



HOMEOWNERS ASSOCIATION
Board of Directors Meeting
September 13, 2016
4:30 PM

CALL TO ORDER

Bill Hansen called the meeting to order at 4:30PM. Board members present were: Eric Powell, George Smedley, Joan Byrnes. Others present were Kathy and Robert Bundy of Bundy Appraisal & Management (BAM), Fred Mueller, and Nancy Hansen.,

COMMUNITY COMMENTS

Nothing to report.

PRESENTATION OF MINUTES

The August minutes were reviewed and approved.

FINANCE REPORT– George Smedley reported:

Positives on Income

Late Fee Income = +\$2710 YTD

Negatives on Income:

Bad Debt Write Off = (\$8835)

** Additional potential bad debt write off of \$21,000 before the end of 2016 as the HOA take's possession/forecloses on (3) properties. This debt would be offset by potential land sales income probably in 2016-2018.

Total Income = (\$5565) YTD

Common Area Expenses:

Positives on Expenses

- Cotton Island Bridge Insurance = + \$2569
- ARB Professional Support = +\$2226
- Tree Work = + \$1323
- Electricity = +\$1218
- Legal Fees = +\$1450
- Marketing = +\$1056

Negatives on Expenses

- Landscaping Materials and Supplies are showing (\$3236) YTD over budget
- Workman's Comp = (\$1068) over budget
- Real Estate Transaction Expense = (\$1537) over budget (new account for 2016)
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Total Common area expenses were +\$306 for August 2016, and +\$8498* YTD 2016. (Under budget)
*\$3333 (39 % of positive variance is in annual dinner budget accrual, which will be spent in October 2016)

Deer Island Expenses:

Deer Island expenses are +\$2688 YTD 2016 (Under budget)...driven by +\$2914 in Deer Island Bridge Insurance premium budget.

Common Area Replacement Reserves:

- IOB invested \$1800 for CH wood repair and painting, \$2286 for Streets-Drainage in August 2016. \$49056 has been invested YTD.

Deer Island Replacement Reserves:

. \$3765 has been invested YTD.

Treasurer's recommendations of projects coming out of reserve for Q4 & Q1 2017 are as follows:

- Clubhouse exterior carpentry and painting...**complete project**
- Gravel Driveway Refurbish/Retaining Wall Extension and Repair...**complete project**
- Finish accessories and artwork in CH Conference Room...**complete project**
- Cotton Island Bridge Wear Board Replacement
- Deer Island Bridge Wear Board Replacement

Income in Arrears:

Total Income \$ in arrears = (\$24708), of which (\$18584) is over 90 days old.

This will give IOB (3) properties on the path to foreclosure. (2) Properties are currently for sale by the POA on the MLS system.

George asked about the increase in "office supplies." The expense includes stamps for US mail and supplies needed for additional mailings that were sent. .

George asked if lots owned by IOB were shown properly on the Operations Budget. All agreed they are.

MANAGEMENT REPORT

ISLANDS OF BEAUFORT HOMEOWNERS ASSOCIATION

PO BOX 1225

BEAUFORT, S. C. 29901

September 13, 2016

Management Report

Southern Palmetto assisted Jeff in the clean up after hurricane Hermine.

We have received three proposals for the bridges re-decking.

Bartlett has removed the dying tree at the front entrance and the large limb at lot 32 Phase 3.

The Greenery has completed the extension and repair of the retaining wall at the playground; they have also completed the debris removal and installation of mulch in the two dock walkways.

Concrete Products was given the go ahead to clean up the paint spill at the main and Deer Island gate, on Islands Avenue, De La Gaye and Anchorage Way. Rusty will get over this week to repair the spill from the front entry at the gate to the house.

Lot 1 Phase 1, Lot 26 Phase 4 were bush hogged by SC Landscapes. Lots 11 and 15 Phase 4 and 407 Battery Chase were cleaned and/or bush hogged at the owners expense by SC Landscapes.

Richard with Southern Asphalt Maintenance submitted a proposal for correcting the drainage issue at 36 Anchorage Way. Southern's proposal is at a cost of \$22,200.00. Andrews Engineering quote for during the survey and engineering for this site was \$2,776.00 (this did not include the actual work).

On August 11th Robert requested that Charleston Fitness, inspect the gym equipment. As of the typing of this report we have not heard back. Robert sent another email earlier inquiring if they have been down here yet.

Apex Electric has repaired the damaged light on the Main Land Dock walkway.

Letters and/or emails were sent to owners with downed/leaning tree from the storm on 9/2/16:

- | | |
|----------------------------------|--------------------------------|
| 1. Lot 4-006 101 Sunset Court | Owner responded. |
| 2. Lot 1-031 237 De La Gaye | Owner responded. |
| 3. Lot 2-028 Deer Island | Owner responded. |
| 4. Lot 1-012-301 Islands Avenue | Owner responded. |
| 5. Lot 2-016 / 59 Anchorage Way | Robert advised resident owner. |
| 6. Lot 3-023 / 411 Battery Chase | I talked to resident owner. |
| 7. Lot 3-105 / 269 De La Gaye | Owner responded. |
| 8. Lot 4-014 / 3 Islands Circle | Owner responded. |

One additional waiver has been received. Total to date is 116.5.

A current receivable list is attached. 10 owners are on the receivable list. 4 are on the list for assessments. 1 of these is making payments. Two owe for legal fees. 6 owe for lot clean up.

