

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

Call to Order

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

Approval of Minutes

David presented the June meeting minutes for approval. Tom R. moved the minutes be approved; Rick seconded the motion. The minutes were unanimously approved.

Treasurer's Report

Revenue

Revenue for July was \$56,039...\$6,403 less than budgeted. YTD revenue is \$398,550...\$30,018 less than budgeted. Again, low construction activity is the reason for most of the shortfall. I-103 Decal and Gate Receipt revenue continues to drop and is now \$23,866 below our budget. This was not anticipated when the '08 budget was done last fall. I-301.1 and I-301.2 Interest Income is off \$4242 due to lower interest rates than anticipated last fall. *YTD revenues includes \$14,139 in interest income already in Capital Reserves.

Expense

Expenses for July were \$47,824 ...\$6339 below budget. YTD expenses are \$330,334...\$53,431 less than budgeted. E-108 grounds maintenance is \$17,351 below budget due partly to the January payment being moved to December by CPA recommendation and partly from not doing some of the budgeted maintenance projects during the first seven months. E-306 ARB expenses are \$3,498 below budget again due to drop off in construction activity. E-401 Security is \$11,903 below budget again due to moving the January payment to December. The sum of these three accounts shows us that the YTD \$23,413 showing in our Quickbooks P&L is somewhat misleading.

Summary/Recommendations

A contractor still owes approximately \$2,000 of the annual assessment on the 5 lots he owns. One other homeowner owes \$200 of his annual assessment and there are 2 homes in foreclosure that still owe the full annual assessment. Recognizing the magnitude of our revenue miss (Decals and Gate Receipts alone could be \$40,000 less than last year), we have completed a line-by-line cash flow forecast for the balance of the year. Our goal of moving \$60,000 in cash from the Operating Fund to the Capital Reserves seems to have become a "commitment." We have already moved \$20,000 and we can move another \$20,000 in September, so we are showing \$40,000 moved at the October Town

Meeting and Annual Meeting, but quite frankly it looks like it will be a real challenge to pay all our bills in December and move the last \$20,000. As you all know our largest expenses are not discretionary, i.e. maintenance, security, and POA payroll administration. We can limit bush hogging and keep \$2-3,000, curtail maintenance and sign repair projects for \$2-3,000, and put off deer culling until next year for \$7-8,000. Saving the cash from these last three areas, and not running into any large unexpected expenses should enable us to make the final \$20,000 transfer at the very end of December.

Joe presented a rough draft of the Budget to the BOD for review. The final budget presentation will be done at the September meeting.

Bob stated that he had discussions with Claude and the assessments paid by the Club are a recurring issue. He questioned where the written document was that stated that the Club must pay an assessment for each hole. David pointed out that Section 9 of the Covenants had that information.

Joe stated that one ARC should be sold by the end of the month and he expects the three remaining ARCs to be redeemed by the end of October. That cash will be laddered into CDs.

Joe also stated that the BOD should review going to a cash budget instead of the deferred budget currently used. The deferred budget tends to be misleading at times.

David made a motion that \$10,000 be transferred to the Capital Reserve Fund in August. Tom R. seconded the motion which was unanimously approved.

Feedback on the Town Hall Meeting

Discussion took place regarding the items that owners had discussed with BOD members after the Town Hall meeting. A lively discussion took place regarding having two separate issues on the ballot.

Association Managers Report

Marion brought up the issue of the Volunteer Thank You Party which has been held at the office in the past. She advised the BOD that the cost would be about \$1000. After discussion it was decided to wait to make a decision until the October meeting.

Marion reported that there were owners in the Plantation who repeatedly violated a Covenant. After violation reports were received, two letters have been sent to the offender. The violation persists. According to the covenants, the next letter should request a hearing by the BOD. She asked the BOD for a time that would be convenient for them to have a hearing. It was decided to hold the hearing on Monday, September 15, at 5:00 p.m. A letter will be sent to the owner requesting her to attend.

Old Business

Shared Maintenance - Pete and Bob are planning to take discuss with Claude approximately \$5000 of expenses to be included in the Heritage reimbursement portion of the budget. These items include irrigation, electric, maintenance, and misc. items outside the gate to Beach City Road. As Heritage is preparing their budget , this is the appropriate time for such discussion.

Flags – The Covenant Violation issue regarding flags was reviewed by the ARB and they attempted to write language to address it. The final decision is that they prefer to leave the guideline as it stands. Tom R. moved that only the American flag be flown in front of homes, Rick seconded the motion. The vote was 4-1 in favor of the motion. David felt the BOD should not get into enforcing issues.

Motorcycles – There was discussion earlier in the year regarding this item and Dr. Bell, who brought up the issue, with the BOD was advised by Art Loeben that any change on this issue involved a covenant change and must be presented to the owners in the annual package to be voted upon. Dr. Bell requested if there was another way to deal with the issued such as the Unauthorized Vehicle Form. Tom B. advised Dr. Bell that the majority of the community opposed motorcycles and that it was in the Covenants when he purchased his home. Tom suggested he bring a petition to the BOD of those in favor of motorcycles being allowed in the Plantation.

Palmetto Hall Club Board of Advisors

Ron Smetek joined the meeting and reported on the Palmetto Hall Club Board of Advisors relationship with the Club, and the BOD request to have members of different constituencies be appointed as members. Ron discussed this with members of the Committee and with Claude. Ron stated Claude prefers to pick the members he feels will do the best job for his Committee and he does not want any automatic spots set aside. Ron further stated that Claude is very receptive to the Advisors suggestions.

Ron stated the minutes of the Palmetto Hall Club Board of Advisors are now provided to the POA for inclusion on the web site.

New Business

Nominating Committee – Tom Black plans to schedule a meeting by the end of the month with the Committee to advise criteria for nominees. Rick said Art had asked Rick to help Tom with the Committee if he needed the help.

Maintenance Committee – Bob Richardson advised the Maintenance Committee had reviewed RFPs from six responders. After considerable review by the Maintenance Committee, their opinion was that we sign the Maintenance Agreement with Ocean Woods. Their proposal was considerably lower than the previous contract and they offered incentives that were important to the Committee. David moved we approve the

contract, Rick seconded the motion. The vote was 4-1 for to accept the Ocean Woods proposal.

Security Contract – Tom R. discussed the contract with Securitas as shown in the BOD package. Tom Black moved we accept the contract as shown. David seconded the motion which was unanimously approved.

The cutting back of Sunday hours should be reviewed by the Security Committee and their recommendation presented to the BOD.

Road Committee – Bob suggested that we should consider a new engineer for the Road project as he has been unable to get a response from Tim Johnson of C2. He said that if needed, he would step down from the Committee. David suggested the Roads Committee meet and make a decision.

ARB – Bob R. asked David about the concern owners had about the house on Lenox. David advised that the ARB felt it was a closed issue and that the house has as many favorable comments as negative. Marion stated that the landscaping should make a major difference.

Adjournment

There being no further business, the meeting was adjourned at 1:00 p.m. The next regularly scheduled meeting will take place at 9:30 a.m., September 16, 2008 in the PHPOA office.

Respectfully submitted,

David Henson
Secretary