

Beau Chene Homeowners Association, Inc.
Board of Directors Meeting
June 7, 2013
8:30 a.m.
Beau Chene Country Club

Call to Order

President Gareth Reardon called the meeting to order.

Roll Call

Board members present were: Paul Angelle, Jay Capouch, Kelly Commander, Chris Inman (non-voting member), Michael Kazmierzak, Lance Rase, Gareth Reardon, Doug Tate, Chuck Turner and Jay Whealdon. Members Susan Bonnett and David Pesses were out of town. Staff members Scott Day (CAO), Bill Maier, and David Vinson were present also.

Approval of Minutes (May 10, 2013)

Mr. Maier observed that a typo said a policy was in effect for “40 decades”, and it should say 4 decades”. Ms. Commander asked if there were minutes from the Executive Session. Mr. Reardon said Ms. Hennegan (Secretary) dropped off a note to the office. Mr. Maier observed with an Executive Session there should be a motion to go into session and one to come out, but there were to be no minutes. Mr. Day said he dropped off something from Ms. Hennegan. Mr. Maier said he though it was the meeting before. (He later corrected this – see page 6). Mr. Capouch asked if the words underlined were to be redacted. Mr. Maier said yes, regarding names of past due homeowners. Mr. Capouch moved, seconded by Ms. Commander, to approve the minutes as corrected. Carried unanimously.

Appointment of Jay Whealdon and David Pesses to Fill the Unexpired Terms of Robert Weaver and Paul Woods (terms expire in 2014)

Mr. Turner moved, seconded by Mr. Kazmierzak, to appoint Jay Whealdon and David Pesses to fill the unexpired terms of Robert Weaver and Paul Woods (terms expire in 2014). Carried unanimously.

Discussion of Committees, Committee Chairs, and Membership

Mr. Reardon noted there was a list of current committees/chairs/members and a list of homeowner volunteers in the packets. He reviewed this material. Discussion ensued about the composition of the Community Enhancement Committee (CEC), Environmental Control Committee (ECC), Finance Committee (FC), Infrastructure Committee (IC), and Security Committee (SC). During the course of the discussion Mr. Tate volunteered to get off the FC and head the CEC. There was discussion about whether a Marketing Committee was necessary;

whether marketing was a staff (CAO) or committee function (CEC); and the Board or the CAO should direct the RFP effort.

Mr. Reardon asked Mr. Turner if he was happy with the ECC members and Mr. Turner said yes. He asked Mr. Capouch the same, regarding the FC, and he said he would add Christina Donovan and maybe another. There was a brief discussion of the other homeowner volunteers for FC.

Mr. Reardon suggested deferring discussion on the Governance and Legal Committee (GLC) since Ms. Bonnett was absent and had not told him if she would continue. Ms. Commander said Ms. Bonnett had indicated she might want to get off the GLC. Mr. Reardon suggested voting for Ms. Bonnett as GLC Chair.

Mr. Reardon said as chair of the IC, he wanted to keep it as is but add Tom Abernathy.

Mr. Kazmierzak volunteered to head the Security Committee (SC) and said he would examine the membership. Mr. Reardon said all that would be voted on was having him as Chair of the SC, with members determined later.

Mr. Capouch moved, seconded by Paul Angelle, to appoint Mr. Tate as CEC Chair, keeping the current membership; to keep the ECC as is; to keep the FC as is, but add Ms. Donovan; to keep the GLC as is; to keep the IC as is, but add Tom Abernathy; to appoint Mr. Kazmierzak as SC Chair, with membership to be determined. Unanimously carried.

Discussion of Officer Positions

After discussion, it was agreed Mr. Reardon would replace Ms. Hennegan as a check signer. The consensus was that Mr. Reardon remain President and Mr. Capouch remain Treasurer. Mr. Tate and Mr. Angelle both volunteered to be Vice-President. Mr. Whealdon volunteered to be Secretary.

Mr. Kazmierzak moved, seconded by Mr. Turner, to elect Mr. Reardon as President, Mr. Whealdon as Secretary, and Mr. Capouch as Treasurer. Carried unanimously.

