

**MINUTES**  
**FRIPP ISLAND PROPERTY OWNERS ASSOCIATION BOARD MEETING**  
**September 20, 2008**

**PRESENT:** Messrs. Mathews, Duncan & Morrison; Mmes. McCormick & Merrill; Messrs. Gannon, Case and Newby by phone

**ABSENT:** Messrs. Davidson & Hess

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

**2) Approval of August 9, 2008 Meeting Minutes:** The minutes were amended to indicate the meeting was adjourned at 10:10 am.

**3) COVENANTS VOTE:** Mr. Mathews noted the opening of the covenants for vote is a very important issue...that a non-vote is a no vote. He stated that last year's Board had unanimously approved the covenants changes and requested whether this year's Board had the same reaffirmation for unanimous approval. Issues discussed were the financial implications of taking over the ARB, staffing, scanning equipment, start-up costs, income primarily from home renovations rather than new construction, and other means of revenue. Talking points from David Warren were distributed to the Board and upcoming events on the master marketing schedule were delineated, including postcard campaign, Board members speaking at on-Island meetings, making personal phone calls after ballots are mailed, and sending out personalized notes to follow up. It was noted the proposed covenants are posted on our website and are available in the POA office.

**ACTION:** All present voiced unanimous approval.

**4) GENERAL MANAGER'S REPORT: Kate Hines**

The Long Range Planning Committee has completed its report. Copies of the report have been distributed to Board members. Please review them so that we can discuss at the October 11 meeting. Mr. Mathews noted that the LRP report will eventually be uploaded to our website. It contains much useful information that can be used by all committees and the Board. A resolution to accept will be presented at next month's meeting.

Mrs. Hines noted she and Asst. General Manager Tina Reeves had just returned from the CAI Large Scale Workshop in Bend, Oregon. They visited Sun River, Black Butte Ranch, Crosswater and Caldera Springs. They learned about the environmental impact that HOAs create and picked up some good ideas for making this organization greener; plans are to start with a recycling program in the office.

The workshop also featured round table discussions about emergency preparedness/evacuations and disaster recovery – one idea that will be implemented ASAP is a 1-800 call in line on which we can leave a recording regarding conditions and re-entry information for those owners without email. They also toured the administrative facilities for each community, including the security and public works departments. Ideas for better irrigation management were picked up, but they may be out of our price range.

One great program was called "Octane for the Brain" which gave tips for boosting our aging mental engines. Tina will have an article in the next Trawler about it.

Mrs. McCormick expressed appreciation to Mrs. Hines for the synopsis of her recent conference in Oregon, especially in light of our current budget discussions. She felt it was very important to bring this information back to the Board.

**Covenants:** The "Just Say Yes" covenants marketing committee met on Tuesday. We have added new ideas such as button style stickers to promote the program and adding a button on the website which sends you directly to the proposed covenants (already up on the site). Samples of the postcards which will be mailed starting November 6<sup>th</sup> were distributed. A sheet was distributed for Board members to sign up to speak to the various clubs and organizations on the Island regarding the covenants.

All owners were requested to mark their calendars for October 11<sup>th</sup>. If you have questions or comments regarding the proposed new covenants you can bring them to the Board meeting that day. The Board must vote on a final version of the covenants at its November meeting in order to meet the mailing deadline. There will be another article about the covenants in the next Trawler, which hits doorsteps on November 15<sup>th</sup>.

Mrs. McCormick expressed concern that we have to start pushing and publicizing the Covenants. She recently met with David Warren, Buck and Kate and it is obvious that we need 100% Board participation. The signup sheet for Board members to talk to Island clubs and organizations was distributed again with more signatures added. There was additional discussion of how to simplify the changes to the covenants and to come up with something similar to David Letterman's Top 10 list.

**Recommendation:** Directors to send their Top 5 to Kate by October 1.

**Nominating Committee:** Board members were requested to email suggestions for people to serve on the committee to Mr. Mathews no later than October 1<sup>st</sup>. That committee should be approved at the October meeting in order to have time to put together a slate of candidates by February 1<sup>st</sup>.

