

**FRIPP ISLAND PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
May 8, 2010**

PRESENT: Mrs. McCormick & Merrill; Messrs. Mathews, Davidson, Case, Crouse, Duncan, Hess & Morrison; Messrs. DiSerafino & Crouse by phone.

GUESTS: Mr. Kemmerer; Mr. Hindes by phone.

1) Call to Order and Determine Presence of a Quorum of Directors: President Mathews called the meeting to order at 9:00AM. There was a quorum present.

2) Approval of March 13, 2010 and April 10, 2010 Meeting Minutes: All minutes were approved as presented.

3) Discussion of Matters Deferred to this Meeting: None.

4) General Manager's Report

MISC: The Seaglass condominium complex received final approval for 85 units from the Beaufort County Development Review Team pending County Council approval of the concept agreement between the PSD and the developer regarding the ladder truck. The truck must meet sufficient specifications and safety needs required by the PSD and must be onsite before building starts. Bill Wardle said that he had no plans to begin the project any time soon, considering this economic climate.

--New owner decals will be issued starting June 15. We will mail your current vehicle information to the managing owner, along with an alligator magnet, on May 25th. Please follow the instructions in the letter so that we can get your new decals to you promptly.

OCRM Setback Appeal: Since the last report, the Senate Bill 1051 to amend the beachfront management act passed. The bill has now moved to the House Environmental Affairs Subcommittee. We need to add restrictions as to how DHEC establishes the setback line on Fripp, which we can do in the House and they can send back to the Senate for affirmation

--Expenses to date are \$102,777. We have collected \$67,550 from affected owners for the filing fee and legal/engineering fees, leaving a \$35,000 shortfall. Some owners are paying in installments.

--Dr. Kana has submitted his report. The synopsis states in part "the fact that Fripp Island has been stabilized by a continuous rock revetment since the early 1980s, and the occurrence of accretionary shoal-bypassing events over the past two decades, Coastal Science & Engineering (CSE) recommends the prior baselines and setback lines from 1999 be retained in 2009."

Discussion: It was noted that people living in South Carolina but not on Fripp can contact their House Representatives and encourage them to vote "Yes" on SB 1051. We want to have a permanent 20' setback which was the original line.

ARB: ARB permits issued in March & April: 3 tree removal, 24 maintenance & repair, 8 roof, 3 house additions, 20 paint, 4 new house.

--The Property Enhancement committee has surveyed all of the individually owned mailboxes on the island for needed repairs. They found 509 in need of paint, 89 in need of repair or replacement, and 28 that need to be cleaned. We sent an e-mail blast on April 19th asking all owners to bring their mailboxes into compliance by June 1st.

Beach Committee: Met April 29 and reviewed the plans for summer. POA is hiring a summer Security Officer to patrol the beach who will work 30 hours per week and whose shift will end in the early evening to coincide with the time to tell folks to take trash/tents off the beach. The Turtle Patrol will start each morning posting sticky non-removable Notice of Violation tickets on tents left overnight. If a tent is still there 24 hours later,

Security will have it removed and disposed of. We will coordinate more beach sweeps this summer. The first one will be Thursday, May 27th at 8:30AM

Some new ideas that will be addressed by FIR/Excursions:

- Once a week there will be a program for families to address humans' impact on the beach, including the importance of cleaning up behind you. Collins will stress the fine for leaving tents and holes.
- A seminar is also planned with Al Segars from DNR
- Interns will remind folks to take tents with them as they leave the Resort area - interns are onsite until 5:00PM

--The committee discussed the fact that there is currently nothing in the budget to hire anyone for either FIR or POA to handle trash coordination on a daily basis. With help of FIR's education, a piece for Channel 7, the extra beach sweeps and the new regulations, we can hope for a clean summer.

Crossovers: The outer marker on crossover #3 was moved landward to help people find their way from the beach to the access. The illiagnus at crossover #22 was completely removed to make full use of the access space. All crossovers have been weed-eaten and mown for summer use.