Mr. Whealdon moved, seconded by Mr. Kazmierzak, to elect Mr. Angelle as Vice-President. Voting for Mr. Angelle were Mr. Angelle, Mr. Capouch, Mr. Kazmierzak, Mr. Turner, and Mr. Turner, and Mr. Whealdon; voting against were Ms. Commander, Mr. Rase, and Mr. Tate. Mr. Reardon did not vote.

Committee Reports

CEC

Mr. Reardon suggested skipping this since Mr. Tate was just elected Chair. Mr. Day said he was fielding responses to the RFP from all over the state. Mr. Reardon suggested Mr. Day coordinate with Mr. Tate regarding the RFP responses.

GLC

Mr. Reardon observed Chair Ms. Bonnett was not present. Ms. Commander said she hoped the Board would at some point charge the GLC with reviewing the By-Laws, cleaning up the language regarding committee appointments and time periods; and there were places where the articles and By-Laws conflicted. Mr. Reardon asked Ms. Commander to mention that to Ms. Bonnett.

ECC

Mr. Turner said from May 1st to May 31st, the ECC approved 1 covered swale; 2 fences; 3 house additions; 1 irrigation system; 1 patio addition; 2 pergolas; 3 tree removals. 1 fence was denied because the residents had been sent a letter regarding some violations and these had not been corrected. Mr. Maier said an attorney was going to be retained to write the residents (the James family) threatening suit if the violations were not corrected. He reviewed the violations involved and said a violation letter had been sent to them; he noted he and Mr. Day had met with the residents. The consensus was to have an attorney write them if necessary.

Mr. Reardon asked about the issue of consulting an attorney regarding one neighbor (the Marys) suing another (the Sortors) over drainage. Mr. Maier said a letter had been sent regarding the ECC's approvals (of the Sortor's home; the letter had been requested by the Marys) after consulting with ECC Chair Mr. Turner and with attorney Craig Robichaux; he observed he and Mr. Vinson were meeting on site with one of the plaintiffs (Mr. Mary) next week to explain the ECC and the Association had nothing to do with drainage on the other side of the (Sortor's) lot than the drainage servitude side. In response to Mr. Capouch's question, Mr. Maier said Ms. Mary would have access to the topographical maps of the area.

Mr. Whealdon explained his understanding of the insurance issues regarding this matter. Then Mr. Whealdon suggested contacting (agent) Parke Ellis, whom he knew and served with on another board, and Parke could confirm what he (Mr. Whealdon) had said and either not do indemnification because the Association had insurance, or do this subject to the extent the homeowner has insurance to cover the indemnification; so 1550 property owners would not be put in harm's way. Mr. Day said he would meet next week with Mr. Ellis and discuss this issue. Ms. Commander said the question was does the Association put 1500 homeowners in bankruptcy if the person who fell in the hole sues the Association which technically owns the property, now all of the members – because some were allowed to close in their ditches – are going to bear litigation; and if they sign this and sell their house, how does this carry forward to the new homeowners; this homeowner didn't realize Beau Chene didn't enclose the ditch; she suggested the insurance agent come and talk to the Board. Mr. Reardon explained the history of the accident wherein a guest stepped through the grate in the covered ditch in front of Ms. Bonnett's neighbor's home and cut his leg badly, noting nothing had come from that yet but it raised issues regarding who was responsible for the culvert. Mr. Maier observed simple driveway culverts had sharp edges as well. Mr. Day said the Guidelines stated the culverts were the property owner's. Mr. Maier said the whole section talks about covered swales as well, and the last sentence states that if the Association steps in to correct anything the owner is to pay for it; it needs to be spelled out more clearly so that's why he had sought Mr. Robichaux and Mr.

Bailey's advice as attorneys when he drafted the language; he said he understood Ms. Commander's point about a house being sold so that the owner is not the one who signed the application saying they read the Guidelines. Mr. Turner said the ECC was adding simple language that it was the owner's responsibility and understood the need to check with legal. Mr. Reardon said there wasn't much to be done about generational transfers. (The recorder went off at this point due to battery failure; the minute are based solely on notes until indicated below.) Mr. Reardon suggested tabling the matter until Mr. Day met with Mr. Ellis. Ms. Commander suggested again the agent appear and she, Mr. Reardon, and Mr. Whealdon suggested coordinating with the attorneys.

