

**MINUTES**  
**FRIPP ISLAND PROPERTY OWNERS ASSOCIATION BOARD MEETING**  
**December 8, 2007**

**PRESENT:** Messrs. Hummer, Mathews, Buschur, Davidson, and Newby; Mmes. McCormick and Merrill; Mme. Cantley, Messrs. Davis and Gannon by phone.

**1) Call to Order and Determine Presence of a Quorum of Directors:** President Hummer called the meeting to order at 9:00 am. There was a quorum present.

**2) Approve Minutes of November 10, 2007:** The minutes of the November 10 Board meeting were approved as presented.

**3) Discussion of Matters Deferred to this Meeting:** None

**4) General Manager's Report:**

**Follow up:** The OCRM will hold a public meeting regarding the 283 Tarpon Boulevard bridge request at St. Helena Elementary School on Sea Island Parkway at 6:00 pm on December 13.

**ACTION:** Mrs. Hines will do a push mail to all owners regarding this meeting.

**Misc:** The Board members have been given the 2008 Election Schedule.

--We are looking into using a marketing specialist to help educate the members about the covenants and possibly future finance issues. Associations in Kiawah and Hilton Head who have used outside help have had great success.

**Financial:** 2008 Assessment statements were mailed November 15 and are due January 1. Assessments for residential property have gone up by \$19. We have received all outstanding assessments for 2007.

--General Fund: \$893,700; Cash reserves of \$2,190,000; Deposits for Right of Entry \$162,000; Accounts receivable \$2,500. We are at 98% of budget for revenue and 60% of expense.

--There were five property transfers in the month of November.

--The Finance Committee met with the auditor once again yesterday to go over the 2006 tax return. The auditor agrees that an amendment will be required and a refund will be forthcoming.

--The Future Finance Committee met on November 30<sup>th</sup> to explore Reserve Fund requirements and to begin discussing ways to find additional sources of revenue. Some good ideas were proposed and will be investigated further. A progress report will be given at the January 12 Board meeting.

--The Long Range Planning Committee met November 27<sup>th</sup>. In January, the committee will be requesting approval of the Board to present all owners with a survey about quality of life issues. This will help THE POA collect data so that the POA Board can make appropriate decisions in the future.

**Crossovers:** Crossover #16 had the railing on the beachside repaired; the entire railing is scheduled to be replaced in 2008. Old 4x4s and rotted railroad ties were removed from the border of crossover #8; the remaining good railroad ties were placed on the south end of the crossover. In early 2008, rope and post will be added along crossover #8's long walkway and the border will be removed.

**Grounds/Environmental:** The Grounds Committee will meet in January. The dead animal removal count this year is significantly higher than last year. In 2006, 26 deer carcasses were collected and disposed of. So far in 2007, we've collected and disposed of 58.

Correspondingly, HSUS figures show that there has been a 7.5% drop in the Fripp deer population. Conversely, there was a small (11%) rise in the Hunting Island control population, which is a good sign for us. We should see a more dramatic decline at Fripp in 2008, since we had many more animals under treatment in 2006-2007.

From a reproduction viewpoint, the HSUS team has found over three years that about 83% of females are pregnant at first capture, that is, before they've been treated. In 2007, of the 48 deer they captured that had received any treatment of PZP at any time in the past, 12 (25%) were pregnant; 8 of the 12 pregnant females were ones that had been treated with the bad SpayVac in 2005. So we're doing quite well, and should be doing better as time goes by.

**Lakes & Lagoons:** We still have timer issues with one aerator and are still awaiting replacement at another. If you expect to see one running (usually between 10:00 and noon and again between 4:30 and 6:30) and it's not, please contact the POA office.

**Security:** The committee met November 14. False 9-1-1 calls are on the rise. The committee discussed implementing a fine for continued 9-1-1 hang up calls after the third call. It will be looked at further at the January meeting. Also planned for the January meeting is examination of the fine amounts for all violations.  
--New stickers for your golf cart addressing the increased fine for driving without a license are available at the POA office and at the Security office.

**Roads & Drainage:** REA contracting has finished resurfacing Dolphin Annex and fixed a drainage problem in Fairway Club. Line painting on the improved areas will start on Monday.  
--Work began on phase one of widening Tarpon the last week in November. The Morrisons sent a letter to the Board expressing their dismay with the project to date. From the outset, there have been problems and the committee has asked the engineering firm, Wilbur Smith Associates (WSA), to reexamine the drainage design near the Morrison property.

The Committee is trying its best to correct any mistakes made by the contractor and engineer during the first week and to ensure that no further problems occur. One point that we must keep in mind is that water quality improvement is required by DHEC because we are widening the road. The additional asphalt adds to water run-off which must be mitigated.

