

Palmetto Hall Plantation Owners' Association
Board of Directors Meeting Minutes
February 19, 2008 – 9:30 a.m.
Palmetto Hall Plantation POA Office

Call to Order

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

Minutes

David submitted the January meeting minutes for approval. Bob Richardson moved the minutes be approved with one correction. Pete seconded the motion which was unanimously approved.

Treasurers Report

REVENUE

POA Revenue in January was \$57,721 vs. \$54,221 in January 2007, but \$2,220 below our budget for the month. We received 153 assessments (I-101 Community Services) vs. 195 last January. I-103 Decal Income was \$6,934 vs. \$7,433 last January.

EXPENSE

POA Expenses were \$49,227 vs. \$71,852 in January 2007 but \$2,390 below our budget for the month. Expenses for E-108 Grounds Maintenance, E-109 Heritage Shared Maintenance, E-306 ARB, and E-401 Security Contract, were all below budget. E-110 Environmental/Lagoon was over budget due to a shared payment. E-202 Water for Irrigation was over due to a quarterly bill. E-802 Property Tax was over due to the County's reassessment and tax increase on the guard house.

SUMMARY/RECOMMENDATIONS

Net Ordinary Income was \$8,494 vs. a loss of \$19,314 last January and \$170 over our budget for this January. We believe we have improved our calendarization of accounts for 2008 compared to previous years. The budget for 30 account lines were straight lined in one twelfths, but we calendarized 26 where we believed we had enough history as to when the expenses would occur.

Pete reported the following items had been completed:

- The Contingency Reserve and Capital Reserve Funds have been consolidated at UBS.
- The CPA firm conducting our audit has completed their field work. A draft report should be received next week.
- The Finance Committee has completed a new Mission Statement.
- The Finance Committee is re-working the PHPOA investment policy. The revised document is in draft.

- There is a new member on the finance committee – Rick Kasper.
- A column is being prepared for the newsletter
- In the future, money from Carolina First will be wire transferred to UBS instead of being picked up by the Treasurer and taken to UBS.

Pete was asked to modify the monthly Treasurer’s report to show amounts “on hold for year end transfer to Capital Reserves.” This amount would include interest earned on Capital Reserves as well as the proportionate amount budgeted for transfer from the Operating Fund to Capital Reserves.

Pete also reported that UBS recommends selling our ARCs now, due to nationwide issues in the credit market. The Treasurer is directing UBS to begin offering our ARCs at upcoming auctions.

Association Manager’s Report

Marion reported that it had been a busy month for the office. Assessments were coming in and decals were being sold. Also the auditors kept the staff busy with questions.

The letter sent to an owner last month regarding Covenants violations has not been responded to. The BOD felt a fine should ultimately be imposed if no action is taken by the property owner. Marion stated she would check with Brian Pitts for the correct procedure.

Tom B. presented information regarding a request from a property owner for the Covenants to be changed regarding motorcycles being allowed in the Plantation. He presented information that he felt was the proper procedure for a property owner to initiate a proposed Covenant amendment. Tom B. made a motion for Marion to prepare a formal letter to the owner outlining the proper procedure. Bob seconded the motion and it was unanimously approved.

Marion reported that an owner who had money deducted from his compliance refund by the ARB had withheld the amount of that deduction from the annual assessment. Marion discussed this with the ARB and they felt it was a BOD issue. Tom B. suggested a committee review this issue and report to the BOD at the next meeting. David and Bob will review and report back at the next meeting.

Presentation by ARB Chairman

Mike Morse, ARB Chairman, made a presentation to the BOB. Mike’s presentation focused on the current status and concerns of the ARB as well as proposed changes to the ARB Guidelines to deal with some of those concerns. Specifically, Mike discussed:

- As Palmetto Hall approaches build-out the ARB is going through a change from being involved primarily with new building to being increasingly involved with alterations and additions to existing houses. This change is also a major change in working relationships. With new construction, the ARB deals mainly with builders and the builders on the island are very familiar with ARB guidelines on all the

plantations. With additions and alterations, the ARB deals primarily with homeowners who live on the Plantation, i.e., our neighbors and friends. The ARB must continue to apply the guidelines to protect the appearance of the community but must endeavor to be seen as friendly and helpful to the community and not just as being dictatorial and arbitrary. It is very easy for homeowners to get offended by the ARB if their requests are not approved or if they ignore ARB guidelines with or without intending to do so, and are sanctioned.

- As houses in the Plantation get older, issues involving repair and maintenance, including repainting the exterior, replacing driveways, replacing rotten wood, etc. are arising. The ARB has always maintained that anything to do with the exterior of a house is of interest to the ARB and must be done in accordance with ARB Guidelines. While this clearly applies to additions or alterations which change the appearance of the house, including painting the house a different color, what is less clear and increasingly unacceptable to homeowners is whether or not the ARB should be involved with repainting a house the same color, repairs to rotten wood, replacing doors, etc. if these activities do not change the exterior appearance of the home. Most homeowners are not familiar with the ARB Guidelines and do not even think of obtaining ARB approval to replace some rotten wood or to touch up the paint in a small area or to repair a driveway, and they get very upset when they are sanctioned because they have not gotten ARB approval beforehand.
- The ARB is proposing some Guideline changes as they relate to maintenance and repair. The proposed changes would not require homeowners to get ARB approval for any work done to the exterior of the property that does not alter the appearance in any way, with two exceptions; 1) complete repainting of the entire house (regardless of color) or 2) complete replacement of a driveway requiring reframing and re-pouring. The ARB checked with other plantations to see what they require in such cases and, in general, they all require ARB approval for both repainting the house with same color and replacing the driveway.
- If the BOD agrees with these changes, they should be communicated to homeowners through the newsletter, an email blast and/or a general circulation flyer.
- That he and Carol have put their house on the market and plan to moved off island by the end of the year. Therefore, it will be necessary to designate a replacement member to the ARB and to identify a new Chair.

