

Cypress Forest Community Association, Inc.

Interim Meeting of the Board of Directors

Date: September 11, 2024
Time: 6:30 pm – 9:00 p.m.
Location: FOSRC Classroom, 627 Cypress Oaks Drive, Spring, Texas 77388

Board Members Present: Scott Hubert, EJ “Pat” Barbier, Karl Wolff (incoming)

Board Members Absent: Rodney Alexander

Member of Management Present: None

A quorum of the board was established with two of three active board members present.

Call Meeting to Order – The meeting was called to order at 6:33 pm by Director Hubert.

Resignation and Appointment of New Board Member – The resignation from Kevin Warren from participation with the BOD dated August 6, 2024, was reviewed and accepted.

This leaves two open positions for the board of directors for Cypress Forest Community Association, Inc.

The board opened the floor to nominations, for which there were none.

Karl Wolff, a long-time and valued resident of Cypress Forest noted his desire to serve as a director. Mr. Wolff was recognized by the acclamation of the current board and welcomed to the board.

The positions are recognized as follows: Scott Hubert – President, Pat Barbier – Vice President, Rodney Alexander – Treasurer, Karl Wolff - Secretary

Introductions – The Board of Directors and property owner(s) in attendance were introduced.

Open Session – One member took the time to thank the board for improvements made to the entry way sign along Cypress Oaks Drive in the past couple of months.

Approval of Minutes from Prior Meeting – Motion was made and passed to approve the meeting minutes of January 23, 2024 (Motion – Hubert, Second – Barbier, Unopposed)

President’s Report – Scott Hubert presented status of items in the community. Summary is as follows:

Cypress Oaks sign and landscaping: The repairs and upgrades to the sign are mostly completed as of August 31, 2024. The scope of work performed includes pressure washing, tile repair, new lighting installed, upgrade of a portion of electrical system, new landscaping design and installation at “aprons” and along the sign area itself, and irrigation upgrade and repairs.

There is more to be accomplished. Personnel with Hendricks Interests LLC and Scott Hubert will work together to replace the cracked “CF” sandcast emblem on the south side of sign. Scott Hubert will be repainting the planters atop the sign. Future work (2025 and beyond) is to include repainting of light poles, new fixtures installed in three poles and repairs to electrical system to get these lights working. Landscape lighting is being considered to up light the trees on aprons. Finally, it is noted that the bradford pear trees located in the right of ways are at the end of their traditional life span. They may need to be cut down and replaced in the coming years. The board will continue to work with landscaper to watch and respond to status on this.

Scott Hubert is working on pressuring Diggco to backfill the large hole on the south side of the area. Director Hubert is also working with Precinct 3 Roads and Bridges department to repair the yellow divider along Cypress Oaks Drive and also pump jack the road slab that has shifted: causing a large, 2-inch drop on the backside.

Illegal Dumping: This issue of concern has always existed. However, the volume of incidents in the past year has drastically increased. There were four large incidents reported between the time of last meeting. All have been cleaned, but at a great expense of time, resources and funds. New cameras are being considered. Community members are encouraged to keep a close watch on this area and call the Precinct 4 Constables at 281-376-3472 if they observe anything suspicious.

Website Updates: Director Hubert updated the website in some small ways. A “new member welcome package” was added. Certain pictures were updated. There were a handful of other modifications. The board recognizes this website gets a couple of dozen “hits” each month and will continue to focus on improvements.

Hurricane Beryl: This storm was more destructive than what was originally anticipated. Thankfully, the damage in Cypress Forest was mostly limited to one house sustaining tree damage and many others losing fences. The board will try to be patient with homeowners who need to repair or replace their fences. Only courtesy letters will be sent from now until the end of the year for fences that have been displaced, with full enforcement beginning again in 2025. It is noted that the board will attempt to assist any homeowner who has a special need from this storm. They may reach out to Director Hubert via email or phone to discuss what can be arranged for in the way of assistance.

Review of Financial Statements: Review of financial statements was led by Scott Hubert. The November 2023 financial statements were the latest package available, and board reviewed. It is noted that interest rates have increased and as such, the board has opened certificate of deposit accounts at Amegy Bank with a principal balance of \$78,000. The CDs are “laddered” and should earn about \$3,800 in interest in 2024. It was further noted that in November, the association had approximately \$115k (inclusive of CD’s) in cash deposits. The association has recently sent coupons to request assessments be funded and anticipates approximately \$34k in deposits in the next month. There were no questions or concerns noted by members or board.

Centerpoint: The board, in tandem with several other local organizations, has been in dialogue with Centerpoint representatives for many years regarding regular and continuous outages. While the activity originated from these entities has declined over the past few months due to hurricane and other priority, the board will continue to advocate for our community in getting Centerpoint to correct the many issues and the negligence that is causing an unreasonable number of outages.

WCID #110 Activities: The board recognizes that much of the success of our community is due to the diligent work of the board, staff, and vendors of Harris County WCID #110. While Cypress Forest CAI is unrelated, it is always important to recognize activities within this organization. WCID #110 has scheduled this year’s National Night Out activities for October 1, and they will begin at 6:30pm. WCID #110 recently closed the transaction to purchase much of the “Hendricks Interest land” – which is the land along Cypress Oaks Drive which was cleared of trees about a decade ago. The intent is to eventually turn this into parkland for our community to enjoy. That may be many years off and is dependent on a successful bond election in November 2024. This is the first bond election for the district in more than 50 years.