Financial:

- Assessment Collections: There are still eight properties not fully paid for 2009. We have received 95% of 2010 assessments to date.
- General Fund: \$1,796,000; Reserve Fund - \$1,065,000; Road & Bridge Fund - \$622,000 including investments adjusted for market value; Deposits for Right of Entry \$180,000, ARB Bond Deposits - \$97,000.
- Accounts receivable for 2010 including unpaid assessments are \$107,800. We are at 94% of budget for revenue and 75% of expense, but we need to factor in the added expenses of the OCRM appeal and the Inlet Bridge work, neither of which was included in the budget.
- There were 10 property transfers in March and 5 in April.

--Mr. Davidson commented on the recent upheaval in the stock market. He has heard from Bruce Jentner who noted the erratic move was a fluky rare occurrence that apparently was human error. The 300-point drop was probably heavily attributable to that wild swing but it certainly had something to do with the Greece/Europe troubles. We have to remember that the market is still up 4000 points in 14 months and didn't need much of an excuse to sell off. In spite of the initial drop of nearly 1,000 points on the Dow, the prices came roaring back in a matter of minutes, which supports the idea that markets are efficient. You also have to remember that much of this wild activity is done by traders and not long-term holders. This is why we have 35% of the FIPOA portfolio in bonds, and are diversified in more than 10,000 companies on six continents.

Grounds: The committee met March 18th to see how the plants survived the harsh winter. Earthworx was directed to replace many of the grasses at the front of the island and the Tower Garden. In late April, we received the duranta and the vinca along with the pink champagne grass. The committee members will meet next week to shop for plants for the containers at the front gate. The azaleas along River Club wall have been trimmed and will have viburnum planted in front of them.

Parking: The committee met April 9th. The covenants for the separate subdivisions with regulations about boats were reviewed as were comments received to date. The front gate will be tracking the number of boats that come to the island over the summer. Don Peel has created a form for Security to hand out to people stating how much he will charge for space for RV's and boats.

Roads & Drainage: The committee met April 15th to discuss plans for 2011. Gasque Surveying has been contracted to locate the rights of way on Bonito Road to see if we might be able to extend the bike path to the marina. REA completed grading on almost everything before the annual meeting, but they have yet to return to complete the job by filling the hole on Pike. EWI's crew has filled several small potholes.

Discussion: An owner noted that Yellow Tang needs scraping. It was also noted that the accidentally painted double yellow lines on Tarpon were bleeding through. Mrs. Hines noted that Yellow Tang is on the list to be scraped when REA comes back to do Pike. The Road Committee will discuss the need for restriping Tarpon.

Security: This past weekend we were prepared for the proms. We had the Chief, Lt. Senecal and another officer patrolling at night. We issued two underage drinking citations. There were no reports of vandalism. The extra visibility definitely made a difference. Two weeks from now is Beaufort Academy's prom. Appreciation was expressed to the Chief from President Mathews, the Board and the audience.

--The Security Committee met April 15 to discuss the attempted "Town Watch" and suggested renaming it to "Wildlife Watch". Those who were part of the initial trial program were each asked to recruit a new member and to pick up scripts along with the brochures to hand out to folks they see getting too close to wildlife. Only one person has picked up the script and package so far. The two-week period when we will try again is one week on either side of Memorial Day.

Discussion: Mrs. McCormick noted the committee would like people to participate in this program. She emphasized that any encounters should be polite and non-confrontational. The eyes of property owners are needed to assist Security in this endeavor. Another owner requested that the Fiddlers Crabbing Dock be included in the watch area.

--There was a theft of a TV in Sawgrass sometime between January and May 1st. The Chief would like to remind folks about the house-watch program. If you want to have your house checked, we need to know about it.

Trawler: The May Trawler will be online May 17th.

PSD: Approved purchase of a replacement 6X6 ATV for not more than \$10,000 to pull the jet ski. They also approved repairs to the revetment on South Tarpon for \$10,225. The commission has been reviewing engineering reports regarding damaged pile caps on the Inlet Bridge. HGB charged \$17,000 for repairs drawings that WSA and Collins engineering say are not necessary. The next meeting is May 11 at 9:30.

