

Palmetto Hall Plantation Owners' Association
Board of Directors Meeting Minutes
November 18, 2008 – 9:30 a.m.
Palmetto Hall Plantation POA Office

Call to Order

Art Loeben, President, called the meeting to order at 9:30 a.m. at the Palmetto Hall Plantation POA office. Other BOD Members present were Bob Richardson, Vice President; David Henson, Secretary; Pete Smith, Treasurer; Tom Renshaw, Tom Black and Rick Smith, Members-at-Large. Marion Gorczynski, Association Manager, was also in attendance.

Approval of Minutes

David presented the October minutes for approval. Pete requested two changes, which were agreed to. Pete then moved the minutes be approved as amended, Bob seconded, and the minutes were then unanimously approved.

Treasurer's Report

Revenue

Revenue for October was \$54,966...\$7,278 less than budgeted. Year-to-date revenue, which includes \$20,448 in Capital Reserve interest, is \$564,668...\$51,105 less than budgeted. YTD I-103, Decal/Gate Receipts, are now \$31,516 less than budgeted. Accounts I-104, ARB Submission Fees, I-106, Bush Hogging, and I-202, Heritage Maintenance Reimbursement, are all below budget but so are their corresponding offsetting expenses. I-301.1 and I-301.2, Interest Income, is off \$6,766 due to lower interest rates.

Expense

Expenses for October were \$53,756...\$10,762 less than budgeted. Year-to-date expenses are \$486,008...\$67,788 less than budgeted. YTD Net Income shows a profit of \$78,660, however, if we deduct the \$20,448 of Capital Reserve interest and also deduct the \$40,000 we have moved from the Operating Fund to Capital Reserves, the bottom line becomes a profit of \$18,212.

Summary / Recommendations

The 2009 budget, approved at the September BOD meeting and sent out with the notice of the Annual Meeting, showed our transferring \$60,000 from Operations to Capital Reserves before year-end; but it also showed us winding up with a \$30,327 deficit for the year. The year-end estimate was made from 8/30/2008 financials. Gate Receipts have not been quite as bad as we had forecasted and we have done a good job managing expenses, so the P&L through 10/31/2008 shows it possible to move another \$10,000 to Capital Reserves and to be close to break even for the year. However, the cash flow forecast we've been doing since July indicates moving the \$10,000 would leave us with very little cash on hand at the beginning of January. The Finance Committee and Pete recommended we not transfer any of the additional \$20,000.

The BOD agreed to not transfer any funds from the Operating account to Capital Expense at this time and the situation be reviewed again at the December meeting, with a final decision made at that time.

Pete reported that we have received a commitment letter from SCB&T for a “standby” line of credit for \$500,000 at a rate of 0.5% over their prime rate. The annual charge for the LOC would be \$200 and there would be no lien placed on our assets until money is drawn under the LOC. Pete felt this was a good deal at a nominal cost and we would have funds available if needed and that the Finance Committee recommended BOD approval. The agreement can be terminated at any time. After BOD review of copies of the letter, Tom B. moved we go ahead with the commitment and sign the letter. Rick second the motion which was unanimously approved. Joe Bogacz, Chair of the Finance Committee, will give the original letter to Art for signature.

Pete reported that the UBS has confirmed that the three remaining ARCs can be cashed in early January. The paperwork has been filed so this can be done.

Currently, Capital Reserves are at \$756,000. A \$50,000 CD is expiring and needs to be reinvested. CDs are currently laddered monthly but in order to get a good rate the new one may have to go out somewhat further.

In response to questions from owners regarding the Capital Reserve account, current information will be presented at the Annual Meeting. Art suggested a hard copy be passed out when owners are entering.

Pete stated that the budget will be handled on a cash basis next year instead of the accrual system which has been used in the past.

Association Manager’s Report

Marion reported the Volunteer Party was a success and a very good turnout. She felt having it on a Friday night increased the attendance and all comments she received were favorable and appreciative.

She also reported that in response to an E-Mail Blast asking for help with the web site and technical computer training, no responses had been received. Art gave the name of an owner who might be willing to help and Marion will follow up with that owner when the staff encounters problems.

Marion also reported she had received 135 Annual Meeting responses/votes in the mail to date.