It was also agreed to begin changing the name of “ARB Guidelines” to “Standards for Review”, to be consistent with the language in the PH Covenants.

Old Business

Shared Lagoon Maintenance

Art stated that the POA does not currently have an agreement with Heritage, as the previous one was for 2007 only. Marion stated that Fred had discussed some issues with them in the fall when Heritage was preparing their budget. Marion stated that the POA had sent a bill for shared expenses for January but had not yet received payment from them.

David questioned a portion of lagoon maintenance being paid by the POA. He stated this had never been done in the past. Art suggested a committee to reopen the subject with the Club and try to get a form of agreement on these issues. Pete volunteered to be on the committee along with Bob. Bob will develop a report on how to proceed on all shared maintenance agreements.

POA Web Site

Art reported that the web site is close to being ready and should be operating by the end of the month. He also stated that the Communications Committee asked the BOD to consider a password protected owners list, including addresses and phone numbers, being put on the web site. The BOD unanimously felt this should NOT be done.

Art also stated that a PH golf group would like a link to the POA web site. The BOD agreed that links to Palmetto Hall activities, including golf groups, would be fine.

C2 Proposal

The ad hoc Roads Committee reviewed the C2 proposal and felt the proposal should be accepted with some modifications. Concentration should be on the next two years. Bob is to contact C2 for a better explanation of what we would receive for our financial reserve study.

Ad Hoc Covenant Committee Report

The Guide summarizing the Covenants and other Rules and Regulations is almost completed. David suggested adding the aggressive wildlife and drainage policies to the Guide. A discussion ensued on whether to adopt the fines published in the June 2003 Newsletter or the fines enacted by the BOD in the July 2003 meeting – which are very very close but not identical. Tom made a motion that the fines published in the June 2003 Newsletter be adopted and added to the Rules and Regulations. Pete seconded the motion. Five members voted for the motion, David opposed. Art suggested that the BOD review the almost final Guide and E-mail any suggestions or changes to him as soon as possible.

New Business

ARB Guidelines and Fee Changes

Reviewed earlier in the meeting by the ARB Chair. David and Bob are to study the ARB proposed changes and report/recommend to the BOD at the next meeting.

Committee Liaison Assignments

2008 BOD Committee Liaison Assignments were made as follows:

Communications	Art Loeben
Advisory	Art Loeben
Maintenance	Bob Richardson
Enviromental	Bob Richardson
Finance	Pete Smith
Security	Tom Renshaw
ARB	David Henson
Covenants	Tom Black
Personnel	Fred McNamee (Chair), David Henson, Pete Smith
Nominating	Fred McNamee
Hurricane	David Henson (Chair), Tom Renshaw

David moved the above liaison assignments be approved by the BOD. Bob seconded the motion which was unanimously approved.

Airport Committee Appointees

Art initiated a discussion of whether there should be an Airport Committee. Bob made a motion to have an Airport Committee. Tom seconded the motion. Five members voted for the motion, David opposed. The BOD appointed Terry Ennis and Bill Coleman to the committee. Art will be liaison for this committee.

Proposed Zoning Change for Pet Suites

Bob Richardson will follow up with the Town on this issue and Marion will get the information from the Town. Pete made a motion that Bob be given the authority and discretion to handle this matter as the Town’s zoning review comes up before the next BOD meeting. It was unanimously approved.

2008 BOD Top Priority Issues

The BOD discussed the “brainstormed” list they had drafted during the January meeting and refined it to the following six as top priority issues for the 2008 BOD:

1. Improve relations between POA and Club management.
2. Develop Long Range Reserve Analysis and the Need for Augmentation
3. Initiate Roads Program
4. Reassess Community Enhancement Fee
5. Clarify on-site/off site responsibility for storm water management
6. Improve Communication to Property Owners.

Other

Pete relayed a suggestion that had been made to him about the BOD meeting informally with a small group of PH property owners regarding relationships with Heritage and any other issues they deemed appropriate. Bob made the motion that we

offer such an informal meeting with 305 property owners. David seconded and it passed unanimously.

Committee Exception Reports

Security – Marion reported that the Club had moved an animal trap that the POA had borrowed from Critter Management during a dog problem and the trap has now disappeared. Critter Management is now charging us \$450 for the trap. Marion has requested Claude have his staff check the golf course to find it.

She also reported the gates were still being left open at night and this was being reported regularly to both Claude and Ray.

Maintenance – Bob reported that there is considerable damage to the road in front of the new Williams house on Lenox Road. A charge for repair by MAJ was \$550. The contractor had paid his \$500 road impact fee but is liable for the \$50 difference. Marion will follow up to collect the difference.

The large sign at the PH main entrance was approved by the BOD to be refurbished, which is now done. The Maintenance Committee is now assessing the need to refurbish smaller signs at the front entrance. Bob asked if this should not have been included in the shared maintenance with Heritage. The Club had not been asked to share in the expense before it was done. Marion will contact Claude to see if he will share the expense for this sign and others that need to be done.

Hurricane – David proposed that the 1-800 Hurricane telephone line be discontinued and approximately \$600 a year saved. With the web site and cell phones, it should not be needed in the future. Marion will handle canceling the account with the phone company.

All Other Committees – Previously discussed in the meeting or nothing significant to report.

There being no further business, the meeting was adjourned at 12:45 p.m. The next regularly scheduled meeting will take place at 9:30 a.m., March 18, 2008 in the PHPOA office.

David Henson
Secretary