

Palmetto Hall Plantation Owners' Association
Board of Directors Meeting Minutes
May 17, 2007 - 1:00 p.m.
Palmetto Hall Plantation POA Office

Call to Order

Fred McNamee, President, called the meeting to order at 1:04 p.m. at the Palmetto Hall Plantation POA office. Other Board Members present were Terry Ennis, Tom Black, and Tom Renshaw, Members at Large. Marion Gorczynski, Association Manager, was also in attendance. June Somers, Vice President; joined the meeting at 2:10 p.m. David Henson, Secretary, and Steve Kiritsy, Treasurer, were absent.

Minutes - Fred requested Marion to take the May minutes in David's absence. The April 17, 2007 regular BOD meeting minutes were approved as modified.

Treasurer's Report – April, 2007

Overview of Operations:

Revenue

Gate/Decal receipt shortfalls continued in April, although at a slower pace. The other two major drags on income (vs. budget) were Heritage reimbursement and ARB submissions, although ARB is good for the YTD. Interest income is close to budget for YTD so we'll be up a good deal by year-end. The Time-Warner Franchise Fee has been received, and is higher than projected.

Expenses

The Newsletter is over current budget, but is ok for YTD. Road repair bills will be paid in May and will put that account over for the year. Many other expenses are down for April as well as YTD.

Recommendations/Actions

The Finance Committee is currently exploring bank account consolidation and we should have a recommendation at the June meeting. The Treasurer feels there is no need for four different banking institutions.

The BOD had questions regarding the Capital and Contingency Reserve numbers shown on the Balance Sheet and are requesting the Treasurer to explain the problem.

Marion requested the BOD review a letter she had prepared to send to the 15 owners who have not yet paid their assessment. The BOD approved the letter with modifications.

Old Business

Fred stated there had been a request at the last meeting by a member of Sea Pines BOD for a member of the PH BOD to meet with BOD members from other plantations to share and discuss common problems. He asked for volunteers. Tom Black suggested Fred attend the first meeting and he agreed to do so.

Status of Accounting Function/Personnel – Marion reported she had terminated one of the new employees due to incompetence. Janet McMullen has returned and works well with Nancy on Quick Books (QB) and has knowledge of the process for bush hogging, annual meeting mailing, counting of votes, and the annual meeting, which will be important in the second half of the year. Nancy works with Marion on ARB Administration as well as QB.

Communication – In preparation for the possibility of a portion of the communications functions being handled from the office, Janet will begin working with Marion on the blast, and other communication information so that we are prepared for next year.

Accounting Function – Nancy is handling very well and Janet is back up for her and they work together on reports.

Insurance – Marion reported she talked with the Coastal Plains representative and our insurance costs and coverage will remain basically the same for next year.

Hurricane – Marion attended the Property Managers Meeting where comments were made regarding hurricane debris removal. Marion has hard copies of the presentation, as well as a copy on a disc. Overall, the Town will clear the streets and remove the debris from the edges of the street (not owners debris). They will then apply to FEMA for reimbursement.

Overall Office – On July 10 Marion will attend a presentation regarding Managing Micro Managers. BOD members are welcome to attend. Bob Sharp of Palmetto Dunes will share with Palmetto Hall a disc on the role of Board Members/Property Managers. PD finds it very helpful with new board members.

Discussion of BOD Top 6 for 2007

1. Relationship between BOD and Club Management – Was discussed at last meeting and as Ray was not present, no further discussion was needed at this meeting.
2. Clean up Covenants – Art Loeben joined the meeting at the request of Tom Black who had asked Art to review the covenants and define a mission for the Ad Hoc Committee. Art had looked up documents that are important to the community. He also looked up documents regarding the transfer from Greenwood to CNL. He was able to find three documents: a Title to Real Estate; an Assignment of Declaring and Grantor Rights; and an Easement that deals with future development. There was no record of the lease document between CNL and Heritage. The BOD suggested that understandable language for the covenants should be developed along with Rules and Regulations for the Plantation. Discussions should be held with Brian Pitts to determine what we can legally do. The next step is for Art to chair the ad hoc meeting. Attendees should be Art Loeben, Fred McNamee, Tom Black, Tom Renshaw, Terry Ennis, David Henson, and Rich Penwell, Chair of the Covenants Enforcement Committee. The Committee should develop a mission statement and goals and objectives. Art then left the meeting.

