

**Palmetto Hall Plantation Owners' Association  
Board of Directors Meeting Minutes  
December 17, 2007 – 10:00 a.m.  
Palmetto Hall Plantation POA Office**

**Call to Order**

Fred McNamee, President, called the meeting to order at 10:00 a.m. at the Palmetto Hall Plantation POA office. Other board members present were June Somers, Vice President; David Henson, Secretary; Pete Smith, Treasurer; Terry Ennis, Tom Renshaw, and Tom Black, Members at Large. New BOD members, Art Loeben and Bob Richardson, along with Marion Gorczynski, Association Manager, were also in attendance.

**Minutes**

Tom Black moved that the November 15, 2007 minutes be approved with minor changes. Tom Renshaw seconded the motion. The minutes were unanimously approved.

David said he sent the draft of the minutes for the 2007 Annual Meeting by e-mail but some members had not had a chance to review them. Comments or changes are to be provided to David by December 22 and they will be “tentatively approved” at the next BOD meeting. The minutes can not be approved as final until next year’s Annual meeting. They will, however, be put on the POA web site as “tentatively approved” following next month’s board meeting.

**Treasurer’s Report**

*Revenue*

POA Income was \$1,835 above budget in November. Lower home building activity continues to take its toll on I-103 Decal Income, I-104 ARB submissions, and I-107 Road Impact Fees. On the positive side, thirteen Bush Hogging payments came in to I-106, the Heritage Maintenance Reimbursement came in to I-202, and Interest Income from Reserve accounts came in to I-301.1.

*Expenses*

POA expenses were \$11,275 below budget in November. E-108, Grounds Maintenance was \$10,124 below budget as a result of two monthly payments being made in October. Likewise E-501 Personnel was \$2,502 below budget due to three payments instead of two having been made in October.

*Summary Recommendations*

Year-to date we are \$10,138 ahead of budgeted revenue and \$8,771 over budgeted expense (or a positive of \$1,367 to budget). Net Income for the year is \$20,059. Our management of discretionary funds during the past three months should somewhat lower the 2007 loss that was anticipated when preparing the 2008 budget in early October.

David pointed out that although the BOD had unanimously approved the 2008 **budget** by e-mail vote on October 30, it had not been confirmed and recorded in the November

minutes. Therefore, the vote approving the 2008 budget is hereby recorded in the December minutes.

Pete stated that Cherry, Baekert, and Holland (CBH) will do a full audit in January and February and tax preparation in March. UBS will present their recommendations to the Finance Committee in January. After the beginning of the year the Finance Committee will re-evaluate the POA's relationships with UBS and CBH. Three members will be added to the Finance Committee.

Tom R. stated that we are reporting to 500+ property owners and the major focus should be the shortage of capital reserves. Pete stated he will write a column for the newsletter each time it is published, focusing on this shortage.

Terry stated that along with building reserves for unforeseen loss of income and emergencies, the POA should have in place a 3-30 year asset replacement plan.

Fred made a motion to move the approximately \$2,280 of interest in the ARB Compliance Deposit account to the Operating Fund at the end of the year when interest in the Capital Reserve and Contingency Accounts are transferred to equity. Terry seconded the motion which was unanimously approved.

#### **Association Manager's Report**

Marion reported that the staff was getting ready for the busy first few months of the year when assessments are collected, annual decals sold, the audit is being conducted, and new committees have their first meetings of the year. She said for 2008 she will be focusing on the ad hoc Roadway Committee and bringing the web site in house. Another part-time employee will be brought on board to assist with the workload. She also reported that a new cleaning source for the gate house has been hired.

Terry raised a question about the timing of the Ocean Woods/landscape maintenance contract and other contracts, testing for customer satisfaction, and competition to ensure fiduciary accountability. Marion and Fred responded that it was a one year contract with two option years and it was now into year three. Fred stated that it will be on the agenda for next year's BOD regarding re-competing the contract in the fall of 2008. Terry emphasized his belief that it should be tested for competition.

#### **Old Business**

##### **Annual Meeting Review**

A wide ranging discussion was held on this subject, including the adequacy and interest in the financial report and the audience questions and answers received. Marion had heard from numerous owners that the financial review was much more concise this year. Tom B. questioned the exchange between Becky Cederholm and Fred regarding any special assessment for road repaving. Fred reiterated that he said at the annual meeting that there was no special assessment being considered "at this time".

Tom R. stated that in view of the communication and relationship issues brought up between the POA and Heritage there appears to be a need to communicate to the POA members the limits of the input of the POA and the Board into Heritage decisions and actions and the means of conveying input to the Advisory Council.

Terry felt that the financial ad hoc committee recommendations should have been referenced at the Annual meeting including the fact that they recommended a Treasurer be appointed and serve for a multi-year term.