The HOA currently has 2 liens filed: lots 4-016 and 3-066.

Here is a brief description of what is happening with the Islands of Beaufort from regarding the foreclosures.

1. **Lot 3-066**- *Went to court and the property should go to auction in October.*
2. **Lot 4-016** *Cotton Island~ Attorney filed a foreclosure action on this property late last month and are in the process of serving them.*
3. *BroadRiver - **Lot 2-026** Deer Island- Broadriver deeded this property on 7/8/16 to one of their holding companies: 18 Anchorage Way LLC. Meredith stated: "Heard back from their attorney and she confirmed it is just their holding company: "It is their LLC for the property. We are preparing to file the quiet title action this week – I just received the tax file last week."*
4. *BroadRiver- **Lot 4-026** Cotton Island-Now deeded to the HOA.*

Management was in I.O.B. in August on the 1st, 5th, 8th, 15th, 22nd and 30th.

2016 Closings

| | | | | |
|------------|-----------|---------------|--------------------|----------------|
| 1. 2/29/16 | Lot 3-057 | Helping Hands | 118 Palmetto Place | Donation-Hunts |
| 2. 4/6/16 | Lot 4-025 | Gaede | 404 Islands Avenue | |
| 3. 5/6/16 | Lot 3-058 | Walsh | 120 Palmetto Place | |
| 4. 5/26/16 | Lot 2-011 | Berry | 39 Anchorage Way | |
| 5. 6/30/16 | Lot 1-018 | Messina | 232 De La Gaye Pt | |
| 6. 7/22/16 | Lot 2-023 | Urban | 32 Anchorage Way | |
| 7. 7/29/16 | Lot 4-024 | Olsen | 404 Islands Avenue | |
| 8. 8/4/16 | Lot 3-077 | Gies | 353 De La Gaye | |
| 9. 8/27/16 | Lot 3-012 | Coates | 412 Battery Chase | |

Pending Closings:

| | | | |
|---------|-----------|------------|-------------------|
| 9/16/16 | Lot 3-100 | Schweitzer | 289 De La Gaye Pt |
|---------|-----------|------------|-------------------|

COMMITTEE REPORTS

ARB

- The Holz residence (lot 87) is being framed
- The Berry Residence (lot11 D.I.) and the Oberlander residence (lot 1 C.I.) are approved pending a selection of the builder by the owner

- The Clarks (lot 29 D.I.) are presenting preliminary plans to the ARB at its September 19th meeting
- Owners of two properties – lot 7 D.I. and lot 23 D.I. are in discussions with builders
- Several potential property owners are in discussion with Powell Bros. Construction and one potential owner is in discussion with Allen Patterson Residential

Social Committee

- Nothing to report

Marketing Committee

- August gross visits to privatecommunities.com... 651 visits with 80 visits to our main webpage. Data for our new webpage is not yet available from Google analytics.
- Sales leads were a total of (14). All were assigned realtors and welcome packages were sent out.
- 13 wooded interior building lots are for sale at a median price of \$22K, same price as July.
- 11 marsh front lots are for sale at a median price of \$139.9K. same price as July.
- 2 waterfront lots are for sale at a median price of \$260K without a dock, \$700K with a dock
- We have (2) homes for sale...121 Five Oaks Circle, 114 Five Oaks Circle,
- There was 1 lot that sold in August...Lot 12 Belle Grove.
- There is 1 lot under contract in August... Lot 100 Belle Grove
- There is one home that sold in August, 353 DeLa Gaye Point...closed 8/4/2016.
- Total absorption rate for lots in IOB is 2.3 years...indicating a buyers' market
- Total absorption rate for homes in IOB is (8) months...indicating a buyers' market

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Next direction for Marketing:

- New sign at Mink Point and Parris Island... Investigating, understanding options. Bill proposed a change to the IOB sign on Mink Point and George and Bill will take a look at it.
- New 'Information sign' at our gate entrance...investigation options
- Ambassador program
- New website...launched in July
- The committee is working on a communication to owners of building lots in IOB.

Clubhouse Committee

- Powell Bros. will replace the rear windows.

Grounds and Landscaping

- Bud Martin replaced the dead palm
- Jeff worked Labor Day and did a great job cleaning up the debris from the tropical storm. Many homeowners pitched in as well to get the community back to normal after the storm.
- The board members will assess the need to trim the palms on community property.

UNFINISHED BUSINESS

- 2017 Budget – based upon Powell Bros and O'Quinn's recommendations, the Board recommends deferring the ware board replacement in 2017 and reassess in 2018, pending input from the upcoming Deer Island Meeting
- Lighting for the de la Gaye dock will be funded in 2017
- Deer Island drainage issue – the Board recommends the lower price alternative pending the input from the upcoming Deer Island Meeting.
- Ware board bids – an additional bid was submitted by Powell Bros.

NEW BUSINESS

- Board members were asked to review the annual member package and provide feedback to Kathy Bundy
- Kathy needs to get the Balance Sheet and Income Statement to the printer to include it in the annual member package
- The Deer Island meeting will be held on September 21, 2016 at 6:00 PM
- The Board agreed to recommend to the ARB to have builders stake out the location of homes on the home site to further illustrate best placement of the house on the lot.

EXECUTIVE SESSION

Nothing to report

ADJOURNMENT

The meeting was adjourned at approximately 6:30PM.

Respectfully submitted,
Nancy Hansen