Old Business

ARB Hearing – 6 Lenox Lane home – An appeal was made from the owners of the home for the POA to review their request to keep the antique door on their home. As two members of the BOD had not seen the door, this issue was tabled to the December meeting.

Annual Meeting Update – Art requested the room be set up in the same manner as past Annual Meetings, not as it was for the Town Hall meetings. He also requested a microphone that worked – even if it had to be rented.

Nominating Committee Report – On December 1, the Nominating Committee will count votes received by mail at that time and then will count all remaining votes at the Annual Meeting. Marion stated she had received calls regarding if the votes were really secret ballots and explained to the BOD that the ballots would be cut by office staff to separate property owner name/address from votes prior to any Committee member seeing them.

Report on Road Engineering Firms – Bob reported that Jim O’Neill, Chair of the Maintenance Committee, had resigned for personal reasons and Bob had asked Dave Pierce to head the Maintenance Committee for now. Bob stated that Dave Pierce was concerned with the way the budget was handled in past years and Art will recommend to the Finance Committee that in the future committee chairs be allowed to address proposed changes made to submitted budgets.

Bob also reported that he had asked Jeff DiBiasio to Chair the Roads Subcommittee, and, due to Jeff’s absence during part of the year, was currently looking for a Co-chair. Bob also reported that he had received letters of introduction from two road engineering firms and had also discussed the issue with John Ehlers, Maintenance Manager, of Hilton Head Plantation.

Agreement with Heritage on Reimbursement – Following a comment from Claude that he would not pay certain reimbursement charges in 2009, Marion asked that Bob and Pete, who had been working with Claude on this issue, get the agreement signed by him or Ray so we do not have problems in the future. Bob and Pete said they would discuss with Claude again to get a signature.

Tom Black stated that there is a Shared Maintenance Agreement that Greenwood had passed on to Heritage, which should be reviewed prior to further discussions.

New Business

Presentation on Storm Water Management - Scott Liggett, Director of Public Projects & Facilities/Chief Engineer spoke to the group regarding stormwater management and maintenance. Scott said that in several plantations the Town is working with the plantations to maintain the lagoons and stormwater systems. In Palmetto Hall, all but one of the lagoons are owned by the Club. Scott was meeting with Claude later that day to discuss the issue with him. He advised the Town participates with the County for stormwater and fees are paid by residents via taxes. Agreements have been prepared with various plantations and the same agreement would be prepared for Palmetto Hall. The Town will disassociate with aesthetic look of the lagoons but will handle maintenance. Water quality responsibility and maintenance will be handled by the Town at no further cost. Lagoon aesthetics would continue to be the purview of Palmetto Hall.

It was agreed that the BOD did not see a downside with this for Palmetto Hall and that we would be agreeable to working with the Town if Heritage wanted to go ahead with the program.

Holiday Decorating Committee – Bob Richardson reported that the Grindstuffs will chair the Committee for 2009. They will work with Jeff DiBiasio and Elaine Ascione in putting up the decorations this year. It will be the responsibility of the Grindstuffs to take the decorations down in January, arrange for storage, and handle for 2009.

2008 BOD Top Priority Items

Improve Relations between POA and Club management

Initiate Roads Program

Clarify On-site/Off-site Responsibility for Stormwater Management

Improve Communication to Property Owners

All four remaining items were discussed during earlier portions of the meeting.

Committee Exception Reports

Art questioned which committee chairs would not be returning. Responses were:

Covenants – Chair would not be returning – Rick will look for a new Chair.

Security – Tom R. will check with John Reda to see if he will return.

Hurricane – Tom R. will Chair – one more BOD member is needed.

Personnel – Art will remain - two more BOD members are needed

ARB – A BOD vote will be needed in January to name Tom Raddin Chair.

Security Exception Report – Only two tickets were issued in October but a number of warnings. Suggestions were made that tickets be given to outsiders who are speeding without a warning and that if there is a second offense for a contractor with a decal, the decal should be removed, along with a ticket issued, and the contractor would have to purchase a new decal.

Tom R. also discussed the cart barn break in that occurred over the weekend and the subsequent damage done on the golf courses.

Adjournment

There being no further business, the meeting was adjourned at 12:10 p.m. The next regularly scheduled BOD meeting will take place at 9:30 a.m., December 16, 2008 in the PHPOA office.

Respectfully submitted,

David Henson
Secretary

