

SUMMER HOUSE  
HILTON HEAD ISLAND  
CONDOMINIUM ASSOCIATION, INC.

**BOARD MEETING – September 26, 2018**

Meeting called to order at 4:03 p.m. at The Summer House Clubhouse meeting room.

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

**HOMEOWNERS ATTENDING:**

None

**OLD BUSINESS:**

The minutes of the August meeting were approved.

**MISC BUSINESS:** Council voted to appoint Jim Kroll as Treasure until next election. Per guidelines a board member can hold two positions. Voted Lynn Hightower as recording Secretary.

**ACTION ITEM LIST:**

Owner Debt Concern: A new court date has not been scheduled in a higher court of this day. Scott will notify the Board.

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

**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.

**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 on August 20, 2018.

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

SUMMER HOUSE  
HILTON HEAD ISLAND  
CONDOMINIUM ASSOCIATION, INC.

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.

**Action Items Removed as Completed:**

Item #4 – Cameras have been installed.

Item #8 – Board positions have been filled.

**Breakdown of Assets into Three Budgets:**

The Board of Directors discussed having three different budgets for the following accounts:

- Operating Budget
- Reserve/Capital Budget
- Lawsuit Budget

This will be discussed with Kevin to implement these three (3) new budgets. It will allow the Board of Directors to see the expenditures for each budget.

**FINANCIALS**

**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.

**NOTE: There is \$7,500 in the Capital Reserve Budget for CY 2019 for compactor fencing.**

**FINANCIALS**

**Operating Account Variances:**

- Accounts 30020 & 30030-Association Assessments, the combined total of these accounts is \$1,596.43 under budget for the current month and \$2,569.94.
- Account 30101-Excess Operating should have a value of \$3,750 which is not listed.
- Actual income is \$84,555.16, which includes the \$3,750 referenced above.

SUMMER HOUSE  
HILTON HEAD ISLAND  
CONDOMINIUM ASSOCIATION, INC.

- 40140-Tech&Business Equip expense year-to-date is over budget due to \$543.55 posted to incorrect account – s/b \$314.91 in account 40180-Telephone and \$228.64 in account 40050-Cable Television; also \$368.88 unbudgeted paid for AMEX Go-To-Meeting.
- 40180-Telephone expense year-to-date is over budget by an average of \$80 monthly. 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 \$1,637.88 due to \$2,175 payment for replacement of the controller arm in June. We are expecting payment of \$2,175 from the owner for that controller arm.
- 50050-Exterior Building Repairs expense for August over budget by \$2,267.10 due to \$2,175 posted to incorrect account – s/b in account 50110-Landscaping.
- 50600-Fitness Center expense year-to-date is over budget by \$587.16 - \$100 budgeted per month for water but average paid per month is \$177.50; also paid \$200 for bike haul-away.
- 50120-Life Safety expense year-to-date is over budget by \$2,215.61; paid \$2,725 for non-budgeted annual sprinkler system inspection.
- 50160-Pool&Spa expense year-to-date is over budget by \$1,583.13 due to pool cleaning (\$1,100.00) and what appear to be an increase in the billed amount for Mon-Sat pool maintenance since April by \$100.00 per month (\$500.00).
- 70000-Insurance expense year-to-date is over budget by \$49,961.92 due to paying the entire yearly premium for all but flood insurance in May and for flood insurance in August. \$13,833.33 is budgeted monthly for the next 4 months so the account should be \$5,371.40 under budget at the end of the year.
- 80030-Gas, Common Area expense year-to-date is over budget due to multiple deliveries in the month of April, pool and two spa refills and increased grill use.
- 80060-Water/Sewer expense year-to-date is over-budget by \$3,243.32 due to pool refill, two spa refills and increased water usage for irrigation since the sprinkler system lines have been repaired; total usage in buildings A-K was \$414.24 higher in August than the previous 7 month average for each building. The actual monthly average is \$7,718.90; the monthly budgeted amount is \$7,333.33 - the variance is \$385.57 per month and \$4,626.84 per year.
- 90020-Grounds/Janitorial/Cleaning expense, year-to-date is over-budget by \$166.64; the annual budget is \$14,000.00 (average \$1,166.66); the monthly billed amount is \$1,200.00.
- Net Operating Income Variance is affected by accounting for the capital reserve account; this will be recalculated after the capital reserve funds and lawsuit funds (CDARS reserves) are removed from the Operating Budget into two separate budgets.

SUMMER HOUSE  
HILTON HEAD ISLAND  
CONDOMINIUM ASSOCIATION, INC.

**Lawsuit Accounts:**

- \$750,000 of Coastal States CDARS account 4335 (value of \$1,310,000) was invested in new CDARS account 8385 with an interest rate decreased from 1.40% to 1.30%.
- Interest earned at maturity (\$4,292.19) was transferred to CDARS Sweep 2378.
- Two checks totaling \$11,004.50, which weren't cashed before the end of the month, were written to May River Landscaping for the remaining balance on Building A swale maintenance and river rock.

**Capital Reserve Accounts:**

- There are still CY 2018 funds (\$56,962) 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.
- \$3,500 was paid for pressure washing building B-J breezeways and railings in August 2018.

**NEW BUSINESS:**

**New Kiosk for Gate/Entry:** Discussed costs and options. Changing companies would be very expensive. New system would allow Marsha to monitor, activate and deactivate remotely.

**Towing Company Agreements:** This will be further discussed when all parking decals have been distributed and parking regulations put into place.

**DISCUSSION:**

**DNA Testing:** Management researched testing. Will further investigate if needed. This would be a cost to the owners not the regime.

**Summer House Dog Tags:** Management discussed tags for dogs. Registering would require proof of current vaccinations. Better management of dog ownership.

**Preparation for 2019 Budget:** The Budget Planning Meeting has been scheduled for Friday, October 19, 2018 at 10am.

**Guard House for Front Entrance:** This item was discussed in past and is too costly for this size of complex. No interest.

**Meeting adjourned at 6:09pm.**