**Financial:**

- 98% of 2008 Assessments have been received. No changes to liens or foreclosures since last meeting
- General Fund: \$589,000; Cash reserves of \$2,253,000; Deposits for Right of Entry \$172,000.
- Directors were invited to attend the Finance Committee meeting on October 17<sup>th</sup> at 2:30. Bruce Jentner will bring us up to date on what the investments are doing in this very challenging market.
- Accounts receivable including assessment collections \$12,400. We are at 87% of budget for revenue and 73% of expense.
- There were five property transfers in the month of August.

**Crossovers:** This summer we had a problem with a golf cart accessing the beach at crossover #2. To prevent this from happening in the future, several more palm logs have been added. The new and existing palm logs have been cemented in for an extra security measure. A very large dead oak tree hit the lower portion of crossover #25 causing significant damage. Crossover #25 will remain closed until the dock specialist can repair the lower half of the structure. We saw minimal damage to our crossovers from Tropical Storm Hannah.

**Grounds:** The Grounds Committee met in late August, just before the sculpture was installed. One comment was how thrilled the members were with the corrections made by FIR to the plantings at the Tower Garden. The committee looked at the area in front of the entry sign on the left. The plants there should be replaced, but the ones chosen are not available until spring. The dead azaleas behind the sign have now been replaced with split leaf philodendron. The azaleas on the River Club wall are faring much better since the netting was put in place to protect them from deer.

The emails that we have received praising the sculpture are overwhelming!

**Lakes & Lagoons:** One aerator in Fiddler's Trace is inoperable and one in Blue Heron is working again.

**Parking:** The Parking Committee met on September 2nd. There was further discussion of how to address crowding at the beachfront streets. The committee looked at comments from the Long Range Planning survey as well. The proposed 2009 budget includes funds to turn three more "Reserve Areas" into golf cart parking like the one on Whiting. It also includes money for new signage in preparation for any changes that may be approved by the Board.

We moved further along on the identification of all golf carts that come on to the Island. As of January, all golf carts, including ones who come onto the Island with renters, will need to be inspected and registered.

There is also overcrowding on all streets on holidays. Over the Thanksgiving holiday, Security will attempt to see how many owner vehicles vs. guest vehicles are parking off their property as we think a big part of the problem may be second homeowners, whose vehicles currently cannot be limited. Renters are limited to four vehicle passes per property.

As stated at the last meeting, no major changes have been approved for recommendation to the Board; everything is still in the discussion stages. A report with recommendations will be presented at the December meeting.

**Security:** The Security Committee met August 20<sup>th</sup> and September 17<sup>th</sup>. The August meeting was devoted to the proposed 2009 Security budget. After some changes regarding the cost to replace the HVAC at the gate, the committee unanimously approved the budget for recommendation to the Board. Also discussed at that meeting were golf carts on the beach – absolutely NOT allowed; possibility of using Crossover #2 for emergency vehicle access – not currently necessary; and the committee addressed concerns about a man who had been seen wandering the Island acting strangely. The man was not a danger, and left the Island; however, there are reports he is back. At the 9/17 meeting, we reviewed and discussed the LRP survey comments and reminded the committee that we do use cameras at the front gate for entry and exit. Also discussed the possibility of having a function for owners to meet the Security and Fire Department employees.

Regarding the budget, Board members would like to see more use of the golf cart and moped, especially with the increased cost of gas.

**Roads & Drainage:** Southeastern, who is doing the Tarpon project, has not been here at all recently. The work left to be done includes reseeding all areas, lowering two grates, grinding one area for better flow, cutting the steel plate for access and covering it, and bringing the as-built drawings. They should be here on Monday or Tuesday.

REA Contracting has been hard to schedule for the miscellaneous asphalt repairs, but they might be here within two weeks. We are also trying to get someone here to grade the gravel roads, as the recent rains have been hard on them.

**PSD:** The commission accepted a contract to replace the sewage lift station at Marsh Dunes. Working w/ ARB regarding landscape irrigation requirements to help with the drought situation – Beaufort County is currently in a moderate drought situation. There are five candidates running for the four available commission seats in the November 4 general election: Rich Combes, Bob Doyle, Mike Pepin, Al Santoni, and Bill Woodward.

The Fire District will be undergoing an ISO inspection to determine its insurance coverage. Phase 4 of the vacuum sewer system has an October 29 deadline for connecting; at present there are 49 owners who have not completed this process. All three water towers have undergone routine maintenance and painting.

