

MINUTES
FRIPP ISLAND PROPERTY OWNERS ASSOCIATION BOARD MEETING
January 12, 2008

PRESENT: Messrs. Mathews, Davidson, Davis, Gannon and Newby; Mmes. McCormick and Merrill; Mrs. Cantley by phone

ABSENT: Messrs. Hummer and Buschur

1) Call to Order and Determine Presence of a Quorum of Directors: Vice-President Mathews called the meeting to order at 8:00 am. There was a quorum present.

2) Approval of December 8 and December 20, 2007 Meeting Minutes: The minutes of both meetings were approved as presented.

3) MANAGER'S REPORT

Financial: 80% of 2008 Assessments have been received.

--The Board has received the 2007 budget vs. actual figures. These figures have not been finalized, as we commission the auditor to close the books each year. Before adjustment, we have a net income of \$83,790. I have also distributed the 2008 initial financials.

--General Fund: \$819,500; Cash reserves of \$2,700,000; Deposits for Right of Entry \$161,000; Accounts receivable \$4,500. We are at 78.6% of budget for revenue and 1.8% of expense.

--There were three property transfers in the month of December.

Grounds/Environmental: The Grounds Committee met on January 10th. The committee reviewed what improvements had been made to the front of the Island since the last meeting. The signs were consolidated and plantings along the River Club wall were corrected for placement. The committee will now investigate costs for new plants to hide the electric box at the front of the Island. They will also explore the possibility of placing a sculpture at the front island. A letter was sent to FIR in October regarding concern about caterpillars killing the oleanders at the tennis courts. Mr. Mitchell has indicated he will talk to Troy McMullen about this.

--The HSUS team will be on Island February 1st thru March 31st. thanks to those who have provided housing.

Security: The committee will meet January 16th. There was one felony DUI over the New Year's holiday, and a mailbox hit and run involving three mailboxes. The mailbox culprit has arranged to make restitution.

Roads & Drainage: Owners on Porpoise Circle are interested in paving their road. They have received a positive response from most of the owners who would be affected, and will contact asphalt contractors for prices. I wanted to mention it because the FIPOA actually owns a piece of land where the mailboxes are, so we will be asked to pay a portion. The policy is that POA will pay to bring the road grading up to par and will also pay if any drainage engineering is required. The owners pay for all asphalt.

PSD: The PSD met January 8th. There was discussion of over-wash on Porpoise Drive during high tides. When the wind is just wrong, and the tide is extremely high, sand, water and rock get washed over the revetment and into the road. The POA has had to sweep the area three more times this year than normal and it isn't free. It was suggested that if the situation happens again, POA and PSD should talk about cost sharing to remove the excess sand, and not just sweep it back onto the incline. Also discussed at the meeting was the Parks, Recreation and Tourism permit application to scrape sand from a borrow area in the Fripp Inlet to renourish the south beach on Hunting Island where the cabins are located. PSD has sent a letter, a copy of which has been given to the Board, expressing concern over possible scour of the bridge. It is recommended that the POA Board send a letter to OCRM echoing PSD's sentiments.

The application deadline has passed, but OCRM assured Commissioner Combes that they would accept any letters from Fripp up until January 31st. It was agreed that Mrs. Hines will post a sample letter from the POA and the PSD letter via push mail.

For anyone who wishes to write a letter, the address and permit number are:

Charleston District, Corps of Engineers
69 A Hagood Avenue
Charleston, SC 29403-5107

S.C. Department of Health & Environmental Control
Office of Ocean & Coastal Resource Management
1362 McMillan Avenue, Suite 400
Charleston, SC 29405

Re: **P/N #SAC 2007-2504-1/W (REVISED)**
Hunting Island State Park Beach Nourishment
File 119-11

Commissioner Eddie Hroncich commented on the following: Every year the PSD arranges to monitor the condition of the bridge underwater and to ensure that not too much sand is being pulled away during renourishment projects. It was also noted that the inlet has moved since the groins were placed last year, requiring the buoy to be moved further south.

--Cape Romain completed all work on Inlet Bridge in December and replaced some dolphins.

Club Advisory Board: There was no meeting in December. The next meeting is scheduled for January 21st at 3:00.

Covenants Committee: David Warren will attend our February Board meeting to discuss ways to market the proposed revised covenants.

Long Range Planning Committee: The Long Range Planning Committee met January 4th. The Board has been given a link to test a survey that the committee would like to send. Please test it and get back any questions, comments, or suggestions to Mrs. Hines. It still needs some work to make it a little more "pretty". The LRP committee will request approval to send it via web, email and hard copy at the February meeting.

Mr. Mathews, Committee Chair, stated that specific software was purchased for this survey and it can also be used for other surveys. The committee has tried to make this new survey similar to the 2004 survey. Some suggestions were: offering incentives for taking the survey and saving amenity and demographic questions for last. Discussion: There is no category for second home (it's called vacation home, no rental). Does the Resort survey renters when they leave?

