Governing Documents were created in 2007 by the Original Developer, which has been carried forward year after year by the Community. It is time to update the documents for clarification and support our current and future needs.

Within these documents were requirements of the HOA to carry an unreasonable burden of insurance coverage, "Blanket Insurance." Unfortunately, developers will only do what is needed to get properties sold.

Our Governing Documents are divided into separate sections: Declarations, ByLaws, and other Articles which these documents bind how we operate as a community. These documents are all intertwined.

The presentation depicted how the Governing documents, specifically the Declarations, force the village to purchase and maintain the “blanket insurance policy.” These current Governing Documents cause the Village to pay increased insurances year-over-year, causing fiscal hardships.

The HOA President requested a raise of hands if anyone objected to moving forward to “bring a vote to the entire Community for change, specifically to change Article 8 and change homeowners insurance to Single Family Homes (HO3/HOH) and other items. Previously requested by the Community,” the room majority present agreed that the Board should bring forward a vote to change our Governing Documents. Several goals of this project, the foremost is to protect the Community from increased dues and assessments by changing Article 8. The “Blanketed” Insurance Policy is very costly, has high deductibles, and has not assisted homeowners. Secondly, offering options for the Community to vote on could reduce confusion, increase consistency, and match our current and future needs.

Townhouses

The room was queried, and it was shown and agreed that we are a residential community of Single-Family Homes and not Condos.

Storms

Discussed, Hurricane Ida and its effect on The Village Community and the difficult decision that the HOA Board had to make in having the individual homeowners who had damage be responsible for their repairs and listed as property by the State as Townhouses, Single Family Homes. Secondary, to update other Articles and Declarations. A few homeowners acknowledged they received the adjuster’s report and discussed how it could be utilized to repair their homes and avail themselves of their personal homeowners’ insurance if they so choose.

Insurance

Previously stated, Article 8 forces us to have a “Blanketed” Insurance Policy which is very costly, has high deductibles, and has not assisted homeowners. The current deductible for a named storm is 2% of the insured value of each building (quad), resulting in a total of \$392k (\$14k deductible multiplied by 28 Quads) if a single named storm destroyed all 28 quads in the Community. Understanding that Louisiana is in a hurricane area and several named storms are not uncommon within a Hurricane season, the Board explained that a Reserve account should carry what is considered at 70% of the operating budget, in the Village’s case, \$322k. The amount required is based on the current blanketed Article 8 insurance guidelines and would not be necessary once the article is changed.

It was proposed by the Board that a vote to change the community Declaration concerning Article 8 and insurance requirements be made.

The goal is for individual homeowners to carry an HO3/HOH (Townhome/single-family home insurance policy) in January 2022 via mail-in ballots and supported through the HOA's attorney's office.

Budget

The Board distributed: Simulated spreadsheets to compare how insurance change affects our monthly dues. These samples were intended to show homeowners possible examples of how insurance affects dues. The simulations were examples using one-time budget costs and are not a reflection of any proposal the Board suggested the community vote for. The intention was to inform homeowners about facts discovered. The Village Dues will go up if we stay in our current situation, and we have no Reserve to support our future; these are simple facts, and staying where we are is costly.

What is considered a Fully-Funded HOA: According to the Community Association Institute & National Reserve Study Standards, 70% of operating costs would be a fully-funded HOA. For transparency, Louisiana does not have any standards. The Villages' current day-to-day operating expenses (less insurance, reserve, and capital improvements) are \$208,118.00. Therefore, the recommended 70% would approximately be \$145k (70% multiplied by \$208 = \$145k), The amount was shown in the simulation given.

We are looking toward the future and have added new line items to our HOA budget in the Capital Reserves area: exterior painting of buildings.

Our priority is to replenish the Reserve Account, which is depleted due to double insurance premiums resulting from AmCap filing bankruptcy.

TIME IS OF THE ESSENCE: The HOA insurance policy is up for renewal by the beginning of March. If change is agreed upon, all Governing Documents need to be voted, updated, and filed with the St. Tammany Parish in February.

PROPOSED CHANGES TO THE GOVERNING DOCUMENTS. The Ballot will articulate changes in detail.

The Board is trying to get the ballots to the attorney in December. Please email any additional suggestions to VillagesHOABoard@gmail.com.

NO LATER THAN DECEMBER 27, 2021 for the HOA ATTORNEY to do his part on the Village's behalf. We want to be sure that everyone's thoughts and ideas are heard and as much modification can be accomplished and voted for as possible during this Phase.

THE GOVERNING DOCUMENTS:

Declarations, Articles, and ByLaws
Insurance and Casualty Losses A-B

Maintenance and Common Property
Number of Directors on Board
Ability and Use of electronics in the future
Ability to vote electronically

Current schedule

*Ballots sent to homeowners by January 4 or sooner.

*Ballots mailed by January 14 and returned immediately by owners via USPS.

*Only Owners in Good standing vote.

*Vote MUST be counted before January 15 for changes to be sent to the attorney to update Governing Documents.

*Governing Documents must be Changed, Approved, and Accepted by St. Tammany Parish in February.

APPROVED