**Club Advisory Board:**

- John Fineis, Jim Wolbrink, Judy Hummer, and John Derrick were elected to Board, class of 2010.
- FIR survey is ready. Info being sent to all Club members via eblast.
- Club membership renewals will be sent in the October statement.
- Dues increased 5%.

**Harbor Island Bridge:** A letter to Rep. Shannon Erickson from the Fripp Island Resort was distributed to Board members. They expressed concern with the increase in traffic numbers and sizes of vehicles using the bridge, the 70 year old support system, and multiple malfunctions in the past eight years. They have requested that we write a similar letter of concern to Rep. Erickson as well. The accuracy of facts contained in the letter was questioned, and Mrs. Hines will research this prior to drafting such correspondence.

## 5) COMMITTEE/OTHER REPORTS:

Future Finance Committee: Mrs. McCormick requested an update on the workings of the Future Finance Committee. Mr. Gannon commented that the committee met in late August and that there were some changes from the prior meeting. A report will be made in January.

## 6) 2009 Budget – Review of First Draft

Mrs. Hines noted that Finance Chairman/Treasurer Bob Davidson was unable to attend this meeting due to a previously scheduled trip to Russia. She noted a memo from the Finance Committee with their budget recommendations:

- 1) That funds be increased for cleanup after a fish kill by \$2,000, and increasing the Insurance to include \$700 for excess flood coverage. The changes are reflected in the budget binder.
- 2) There is one caveat under the Sundry category for a \$5,000 contribution to July 4<sup>th</sup> fireworks. The Committee suggests that Fripp Island Resort should be told we will not participate in cost sharing if FIPOA is not given more credit in the FIR publicity of the event.
- 3) A strong recommendation for the future regarding the Trawler. It currently costs \$27,500 to produce and only brings in advertising revenues of \$6,500. It should be approaching self-sufficiency by 2010. Mrs. Hines noted the Trawler panel met last week and they will definitely be exploring other avenues to reach the goal of self-sufficiency.

Regarding the budget, the Board discussed ideas to reduce the cost, including all issues online.

**Recommendation:** That the Trawler panel focus on the needs of the community, consider publishing electronically, and raise the current ad rates. Mrs. Hines will follow up.

**MOTION:** A motion was made and seconded to approve the 2009 budget as presented.

**Discussion:** Mr. Morrison objected and stated he did not know the process...would have asked questions as we went along instead of saving them until the end. He was uncomfortable in signing off on the budget without having the following questions answered:

PSD: Questions involved transfer of funds to the PSD for future major bearing repair for the Inlet Bridge, our annual \$100 bridge fee and our \$1M reserve cap.

Recommendation: Invite PSD members to October meeting for further information.

ARB: Concerns about not having a line item for covenant changes in regard to the startup expenses for the ARB if the covenants are approved. Felt we need to make plans now rather than later.

Recommendation: Mrs. Hines will research approximate costs.

**MOTION:** A motion was then made and seconded to table approval of the 2009 budget until the October meeting, pending discussion of the covenants and receipt of PSD information

**MOTION APPROVED 5 to 2.** At that point, it was noted there could be no more budget discussions.

**MOTION:** A motion was then made and seconded to call an executive session at the October meeting to discuss personnel issues.

**MOTION APPROVED.**

## 7) COMMENTS AND QUESTIONS FROM MEMBERS:

**Right of Entry:** The current balance is \$178,000, with several deposits occurring due to Tropical Storm Hannah. It was noted that this program is never closed; owners may participate at any time. Owners also have the option of opting out of the program at any time and will be issued a refund. In the case of any evacuation, a cutoff date has been established of two days before evacuation to ensure the funds are duly deposited in the bank.

**8) Statement of Matters Deferred to Next Meeting:**  
**2009 Budget Items: PSD and ARB expenses**  
**Executive Session: Personnel Issues**

**9) Next Meeting:** The next meeting is scheduled for Saturday, October 11 at 9:00 am in the FIPOA Boardroom.

**10) Adjourn:** The meeting was adjourned at 11:05 am

Respectfully submitted,

*Joe Gannon, 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.

\*\* To participate in Board meetings by teleconference, owners may call 1-888-311-9051; then 56413#.