

SUMMER HOUSE
HILTON HEAD ISLAND
CONDOMINIUM ASSOCIATION, INC.

BOARD MEETING – October 24, 2018

Meeting called to order at 4:07 p.m. at The Summer House Clubhouse meeting room.

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

HOMEOWNERS ATTENDING:

None

OLD BUSINESS:

The minutes of the September meeting were approved.

MISC BUSINESS: Board will vote on 2019 budget at November meeting. Annual SH party will be held January 19, 2019.

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: Moved to HOLD.

Damaged Front Gate: Completed.

Per the Board of Directors this one item has been placed on hold until after the construction is completed.

Installation of Gate for the Compactor: PM has received (3) proposals for a gate and keypad for the compactor. The cost ranges from \$1500-3000. The Board would like to see if a wireless system could be installed. PM will work with Custom Security on some options.

Action: On hold until after construction is completed.

Action Items Removed as Completed:

Item #3 – Payment for the damaged gate has been received.

NEW Action Items:

Resume for Treasurer: Board has received for open position but not sure if qualified.

Action: David and Jim will set up interview.

Upgrade Gate System: Estimated cost is \$5000.

Action: PM to verify current FOBS are compatible.

Pet Day: To be held on a Saturday from 9-12, in front of clubhouse. Vendors and possible low-cost vaccines and microchipping.

Action: PM to work on details and dates.

Water Coolers: Discussed purchasing water filler/fountain for outside pool area. To date we've paid \$1600 for cooler rentals.

Action: PM to get quote.

FINANCIALS

Operating Account Variances:

- Accounts 30020 & 30030-Association Assessments, the combined amount collected for these accounts is under budget by \$2,585.52 year-to-date.
- Account 30090-Interest Income is decreased to \$101.35 for the current month and \$820.13 year-to-date after subtraction of interest from the CDARS lawsuit accounts.
- Account 30101-Excess Operating, should have a value of \$3,750 which is not listed. This would have resulted in actual income of \$80,670.79.
- 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 \$3,233.13 over budget due to gate security charge being \$198 underfunded and only \$1,305 (for 9 months) was budgeted for repairs but \$4,340 was spent – this amount does not include the cost of repairs for 2 gate vandalism events (\$2,175 each), which was repaid.
- 50600-Fitness Center expense year-to-date is over budget by \$880.89 due to being \$710.00 over budget for water and \$200 unbudgeted spent for bike haul-away.
- 50120-Life Safety expense year-to-date is over budget by \$3,784.73; budget for 9-month of repairs was \$375 but paid \$1,983.52; \$5,405 budgeted for safety inspections but \$7,051.52 was spent.
- 50160-Pool&Spa expense year-to-date is over budget by \$727.66 due to pool cleaning (\$1,300.00).
- 70000-Insurance expense year-to-date is over budget by \$36,128.59 due to paying the entire yearly premium for all but flood insurance in May and for flood

insurance (except garages) in August. \$13,833.33 is budgeted monthly for the next 3 months and \$13,260.00 is due for garage flood insurance in November; the account will be \$7,888.60 over budget at the end of the year.

- 80030-Gas, Common Area expense year-to-date is over budget due to high grill use as well as one pool and two spa refills requiring reheating.
- 80060-Water/Sewer expense year-to-date is over-budget by \$4,713.99 due to one pool and two spa refills and increased water use for irrigation occurring after the sprinkler system lines were repaired.
- 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.

Lawsuit Accounts:

- The entire principal amount of Coastal States CDARS account 3688 (value of \$1,100,000) was invested in new CDARS account 5943 for 13 weeks with an interest rate of 1.30%.
- Interest earned at maturity (\$3,570.88) was transferred to CDARS Sweep 2378.
- Two checks totaling \$11,004.50 were paid to May River Landscaping from the CDARS Sweep account for Building A swale maintenance final installment (\$10,493.50) and river rock (\$575).

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.

NEW BUSINESS:

May River Proposal for Pine straw: Discussed need for proposal for BOTH seed and pine straw.

May River Proposal for seasonal color: Approved.

DISCUSSION:

Flood Policies: Policies have been renewed and check has been sent.

Parking Stickers: Response has been poor. PM will send final email stating towing begins November 1. Lynn and PM will need with CSSI to discuss upcoming changes.

Annual Fire Panel/Backflow Inspections: Completed and passed.

December Board Meeting Date: Changed from the 26th to the 19th.

Meeting adjourned at 6:08pm.