

SUMMER HOUSE
HILTON HEAD ISLAND
CONDOMINIUM ASSOCIATION, INC.

Board Meeting Date: Thursday, October 20, 2016

Board of Directors Meeting Minutes

Meeting commenced at (Time: 3:09 PM)

**Attendance: Richard Schulman, Fernando Fiumara, Dave Benedict and Jamie Bastian
James Kroll joined the meeting at 3:40pm**

Voting:

- ✓ A motion was made by the Vice President, Dave Benedict and seconded by the Secretary, Fernando Fiumara to approve the minutes from the September meeting. Approved by all.
- ✓ A motion was made by the President, Richard Schulman to purchase a rebuilt compactor out of the Reserve funds in January 2017. Approved by all.

Discussion:

Action & Priority Sheet

1. Tree Trimming: Finished but having them come back and look at other things. AIM has noticed some trees, as they have been walking the property that were not cut 20 feet up and are still touching the buildings that had nothing to do with the hurricane. The bill is not being paid until completed.
2. Sidewalk Repairs: They were started before the hurricane but now there are more repairs. They only have one more spot that needs concrete and they will finish all the pre storm repairs. **Action Item:** AIM to get a quote on repairing the sidewalks that were damaged during the hurricane and have that done at the same time as the concrete from the pre storm repairs is done.
3. Pine Straw and Landscaping: AIM has not received an estimate yet. Our landscapers are so backed up with cleanup from the storm that it has been put on the back burner. After the cleanup, we need to make sure that there were no other bushes or shrubs or plants that were in that list that need to be added. **Action Item:** AIM to call to find out when they will get a quote and when the work can be done. Hopefully, the work can be done by the end of the year. **Remove and replace** with when the work will be done.
4. Compactor: Estimates were received. The Board agrees that something has to be done with the current compactor. During the hurricane, the compactor took on water. AIM reports that it was fixed to the best of their ability. There is no guarantee that it is going to continue working for a long period of time. And there is no guarantee that the water that got in there didn't cause issues even though it was siphoned out. Over the weekend, a temporary replacement was brought in so the repairs could be done. The question is do we replace the present compactor with a new one or a rebuilt one. There is a significant

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difference in costs -- new = \$38,000 and rebuilt = \$18,000. Based on the finances we have available, we should be looking at a rebuilt one. The expected life of a rebuilt compactor is approximately 8 years which is approximately half of the life of a new compactor. This would be a Reserve cost but no money has been put in to the 2016 budget to replace the compactor. Based on what we are doing this year in terms of reserve, we have approximately \$11,000 left. It was proposed that we take that \$10-11,000 left in the reserve and move it over to the 2017 Reserve Budget. The budget for 2017 is almost \$27,000 which means we would have a budget in 2017 of almost \$38,000. Of that \$38,000, we take \$18,000 and buy a rebuilt compactor in January. **Action Item:** AIM to set up the contract to buy the rebuilt compactor and have it delivered in January.

5. Replacing Insulation on HVAC Pipes: Replacements are continuing next week. We're paying AIM out of our budget from Exterior Building Repairs.
6. Tree Trimming, etc.: Any trees in the wetlands that Bartlett thinks need to come down should all be related to the fact that the hurricane caused damage to those trees. **Action Item:** AIM to have Bartlett come in and give us an estimate of what it will cost to clean up the wetlands. AIM to put that under the expense related to the hurricane. When that's done, the bill goes into the hurricane file.
7. Amendment: The Board Secretary needs to sign the document and it will be sent to him today. Then it can be sent out to the homeowners via email with a letter from the Board President.
8. Settlement and Litigation Paperwork: This is ongoing.
9. Parking Passes: AIM has issued 159 tenant passes and 105 homeowner passes. This is ongoing.
10. Hurricane Damage: **Action Item:** Create a folder to keep all of the bills related to the hurricane.
11. Water getting into units in Bldgs D and E: **Action Item:** AIM to have buildings looked at for drain installation.

Asset Account

Everything on this sheet looks good.

Reserve Account

2016 Reserve Expenses Table

Add: Camera 7 being replaced for \$720.00.
Spa Pump replaced for \$500 including labor
AIM Insulation replacement at \$35/unit

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Variance Report

The cost from AIM to replace the insulation at \$35/unit is not showing up on this report.

30060: Rental Income: There is a -400 variance due to AIM not paying their rent last month. AIM to check on the \$500 rent.

70010: Insurance: **Action Item:** AIM to see what bills need to be paid and what the positive variance will be at the end of the year.

90050: Pool Attendant: Negative variance will decrease by \$600.00

Summer House Projects

This table was omitted from the Board Meeting packet. **Action Item:** Add any big items to the table that we are going to be doing for the rest of this year with the cost so we can make sure that we still have the money that we were going to have at the end of the year left over.

The projects I am talking about are all the extra landscape work and the work that AIM's doing replacing the insulation. **Action Item:** The Spa Pump needs replaced and will cost \$500 including labor. This should come out of the reserve. **Action Item:** Add to table the replacement of camera 7 in the amount of \$710.

Hurricane

1. AIM will collect all costs associated with damage done by the hurricane.
2. AIM will contact the insurance company to find out what is going to be covered and see how much of the deductible we will need to pay. Because this was a named storm, the deductible for each building is 1% of the insurance on the buildings which is \$25,000 per building. Chances are that we will not reach the deductible with the minor damage that was done to the buildings.
3. There are apparently some FEMA grants that are being looked into to try and cover some of the costs as a result of the hurricane. At that point, the Board will need to decide on how to pay the deductible. The cost may require an assessment on all of the homeowners.
4. The hurricane either knocked the tree down or it is leaning so far that it has to come down. AIM has not received an estimate yet for the additional things that are essentially in the wetlands. It appears that every tree that AIM was worried about is leaning and has to come down or fell through the wetlands. This will have to be done in stages. According to AIM, what they did when they first came in was take out anything that was leaning, that was uprooted, and that was on a building and anything that was leaning over the parking lot. We still have trees that are leaning towards the buildings, however, they have not uprooted so they are considered safe right now.

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- Also, those trees are going to be Step #2. All of this is being completed by a subcontractor of Bartlett. Bartlett was contracted by the town so Bartlett subcontracted other companies to help with their properties. The final cost will not be known until the work is completed. Everything will be on one bill. The bills are paid out of Exterior Building. As far as insurance, it is not covered by the insurance deductible unless it hit the building. There was only one tree on a building that hit the roof. However E Building may meet the deductible for that building.
5. AIM had roofs inspected by FCC Home Improvements. An estimate of cost to repair will include the roof damage at E Building and the gutter damage at D Building and any other small areas that need shingles, flashing, etc. The roof repair needs to be done keeping in mind that, in one year, the roofs may need to be done again with the proceeds from the lawsuit. **Action Item:** AIM to obtain the quote from FCC Home Improvements advising them that the repair needs to last one year and get a quote accordingly. Then send to the Board for approval.

A motion to close the meeting was seconded at 4:42pm.