## **New Business**

### **Heritage Shared Lagoon Maintenance**

Terry reported on the November 30 meeting that he and Bob Gentzler had with Claude and Ray Dznowski regarding lagoon maintenance. Highlights presented by Terry were:

1. Ray was very supportive of the lagoon committee;
2. There is a new company doing lagoon surface condition (de-weeding) maintenance and everyone is hoping for a large improvement over the next year;
3. No weir boards (adjustments to lagoon level) should be put in or taken out of the drainage system without POA (Lagoon Committee) agreement.
4. The new maintenance superintendent will be present at all lagoon meetings; and
5. Any drain lines repair should be subject to inspection by the Lagoon Committee.
- 6.

Terry requested a copy of the surface condition maintenance contract for the new maintenance provider. Ray said a copy will be given to the POA – and was provided by Claude at the end of the meeting.

A discussion took place regarding the percentages of what is paid by Heritage and what is paid by the BOD. A Heritage signed agreement matrix, summarizing agreement to shared maintenance costs, was completed by Rich Penwell at the end of 2006 confirming shared costs for 2007. Terry said he believed that beginning in 2009, a 40% portion of the surface condition maintenance contract cost, currently running at \$3000/month total (POA share would be \$1200/month), for the lagoons should be added to the 2009 POA budget.

Bob Richardson asked if we are expected to pay for repair work done on the third hole work of the golf course. Art asked if there had been any formal acceptance of agreements during the Heritage transition. Terry reported all agreements, after inspection and agreed changes, were forwarded by Greenwood to Heritage and accepted by them. Art asked if we had this in a contract, or agreement or similar document. Terry said that we did and that it was filed with the Transition documents turned over to the POA office by Terry in early 2007 but did not know where the document is now and would check up on it.

David stated that Greenwood and now Heritage has paid for 100% of lagoon maintenance in the past and he felt they are required by State and/or local statutes to maintain the drainage system in good working order. Terry stated that in the late 1990's

the POA was billed 60% of the cost for cleaning of the lines, which was unacceptable to the Lagoon Committee and changed to 40% POA in the 2006 agreement with Heritage. Fred stated that the Warranty Deed does state we pay for maintenance from the roadway to the lagoons ONLY. Heritage should pay for everything on the golf course.

Fred then said that the 2008 BOD should review what POA legal responsibility exists concerning drainage prior to the POA incurring any additional costs.

### **Committee Exception Reports**

*Maintenance* – Jim O’Neill will chair the Committee. Dave Pierce will stay on as a member.

*Ad Hoc Covenants Committee* – Art has sent out a revised version of the Summary Guide, based on comments received at the November 30 committee meeting. Committee members are now reviewing the revised version.

*Finance* – Joe Bogacz will remain as Chair. Joe will choose three new members for the Committee.

*Advisory Council* – June reminded the BOD that the VP is an automatic member of the Advisory Council. There are ten members. Claude is looking to replace five current members with five new members, i.e., two year terms on the Council. June reported that she is pleased with the way the Council is working now. At each meeting Claude goes through the action items from the previous meeting and reports on them. He then lists new items from the current meeting. June felt it was a good system and there have been some favorable positive reports. Minutes from the December 14 Council meeting should be on the POA web site soon.

*Communications* – The Web Site ad hoc committee will be meeting at 1:00 on December 17 to review a live demonstration of the new web site, before the site is actually purchased. Putting the PH Directory on the web site is still not a resolved issue.

*Security* – Tom R. reported there were 36 State traffic tickets issued so far this year – 19 to residents. Most tickets were issued early in the year and it has now slowed down. Radar has been very visible.

*Covenants* – No meeting was scheduled during the past month. The Committee will be adding two new members and losing one.

*Environmental* – No meeting was scheduled during the past month. A deer cull is recommended for next year.

*ARB* – David distributed two proposed changes to the ARB Guidelines that have been approved by the ARB and forwarded to the BOD for approval. David asked BOD members to review the two documents and be prepared to discuss them at next month’s meeting. One change raises fees and deposits by 50%. The other change is to add clarity to the ARB Guidelines – especially regarding repairs and renovations.

Tom B. asked if the ARB is a free-standing body. Art Loeben said it is but they do not have the right to impose fines on property owners.

**Other**

June presented Fred with an engraved plate honoring him for his term as President in 2007 and recognized him for a job well done. Tom B. said we should all thank June and Terry for three years of service.

There being no further business, the meeting was adjourned at 12:30 p.m. The next regularly scheduled meeting will take place at 9:30 a.m., Tuesday January 15, 2007 in the PHPOA office.

David Henson  
Secretary