Mr. Newby, Chair of the Roads Committee, noted that Malphrus, the sub-contractor, started working in the Morrison's yard without anyone's knowledge and without the proper permit in hand. It was then discovered the plan had been altered in order to obtain the permit. We stopped the contractor and called WSA to tell them the design was not acceptable. WSA has since come up with a different plan, but there are concerns with the road width, standing water in the swale and DHEC requirements, etc. Mr. Newby is awaiting discussion with WSA. He will contact the Board and arrange a meeting if major changes are called for. In the meantime, at Malphrus' expense, Earthworx will restore the Morrison's yard to its original appearance.

**PSD:** Gravity sewer line installation on Porpoise Drive/Porpoise Circle is complete. The area has been resurfaced. At its November meeting, the PSD explained that due to the state mandated operations millage cap, the Bridge and Erosion Contingency Fund and the Fire Department budget must be reduced by 32%. The POA Board's vote to pay the bridge insurance in 2008 of \$45,000 will go a long way to helping the Fire Department. Drought conditions continue to be monitored.

--Commissioner Bill Woodward commented on the following: Per SCDHEC, our water quality is fine.

--The wastewater treatment plant is working well and the vacuum lines are finished. All paving should be completed by the end of December.

--Work continues on the Fripp Inlet Bridge. Due to the currents, wind, and tides, the work has slowed down and they have moved to the other side of the bridge. The work is 30-50% complete.

**Club Advisory Board:** Gloria Sneed has assumed the position of Club Manager, and Lee White is the Assistant Club Manager. Lewis Turner has added responsibilities now to oversee pools and recreation and the fitness center. Kiel Emberton is the new Recreation Director.

#### **Resolution 459: Nominations by the President of Members of the Nominating Committee of 2007- 2008 and to Inform the Nominating Committee of the Number of Directors to be Elected**

**Proposed Resolution:** That the Board of Directors appoints the following members to the Nominating Committee: Rita Merrill – Chair, Board Member; Mary Cantley, Board Member; Curt Blake; Al Cooper; Rick DiSerafino; Arlene Grimsley; and Stovall Walker.

**And Be it Further Resolved:** That the Board of Directors informs the Nominating Committee that three resident Directors and one non-resident Director are to be elected for the Class Year 2011.

**Motion approved.**

**5) President's Remarks:** (1) Mr. Hummer encouraged owners to contribute to the Security Christmas Fund and thanked those owners who had already made their contribution.

(2) Mr. Hummer noted that he had received a number of questions about our Future Finance Committee and the use of our Reserves. Our Reserve Study was completed in January 2007 and forecast capital

expenditures of \$17.5 million over the next 30 years. Assumptions were made about FIPOA income, reserve levels, earnings on those reserves, and inflation's impact on our planned expenditures.

A key factor in the Reserve analysis is the level of our reserves and their growth, because it is the earnings on our reserves that fund a large portion of our future capital expenditures.

Projects such as the widening of Tarpon and an acceleration of our need to resurface more roads due to the sewer construction have put us in the position of either using reserves for funding expenses in excess of our income or reducing/eliminating additions to our reserves in the short term.

Because our reserve level may not meet the levels assumed in the Reserve Study, we formed the Future Finance Committee. Their job is to explore, and ultimately recommend courses of action that could lead to increased sources of revenue and/or decreases in expenditures so that we will be properly funded in the future and be able to meet the capital needs of our Island's infrastructure.

We could ignore this funding problem, as our Federal government does, or we can take action in the near term to solve this problem. I certainly believe that this is an issue that needs to be addressed now, and not later.

**ACTION:** Miller-Dodson will be contacted and asked for the cost of updating the 2007 Reserve Study.

**6) Committee/Other Reports:** None.

**7) Comments and Questions from Members:**

- (C) An owner expressed appreciation for newly improved condition of the dirt roads, which make walking and riding bikes so much better.
- (C) Mr. Morrison expressed his appreciation to Mr. Newby for his outstanding work concerning his property.

**8) Statement of Matters Deferred to Next Meeting:** None.

**9) Next Meeting:** The next meeting is scheduled for Saturday, January 12, 2008 at 9:00 am in the FIPOA Conference Room.

**10) Adjourn:** The meeting was adjourned at 9:55 am.

Respectfully submitted,

*Mary Cantley, Secretary*

\*Minutes are not the official record of proceedings until the Board of Directors has approved them at the following meeting. Please hold this draft until you pick up the next meeting's draft that will contain corrections as made and approved by the Board.

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