3. Professional Management – Terry felt this should be discussed with a full BOD in attendance.
4. Long Range Plan/Financial Adequacy – Joe Bogacz will do a presentation later in the meeting.
5. Communications – June was not present
6. Airport – Terry was dismayed with what Beaufort County Airport Advisory Board (AAB) has done by passing a motion to impose the same zoning overlay restrictions at HH airport that were recently passed for Lady’s Island. The motion (if implemented by the Town of Hilton Head) would potentially have significant negative impact on resident’s property values. The motion was taken without reference to the HH Airport’s resident’s committee (CRC). This caused Terry to make a motion that the BOD inform the Community Relations Committee (CRC) through PH POA that Palmetto Hall is considering withdrawing from CRC. Tom Black seconded the motion which was passed unanimously. Terry stated that the root of the issue is the proposed development of expensive homes under the flight path of the Airport. Terry stated that he would like to have members from the BOD of neighboring plantations made aware of these proposed zoning changes. Marion will get the names of the members from the Property Managers.

Time Warner Cable Discussions – Fred presented a proposal (attached) from Time Warner regarding a new agreement. Terry considered this a sales presentation but was okay with it. The BOD agreed that Fred should talk to Brian Pitts to get some indication of when the current lawsuits are scheduled for trial. They felt if it is within one year or less, we should not sign to the agreement.

Termination Data from DGI – Fred advised the BOD he had retrieved the 2006 information from Data Group. Marion advised Nancy has begun to look through it and found a large amount of information missing.

Fred advised the BOD that he had not received the engagement letter for the audit for 2006 from Cherry, Bekaert & Holland (CBH). There was information regarding the 2005 tax refund that Fred had discussed with Ray Warco (from CBH) that had still not been corrected. Tom Black made a motion that RFP’s be sent out to a number of accounting firms, including CBH, indicating a timeframe of August/September, for completing the audit.

New Business

Report from Finance Committee

Joe Bogacz, Chairman of the Finance Committee, joined the meeting to discuss the Capital Reserve Analysis (attached). Joe also advised the BOD of the responsibility of each member of the Committee. The analysis showed that the current level of reserves and the projected additions would result in a shortfall in the future. The BOD commented that previous analysis also had that result. Tom Black stated that an

important part of the analysis should be drainage, which was not included. Marion will give Joe a copy of the Thomas & Hutton report from 1998, which had additional information in it that may be useful. Recommendations for the shortfall should be presented with the budget.

Ball Field/Basketball Court – The item was tabled until Steve is able to present it.

Committee Exception Reports

Covenants – Tom Black reported Rich Penwell accepted the position of Chair. A meeting will be held Friday, May 25.

Environmental – Terry reported the Bluebird program has been a success. The houses are nested and double nested. The survey committee would like information from owners on nestlings in their yards. The fish that had been stocked in some lagoons appear to have been eaten by alligators. The lagoons look good but there seems to be no measurable benefit from the bubbler in the Sedge Fern Lagoon.

Deer – The survey should be done this year.

Drainage - The drought is serious and affecting PSD water from being pumped into the wetlands. Terry requested bush hogging not be done until late September. The drainage outfall was not collapsed and has now been cleared. Emergency (hurricane) drainage procedures are being upgraded.

Security – No major problems.

Advisory – Minutes were sent to the BOD and the internet website will be updated.

Communications – Committee is still trying to get additional e-mail addresses.

Marion reported there were favorable comments on the blast. A new domain name has been obtained for the web site.

Maintenance – No meeting was held but work on the roads continues.

There being no further business, the meeting was adjourned at 4:45 p.m. The next meeting will take place at 1:00 p.m., June 21, 2007 in the PHPOA office.

Marion Gorczynski for
David Henson
Secretary

