

MINUTES

The Preserve at Indigo Run, HPR
Meeting of the Board of Directors
Tuesday, February 6, 2018
9:00 a.m. | On-Site

- I. **Roll Call/Call to Order** – Ross called the meeting to order at 8:58 a.m.
- A. **Directors Present in Person** – Ross Pascall, President; John Babbitts, Vice President; Allan Morrison, Secretary; Joe Muenkel, Treasurer; Jerry Faulkner, Member at Large
- B. **IMC Representatives Present** – Garrett Hamilton, Chief Financial Officer; Jaclyn Phillips, Minutes
- II. **Approval of minutes**
- A. **October 19, 2017** – Joe made a motion to accept the minutes of the October 19, 2017 Board meeting. Jerry seconded the motion. The motion passed without opposition.
- III. **Financial Report** – Garrett reported on the unreconciled cash position as of February 6, 2018.

Operating – AAB	\$96,799.02
Office Account – South State	\$708.47
Construction/Refurbishment Reserve – AAB	\$982,410.73
Insurance Reserve	\$442,589.11
Owner Litigation Proceeds Reserve – AAB	\$267.19
Replacement Reserves – AAB	\$1,212,668.81
Construction/Refurbishment CDARS – AAB – 1	\$1,984,619.92

The Board entered executive session at 10:25 a.m. and exited at 10:35 a.m.

- IV. **Old Business**
- A. **2017 Audit** Several auditors both local and regionally based were considered for the 2017 audit approved by the board last year. McManamon & Co (based in Cleveland) was selected. McManamon has a Hilton Head branch office. They provide tax, fraud, forensic and obviously, audit services. Garrett stated that they will drop their price if the Board agrees to another audit in a couple of years.
- V. **New Business**
- A. **Audit**- It was proposed that McManamon & Co be retained to conduct a full audit for 2017 and for 2019 in order to take advantage of the lower per audit cost. **Allan made the motion to approve the second audit in 2019. The motion passed without opposition**
- B. **Realtor Gate Code** - The realtor code has not been changed in 17 years. Ross said that unfortunately during this time many Realtors have given this supposedly for-Realtors-only access code to clients that didn't become owners as well as those that did, and basically too many people were using this code to gain access illegally. Ross stated that being there are currently so few villas for sale, changing the Realtor code would not be a problem and that he would notify the current Realtors with MLS activity in the Preserve. **Jerry made a motion to change the realtor gate code immediately. John seconded the motion. The motion passed without opposition.**

- C. Landscaping (damage, new upgrades, irrigation)** -Ross stated that the damages and dead plants from the ice storm Grayson were worse than damage from Hurricane Irma. Destruction to landscaping due to icing we thought was over, is not as what we thought were healthy plants that made it are just now showing serious damage. Ross went over multiple design proposals for replacement as well as improvement to the community-wide landscaping. Ross also stated that continuing operations paid for last year are ongoing such as the removal of old/dying Juniper 'ground cover'. **John made a motion to approve the initial landscape project as presented from Ocean Woods. Allan seconded the motion. The motion passed without opposition.**
- D. Fire/Sprinkler System Replacement** – Ross stated that the Preserve has a wireless sprinkler/alarm system, as far as he knows the last one in the southeast. Recently, Bldg. 35's alarm tripped a couple times rolling several pieces of equipment from the HHP fire station thru the gate, there was no way to repair the transmitter putting out the false alarm. Custom Security was able to take building 35 off the wireless grid and install a segregated dedicated cell system (since inspected and approved by the HHI fire department). The wireless currently in use is no longer sold or installed. Having been alerted several years ago to the inevitable problem of not being able to replace non-functioning hardware, Ross purchased all the transmitters and repeaters he could. These are running out and as expected, replacements no longer exist. There is no choice but to install a modern fire/safety network and decommission the current 17 yr-old antiquated wireless system. Ross suggested that anyone could stop into the office to see the rather complex system currently in place. Companies were invited to bid on replacing the community-wide system as soon as possible. Three companies were contacted and two companies submitted estimates, Tyco and Custom Security (our current security/gate/monitor provider). Custom's rather unique approach (used successfully in the 35 building upgrade) to tying in 43 buildings to the fire department, Ross's cell and the Custom Security monitor was by far the most economical offer by half. Ross stated that time was of the essence as repair of the current system is becoming more and more problematical. **Joe made a motion to accept the Custom Security recommended fire system quote for \$117,000. John seconded the motion. The motion passed without opposition.**
- E. Security Kiosk upgrades** – Replacing the gate kiosks wireless system with CapX will keep everything up to current technology and will eliminate a third-party company monitoring the gate system or pulling reports. Ross stated that total installation and equipment for both gates will be approximately \$8,000. Custom Security would install. This system will enable the office to monitor real time all vehicles using the keypad rather than use the remote. In other words, anyone thought to be using gate codes they're not suppose to be using (i.e., a non-vendor using the vendor code or a non-Realtor using the Realtor code) will be questioned as to why they don't have a current or legal entry method. **Ross made a motion to accept the upgrade to the gate kiosks for approximately \$8,000 from Custom Security, to be paid out of the replacement reserves. Joe seconded the motion. The motion passed without opposition.** *Subsequent to this meeting Custom Security reduced the Security Kiosk Upgrade by half in light of the order in D above.*
- F. FHA Certification** – Ross stated that there is an owner at The Preserve that would like to apply for a reverse mortgage. Ross stated that in order to grant a reverse mortgage, condo/villa communities are required to have FHA certification. This certification (that would remain in place for 2 years) would essentially greatly lower the financial requirements of purchasing a Preserve Villa. Considering the fact that sales in the Preserve are doing exceedingly well, for the very few on the market, and prices are moving up, lowering financial requirements to potential buyers did not seem to be in the community's best interest. Research showed that only two communities on the Island have such certification and all those that received such certification in the past apparently