4) Resolution 460 Revised: Install Wildlife Exclusion Cloth at POA Office Building

Proposed Resolution: That the Board of Directors approves funds not to exceed \$11,600 for foam insulation for wildlife exclusion at 225 Tarpon Boulevard.

Discussion: At the December 20th meeting, the Board approved a motion to request bids from sources that provide expandable spray foam insulation, with results emailed to Board members for their vote. This process took longer than expected and is presented again today. We have received five bids and narrowed the list to three, with a price range of \$8,992.00 to \$12,250.00. No matter which bid is chosen, the storage areas beneath the building will have to be temporarily emptied at a cost of \$600.00. In addition, the upper portion of the building must be sealed using molding and wire at the gable. The cost of sealing the upper portion of the property is \$2,000.00.

Motion: Motion approved.

5) Resolution 461: Help Fund Beautification of the Tower Gardens

Proposed Resolution: That the Board of Directors approves contributing to the beautification of the Tower Gardens. Total contribution not to exceed \$1,000.

Discussion: The Fripp Island Resort (FIR) commissioned the Fripp Island Garden Club to create a plan to beautify the area between the tennis court parking lot and Lot 2 of the Tower lots. This area also encompasses the PSD water tower. The open space will be deeded to the FIPOA upon completion. The Garden Club felt that in addition to plantings, new dirt and sod were also necessary. The total cost is \$3,500; however, FIR thought the cost would be nearer \$1,000. The PSD has informally agreed to give \$1,000 and will formally address the beautification project at their next meeting. The Garden and Women's Clubs have also been approached. There is a sprinkler system available and the Resort will provide the labor. It was felt that this is a win-win situation that will contribute to the beautification of the Island.

Motion: Motion approved.

6) Discussion of Tarpon Boulevard Widening Project:

Mr. Newby noted that Mr. Morrison's plan from the last meeting (having the ditch built between lots #10 and #11; lot 11 is empty and belongs to Mr. Morrison) was surveyed by Wilbur Smith Associates, who felt it was doable at an additional cost. Total additional cost does not exceed \$11,000 including survey and new plans and materials. Motion made to proceed with the Tarpon widening project from Skipjack to the Beach Club with this change.

Motion: Motion approved.

7) Committee/Other Reports: Mr. Gannon, Chair of the **Future Finance Committee**, stated the committee has held three meetings so far and a progress report will be presented to the Board at either the March or May meeting. The committee was charged to look ahead 30 years and has focused on two areas: 1) trying to get a handle on the near term-forecast of income and expenses, comparing them to the same projection in the Replacement Reserve Study (RRS) to get a confident basis to project our longer term needs; 2) identifying ideas and strategies for enhancing the flexibility of our existing revenue sources and/or introducing possible new sources; at the same time, identifying major expense reduction ideas. Miller & Dodson have been asked to provide us with a cost to update the previous study.

8) Comments and Questions from Members:

(Q) Will there be another Island-wide cleanup this spring? There is considerable debris on South Wahoo.

(A) There are no plans yet but this will be looked into.

(C) A concern was expressed that the engineering firm should have foreseen the better option adopted for the Tarpon widening project without have to do additional engineering and remedial work at \$11,000 cost.

(C) A Board member expressed concern that there were only three members in attendance at the December 20 special meeting and that other Board members on the teleconference system constituted the quorum. She noted she was traveling and had difficulties with her cell phone reception. Questions from the audience were also difficult to hear. Other members stated they had no problem while they were at home. It was noted the main reason we have this phone system is to allow non-residents to serve on the Board. The Bylaws require that non-residents must attend four meetings in person and one of these must be the May organizational meeting.

(A) It was felt that the current teleconference system is old technology. There are web based programs that allow participants to view plans from different locations and even to see each other. It was recommended that Mrs. Hines research new technology for off-site members for the 2009 budget. It was also recommended that owners who have questions at meetings be provided a microphone to use or stand closer to the phone system.

(C) Board members and the audience gave kudos to Bob Newby and his committee for their hard work and commitment on the Tarpon widening project and to Mr. Morrison for his continuing input and efforts to resolve this issue.

9) Statement of Matters Deferred to Next Meeting: None.

10) Next Meeting: The next meeting is scheduled for Saturday, February 9, 2008 at 9:00 am in the FIPOA Conference Room.

11) Adjourn: The meeting was adjourned at 9:10 am.

Respectfully submitted,

Mary Cantley, Secretary

*Minutes are not the official record of proceedings until the Board of Directors has approved them at the following meeting. Please hold this draft until you pick up the next meeting's draft that will contain corrections as made and approved by the Board.

** To participate in Board meetings by teleconference, owners may call 1-888-311-9051; then 56413#.