

SUMMER HOUSE
HILTON HEAD ISLAND
CONDOMINIUM ASSOCIATION, INC.

BOARD MEETING – JULY 25, 2018

Meeting called to order at 4:00 p.m. at The Summer House Clubhouse meeting room.

ATTENDEES: David Benedict, *President*; Jim Kroll, *Vice President*; Cindy Taylor, *Treasurer*; Jeff Rockett, *Member at Large*; Marsha Garrett, *Property Manager*

HOMEOWNERS ATTENDING:

None

GUEST SPEAKERS: Travers Davis (Coastal Plains Outdoors) Insurance
Peter Sherratt (Sherratt Company) Architect

OLD BUSINESS:

The minutes of the June meeting were approved with the financials being added.

ACTION ITEM LIST:

Owner Debt Concern: A new court date has been scheduled in a higher court, Scott will notify the Board.

Action: Scott Wild, Kevin Quat and PM will attend.

Per the Board of Directors these three items have been placed on hold until after the construction is completed.

- 1. Pine Straw/Landscaping:** The pine straw has been installed and the sod will be placed on hold until the after the construction to the area between B & C buildings.

Action: The sod will be installed after the construction is completed.

- 2. Bench between A and B:** The bench has been ordered and should arrive within the next two weeks.

Action: When it arrives, Mark will set it up between A & B buildings.

- 3. Concrete Improvements around the pool area and two gravel walkway replacements:**

Action: Per the Board a hold on the sidewalks and pool areas until after the construction is completed.

New Bike Rack: The bikes have been tagged and an extension date was given to have them removed within the next couple of weeks.

Action: Bike racks have been relocated behind the "J" building.

Gate to Compactor: Mark is working on designing and pricing out a door and electronic keypad for the door. There are still construction debris from contractors and non-residents that are using the compactor.

Action: Need to have a gate and keypad installed as soon as possible.

Non-operable sprinkler head: Inoperable sprinkler head found in unit due to homeowner neglect.
Action: The sprinkler head will be replaced within the next couple of weeks.

Damaged Front Gate: PM contacted the homeowner regarding the two invoices in the amount of \$2,175.00 for the repairs. The homeowners are going to take the tenant to court for payment. The Board agreed to give the homeowners 60-days to receive payment for the repairs to the damaged gate. The date of payment is due is August 20, 2018.

New Cameras: Custom Security will be onsite over the next couple of weeks to upgrade the camera system with new higher resolution cameras and a new license plate camera. The total cost for the upgrade is \$5,955. The funds in the amount of \$6,000 will be used from the Reserve fund.

FINANCIALS

Operating Account Variances:

- Income year-to-date, has a large positive variance of \$34,830.53. Without the \$10,000 carry-over check for tree trimming from 2017 in account 30070-Misc Income, the operating income positive variance would be \$24,830.
- 40180-Telephone expense line item is over budget by about \$80 each month. The annual budget for this account was set at \$3,000 (\$250 monthly); it consists of telephone for the office (average \$260 monthly) and gate (average \$53 monthly) plus fax line @ \$20 monthly. This totals \$333 monthly/\$3,996 yearly.
- 50040-Controlled Access expense, year-to-date is over-budget by \$3,743. \$2,175 is due to payment for replacement of the controller arm in June. We expect a refund of \$1,750 in July from the company originally hired to replace it.
- 50600-Fitness Center expense, year-to-date is over-budget by \$216.33 due to several repairs.
- 70000-Insurance expense, year-to-date variance is due to paying the entire yearly premium for all but flood insurance in May.
- 80030-Gas, Common Area expense, year-to-date variance is due to multiple deliveries in the month of April and increased grill use.
- 80060-Water/Sewer year-to-date is over-budget by \$1,185 due to pool refill and two spa refills. Excluding those fills the account is under-budgeted by about \$250/month.

Lawsuit Accounts:

- Coastal States CDARS account 8333, balance \$1,310,000 was rolled over in full with a decreased interest rate from 1.48% to 1.30%.
- Interest earned at maturity (\$4,842.55) was transferred to CDARS Sweep 2378 in anticipation of a \$140,000 payment to the architect due in late July.
- A check in the amount of \$140,000 was written to The Sherratt Company for 100% completion of programming/budgeting and 50% completion of plans/ specifications for Phase 1.

Capital Reserve Accounts:

- There are still CY 2018 funds (\$59,918) for the following items from the reserve study: painting of building trim, sealcoat asphalt and paving repair patchwork, clubhouse furniture, fitness room (painting, window treatments, floor) and sidewalk repair. Several items will probably be postponed until the remediation is complete.
- Capital items paid during June 2018 total \$12,980.26 (pool pump \$789.26; fountain \$3,638; 2 fitness bikes \$5,478; pool furniture/lounges \$3,075)

DISCUSSION:

Check Return: Received the check from Southeast Rails & Screen in the amount of \$1750.00 for the deposit from the gate company that did not complete the work. It will be deposited into the 2701 cash operating account.

New Windows/Balcony Doors: The Board of Directors had some questions to determine if the cost would be beneficial if new windows were installed during the construction project. Mr. Davis explained that there were a number of factors to take into consideration. For instance, if there are a number of storms, it may not make a huge difference in the savings. At the time of the completion of the window installation, the decrease if any in the policy would be for the next fiscal year.

Drainage: The drainage for building A is almost completed. River rock and pavers are on order to finish up the building. The river rock will be used in the swale areas and around the AC units of the building.

Gutter and Gutter Guards: Peter Sherratt discussed that the gutter and gutter guards will be a decision by the Board of Directors if they would like them to be installed at a later date.

Owner Request to Install Carpet or Tile on Balcony: Also discussed was the request from an owner to install a tile or carpet application to their balcony. The balconies are common elements of the Regime. The balcony boards were installed for a purpose. The water needs a way to drain through the wood slats.

The Board directed the PM to notify the owner to inform them that an area rug would be the only covering permitted on the balcony.

Roof Leaks from the E Building: Mr. Sherratt spoke about the two units that in the E building that have experienced water intrusion into their units. The roofs will be replaced at the time of construction. PM stated that FCC removed the gutter guards off the gutters to building E during the quarterly cleaning of the roofs. There have been no indications that the roof is currently leaking at this time. The gutter guards were full and non-functional causing this to happen.

Pre-Construction Meeting: Mr. Sherratt informed the Board of Directors that a pre-construction meeting has been scheduled for Tuesday, August 2nd with the Joe Highsmith, roofing contractor and window contractor. The purpose of the meeting is to discuss the option of purchasing windows and balcony doors. Working on the budgets for each building and the cost of the type of windows or doors could be included in the lawsuit funds.

HVAC Systems: During the inspection of Building B it was reported that there are two AC units that are impacting the area which the drainage will be done. Freedom Air Conditioning & Heating Company has been on property to determine what needs to be done to relocate the units. Mr. Sherratt stated to the Board of Directors that the AC units do belong to the owners and the Regime is not responsible for relocating them. There are a number of units that are original and will need to be replaced in the near future. Freedom is working on the verbiage to send to the homeowners regarding the condition of their unit and costs if they wish to replace it with their company or choose another company. They will need to be relocated at no cost to the Regime.

Meeting adjourned at 6:00pm