didn't feel the designation was beneficial because not one renewed their FHA certification allowing the status to expire. The Board was unanimously opposed to moving forward with FHA certification.

- G. Peeling Duct Tape & Screen** – Exterior modifications are not permitted. A roll of screen was apparently duct taped to the wall holding the screen on. Complaints have been lodged that this is now unsightly and peeling off. The Board unanimously agreed to remove the peeling duct tape and screen from the balcony, the owner will be advised.
- H. Outside Decorations, pots, hanging things etc** – some latitude is given to residents 'personalizing' the area immediately surrounding their villa. Rules and Regs give some guidance but as Ross put it, there are obvious areas where outside decorations are not appropriate to the Preserve community in general. Things hanging in trees and pots with dead or dying plants are not attractive. The board unanimously agreed to immediately draft guidelines and remove what has become leftover waste and Ross would detail the results in his Spring Newsletter.
- I. Poop and Higher Fines** – The Board is proposing higher fines, much higher for serial poopers. Lately the thoughtless actions of what is most certainly a small but very obnoxious number of residents that feel they're above the common sense and good neighbor actions of taking responsibility for their dogs. Ross would detail the results in his Spring Newsletter.
- J. Car Covers** – Car covers are unsightly and indicate a stored vehicle, something not permitted in the Preserve particularly in light of the very limited 'open' spaces available for guest, vendors etc. If you're going to be leaving a vehicle for lengthily periods it should be put in the garage or behind your garage unless doing so impedes the ingress and egress to your neighbor's garage. It was suggested that this be brought up in more detail in the upcoming Spring Newsletter along with general guidelines addressing the constant parking problems.
- K. The Spring Newsletter to be Distributed to All Doors as well as posted as usual to the Preserve's web site**
- L. Packet Delivery Changes (Ross)** – Ross informed the Board that he met with the Packet's section head and deliveryman for newspaper deliveries and all papers are now being delivered in front of the garages. The Packet was having a great deal of difficulty in finding a delivery person for the Preserve due to the fact that they had to walk behind dark buildings in what was often inclement weather greatly increasing the time the delivery person had to spend here.
- M. Shower Grout** – Ross stated that over the years, shower water has gotten through the shower grout and is causing mold and wood rot that could run into the thousands of dollars in repairs. Ross asked the Board to put the word out there about this and for owners to notify their tenants. This is an owner's responsibility but as a warning, the Board would like this advised. Ross said he'd add this to the Spring Newsletter.
- N. The re-roofing** – Within the next week or so we will have finished, a year ahead of schedule, re-shingling (and replacing fascia/trim where necessary) all 42 buildings. Problems discovered during the roofing project will now be revisited (you'll see the areas covered with black tar-paper) by wood/stucco teams.

VI. Adjournment – With no further business to discuss, **Joe made a motion to adjourn the meeting at 10:31 a.m. John seconded the motion. The motion passed without opposition.**