IC

Mr. Vinson observed if the existing culverts were Association responsibility, a lot that are metal need future repair. Mr. Vinson reported the staff was working with consulting engineers Owen and White to upgrade lift station #1, with the cost such that it will be a Capitol improvement. He also had a bid from Ricarrdoni's Site Services to repair the pothole at the front gate.

FC

Mr. Capouch reviewed the April financials. He noted the amount of loss reserve was \$18,370 at present, but the total allocated potential loss was \$28,912; he recommended reserving the difference by making the appropriate entry. He observed on the Balance Sheet \$119,000 was allocated for the gates, and \$39,500 for guard house renovations. He noted the wastewater and water budgets were under budget, because contract labor increases were not yet implemented and a major \$20,000 item in water had not been bought; grounds were \$23,000 under, but new plants for the gates were recently purchased and put in, and the April bill to CRL was paid in May; income year-to-date was \$215,000 over expenditures, but the road overlay was coming up; the Committee was still developing an investment policy.

Discussion ensued over who would sign checks, and the consensus was to have Mr. Capouch as Treasurer continues to do so, with Mr. Reardon and Mr. Angelle being added as signers, and Ms. Hennegan removed as she was no longer a Board member.

Ms. Commander asked if any contract labor was included in maintenance and repair under the water system. Mr. Inman said no. she asked if it included Lark Construction bills. Mr. Inman said yes.

Mr. Capouch moved, seconded by Mr. Angelle, to add \$10,542 more to the loss reserve. Carried unanimously.

SC

Mr. Reardon suggested Mr. Kazmierzak communicate with past chair Mr. Simeon. Mr. Reardon then asked for someone to summarize the previous work the Security Committee (SC) had done. Ms. Commander said the SC had existed for 3 years, and had done a lot of homework,

especially Ms. Boudreaux and Mr. Simeon; the initial proposal was problematic with the community, so taking into consideration all concerns it came up with the proposal presented at the last meeting; the Board was fairly receptive but wanted to wait for the new Board to consider it. Mr. Reardon observed it was a good plan and the Board should take a hard look at it. Mr. Whealdon and Mr. Reardon observed the guard house improvements really involved beautification and should be coordinated with the CEC. Ms Commander said the previous Board voted in early 2012 to go ahead with the gates, and it would set a precedent for Boards to overturn previous votes; Mr. Kazmierzak said the SC would take a look at the previous plan; he would recommend who might be retained on the SC and who might be added. Ms. Commander said there was a lot of past information that would be very helpful. Mr. Kazmierzak said new eyes could be helpful, observing he had been involved in security for 20 years.

Report by CAO Scott Day

Mr. Day said he had met with Mr. Inman and Mr. Reardon regarding the need to reconfigure space for him to have an office; they were looking at what to do with the (Environmental Control Committee) files; there was the possibility of having them scanned; one possibility is to have them on PDF; an owner could then go to his file after logging into the Association site; it would be good to have them scanned for backup purposes; he said he was doing a cost analysis to relieve space. Mr. Day said he will meet with Mr. Ellis to review renewals. He noted the Northstar conversion was still underway; there had been some problems that arose and were being worked through. He reported he was working on the employee handbook, taking pieces from various ones, and he wanted to get input from a labor attorney as well. He said he was looking at health plan options; one quote had been received, there were 2 more to go; also he said health information would have to be given to the health insurance companies; Mr. Whealdon noted the Health Care Affordability Act will cause huge rate increases in individual policies and affect small groups; he asked if PEO's can aggregate smaller groups into 1 plan. Mr. Day said a law was passed prohibiting that. Mr. Day observed he and Mr. Maier were putting together a newsletter. There would be 1 final issue of the old one, announcing the transfer to the magazine.

Mr. Reardon said he, Mr. Day, and Mr. Inman met on Tuesday; he said they found space for Mr. Day with the employees in the current office so there will be no move out of the community; a rental agreement will be not much different than now. Mr. Day said the allocation of expenses related to the office would be examined and an agreement worked out. (The recorder was operating again after this point in time.) Mr. Reardon said he felt the Association was moving into Phase II of the 18-24 month plan; Mr. Day was participating heavily in the Northstar system transfer; has taken over insurance renewals; it is anticipated he will be in the office next month at some point; the plan room would be vacated to make room for Mr. Day. Discussion ensued about the need to keep the ECC files, which are used daily, in the office for ready access rather than putting them in nearby storage. There were options for doing so and it was agreed this would be worked out to the satisfaction of all. Mr. Reardon said payroll and benefits were targeted to be switched over by August 1; and Mr. Day was working on the handbook. Mr. Kazmierzak asked if the long-term solution for office space was discussed. Mr. Reardon said no. Mr. Day said in the long-term the office had to be accessible to residents. Mr. Kazmierzak said there had to be a long, hard thought on the issue. Mr. Reardon agreed; this was