Roads and Streets: The board is continuing to incentivize TxDOT to more regularly clean the common areas along I-45 frontage road. This area is collecting a perverse amount of trash and debris and TxDOT needs to do better. Director Hubert has a direct number for personnel responsible for this and occasionally calls to “firmly remind” this supervisor as to the need for debris removal.

Architectural Committee: We continue to search for new members for this committee. Anyone that might be interested is encouraged to contact Director Hubert or any board member.

County-Incentivized Low-Income Housing: We continue to see development in our region. This is part of the normal evolution of successful suburban growth. However, one troubling trend is the growth of government-subsidized housing/multi-residential catering to low-income households. While the board recognizes that everyone should have a roof over their heads, there is issue taken with the quality of these developments as well as a concern regarding overcrowding of schools, underfunded law enforcement resources, and the overall decline in valuation of the homes within our community. Residents are encouraged to stay informed and educated. In making their own conclusions, if opposition is shared to these new proposed multi-residential developments, residents are encouraged to contact local leaders, attend opposition meetings and be vocal in opposing such properties from being built in irresponsible ways and in already overcrowded regions.

Review of Financial Statements – Review of financial statements was led by Scott Hubert. The July 2024 financial statements were the latest package available, and the entire board reviewed. It is noted that interest rates have increased and as such, the board has opened certificate of deposit accounts at Amegy Bank with a principal balance of \$78,000. The CDs are “laddered” and should earn about \$3,800 in interest in 2024. It was further noted that at this period, the association had approximately \$132k (inclusive of CD’s) in cash deposits. At the current period presented, the board notes that a surplus of \$2,333.93 exists regarding income from the association activities over what was budgeted for the period (\$2,780.00 net income projected vs. \$5,113.93 realized). There were no questions or concerns noted by members or board.

Budget Discussion – The board discussed specific questions regarding the proposed budget for FY 2025 (coincides with calendar year). The questions were addressed in totality and without objection. A discussion ensued regarding appropriate member assessment to be invoices to all members for 2025 assessments (invoices to be sent in late October or early November). The escalating and continuously increasing expenses were discussed. It was noted that in past years, the association has attempted every year to keep the assessments unchanged; increasing to only \$300 from \$195 since 2007 (or an average of ~\$6 increase per year in that period). However, in the current period, the association finds itself in a deficit position if the assessments are not increased. A proposal for assessments in the amount of \$325 was proposed by Scott Hubert so as to “zero budget”. A motion was made by Director Hubert to approve the FY 2025 budget as proposed. The second was made by Director Wolff. All were in favor. The board voted unanimously in approving this amount for invoicing by the new management company. The budget was finalized as proposed with assessments for FY 2025 set at \$325.

Executive Session – Board went into executive session at 8:26 pm to discuss specific accounts, necessary actions and legal matters. Executive session ended at 8:45 pm and the board returned to regular session.

Management Company Contract – The board of directors elected to terminate a long-standing relationship with PMG/Associa effective on December 31, 2024. Consideration has been given to “self-manage” but ultimately the board feels the community is better served utilizing a professional manager. An active search has been undertaken by the board over the past 5 months. While many factors are present in the board’s decision as to who is contracted in the future, primary criteria is treatment/responsiveness to members, overall fees, and the ability to properly serve the community in a timely and professional manner. Director Hubert provided six quotations (some for self-management) for consideration. The board discussed and a motion was made by Mr. Hubert that the board execute a contract with IMC Property Management for the term of one year with Director Hubert responsible for direct assistance in the conversion/transition process. Barbier seconded. All were in favor.

Certificate of Deposit – The board recognizes that the 9-month CD opened in December 2023 has termed. Director Hubert has spoken with the financial institution (Amegy Bank) and determined that a 6-month renewal CD has the best yield and meets board investment objectives. The principal balance was originally \$60,000 and at renewal will hold a revised balance of \$62,394.50. The board elects to roll over the entire balance into 6-month term certificate of deposit. The new CD will require signature by at least two board members for control purposes. The board instructs the position of president and treasurer to be signatories. The board approves all four current members to be listed on the account and be able to discuss details with Amegy Bank at any time. The renewal of \$18,000 12-month term CD matures in December 2024 and the board recognizes same parameters. Motion was made by Director Hubert to approve the renewal and signatories as position of president and treasurer. Director Barbier seconded. All were in favor.

Insurance Renewal – The board notes that with the termination of PMG/Associa from the annual management contract on December 31, 2024, the brokerage services an affiliated entity provides are also terminated. Director Hubert has reached out to several within the industry and suggests utilizing a new broker for insurance renewal at October 1, 2024. The broker chosen is Mr. Jim Walker, with Greenwood Insurance. The quotation provided by Mr. Walker is underwritten by USLI and is a “richer” policy with lower premiums than what was quoted by previous underwriter. Motion was made by Director Hubert to allow the board, under Director Hubert’s guidance, to bind proper coverage and pay using association funds. Second by Director Wolff. All were in favor.

Future Meeting – The next board meeting, an annual meeting, is set for 6:30 pm on January 28, 2024.

Adjournment – As there were no other pending items, the board adjourned at 9:09 pm.

Acting Secretary

Date