making the best of the current situation; a permanent solution was needed; which may or may not come out of this. Mr. Kazmierzak asked what was the time frame for the interim solution. Mr. Reardon said 18-24 months, if there wasn't a permanent solution by then, the Board had "dropped the ball". Mr. Inman agreed with Mr. Kazmierzak; he said he could not make any plans without knowing what the Board wants to do – all needed to work on it.

New Business

Mr. Rase said during the orientation last Friday morning, the discussion on the condominiums was eye-opening, and he wanted to be part of working with the condominium association to do whatever could be done, as there were significant risks to the community; he asked if someone were actively working on that. Mr. Reardon said no, and asked for ideas. Mr. Capouch said Mr. Day mentioned the idea of trying to bring the associations together to see what could come out of the commonality; Mr. Day said he and Mr. Maier met by chance with the owner of GNO Properties; GNO managed 6 out of the 18 associations and was taking over 1 that he was able to find a low-interest loan for to do immediate improvements at 3%, which could be spread over 10 years. Mr. Reardon suggested a condo outreach program, if Mr. Rase could lead that effort. Mr. Rase said yes, especially as last weeks strong statements were made that Fannie Mae and Freddie Mac wasn't providing money because of x-amount of renters and because condos can't take care of driveways. Mr. Maier said he would provide GNO contact information to Mr. Rase. Mr. Reardon said a bullet point would be added to agendas for condo outreach.

Mr. Reardon asked if there were other new business. Mr. Maier said he wanted to apologize to Mr. Day and say he remembered (Secretary) Ms. Hennegan had given one sentence to Mr. Day (to give to Mr. Maier) at the end of the last (May 10) meeting (because Mr. Maier and Mr. Vinson had earlier been asked to leave the meeting); the sentence was about the Board wanting information turned over to Mr. Day from Mr. Inman. Mr. Maier, Mr. Reardon, and Mr. Day said that had been done. Mr. Reardon said the point was there was no "gag order" from Mr. Inman to Mr. Day; Mr. Day got the information he needed; and Mr. Reardon said he had seen it; since it was tied up in litigation at present, Mr. Reardon didn't think it was appropriate to disseminate it to the Board as some people hadn't signed the confidentiality agreement, and Mr. Day was not being hindered from doing his job.

Mr. Whealdon said it was off the subject but he had an inquiry about kids riding golf carts since school got out. Mr. Maier said this time of year was worse because the kids were out of school; as detailed in past newsletter articles, he noted the Covenants and By-Laws said nothing about golf carts; traffic law applies to the streets; all carts, whether driven by a child or adult, are not street legal – as there are no lights, license plate, auto insurance, not state registered; in that sense, even an adult driving the cart on a street is actually in violation of the law; practically speaking the Sheriff Department was not going to ticket a golfer going to play golf; the problem was kids driving recklessly; but the dilemma was if kids were ticketed, all driving a cart should be ticketed; the problem is the same across the parish; both security and Sheriff deputies, upon getting a report or seeing kids driving a cart dangerously, will escort them home and tell parents they are driving dangerously and should not be out in the cart; the Association has no way to enforce a regulation if one was made; the stickers required by the Club for carts only have to do with requiring one for used on the golf course. Mr. Reardon

referred to an email from a resident upset because his 7 year old daughter driving an electric scooter on Beau Chene Drive was taken home by security. Mr. Maier observed security similarly escorted her brother home as well. Mr. Reardon concluded this was really nothing the Association could do anything about. Mr. Maier observed his newsletter articles had mentioned residents being sued because of golf cart related injuries. Mr. Angelle related one could get a rider on their homeowners insurance for about \$29/year to cover golf carts.

Old Business

There was none.

There being no further business, Mr. Kazmierzak moved to adjourn, seconded by Mr. Whealdon. Carried unanimously.

Jay Whealdon, Secretary
Bill Maier, Staff