Discussion: Commissioner Parks noted that the May 11 meeting will be the chance to hear the proposed 2011 Budget. There will be a 2/10 mill property tax increase, the maximum allowed under state law. This amounts to \$4 for residents and \$6 for non-residents. There are to be no pay increases for employees but they are hoping the revised holiday schedule will increase by seven days. There will be a review of proposals for replacement of the water line under the Harbor River Bridge. There will be no increase in sewer and water rates for 2011.

Club Advisory Board: The membership drive continues to be successful, with 11 new members. There is a new menu at the Beach Club and at the Ocean Point Grille. Service at the Grille has been sub par, but Stuart promised to look into it.

Resolution 539 – Update Employee Holiday

Proposed Resolution: That the Board of Directors approves the updated Employee Holiday Policy, as attached to and made a part of this Resolution.

Discussion: The Human Resources Committee recommends changes to the FIPOA employee holiday policy based on review of policies of like communities. The committee proposes that full-time employees should be eligible to take the day after Thanksgiving as a paid holiday.

Motion: Motion made and seconded to approve first reading. Motion approved.

Resolution 540 – Update Employee Benefit Package

Proposed Resolution: That the Board of Directors approves the Updated Employee Benefit Package, as attached to and made a part of this Resolution.

Discussion: The Human Resources Committee recommends changes to the FIPOA employee benefit package based on review of policies of like communities. Full-time employees will now be eligible for Vision Insurance. FIPOA will pay 100% of the employees' portion, which will be \$600 this year. Enrollment date for Vision Insurance is May 15th; therefore the Human Resource Committee recommends this resolution be approved in one reading.

Motion: Motion made and seconded to vote on this resolution today. Motion approved.

Final Action: Motion made and seconded to approve Resolution 540 as presented. Motion approved.

Resolution 541 – To Approve Purchase of New 4x4 Golf Cart/Utility Vehicle

Proposed Resolution: That the Board of Directors approves the purchase of a gas-powered 4x4 golf cart/utility vehicle for a cost not to exceed \$8,695; funds will come from the 2010 Project Expense Budget.

Discussion: In December 2005, the Board approved the purchase of a gas-powered golf cart/utility vehicle to would allow beach access and patrol without the use of a full-sized vehicle. The total cost was \$11,037.00. The golf cart has now developed mechanical difficulties and repair costs proved prohibitive. Carolina Custom Carts can supply one for a total cost of \$8,695.00; Sutcliffe could not compete. Due to the close timing of the summer season, the General Manager and the Chief of Security recommend that this resolution be approved in one reading.

Motion: Motion made and seconded to vote on this resolution today. Motion approved.

Final Action: Motion made and seconded to approve Resolution 541 as presented. Motion approved.

Resolution 542 – Anchor Retaining Wall on POA Right of Way

Proposed Resolution: That the Fripp Island Property Owners Association Board approves funds not to exceed \$500 for installation of an anchor at the retaining wall between 006-B-011 and 007-A-001.

Discussion: The owners of 6-B-11 notified the FIPOA that the 20-foot section of the retaining wall belonging to the POA is damaged. If that section of the wall were to fail, it would damage their retaining wall and they would hold the POA responsible for expenses incurred. Roger Wilson and Atlantic Marine have both inspected the wall. It has been determined that it is only beneficial to replace the POA section of the wall if the neighboring properties replace their section of the retaining wall as well. The contractors suggest that installation of an anchor is the most efficient and safe way to repair the 10-foot section of wall. A letter will be sent to notify the adjacent owners of our intentions and to suggest that maintenance be performed on their portion of the wall.

Motion: Motion made and seconded to approve first reading. Motion approved.

5) Committee/Other Reports: None.

6) Items for Discussion:

i. **Setback Appeal Contribution Letter to All Property Owners:** Requests for monies to help support our setback appeal have gone out three times to those owners directly affected; we are now getting ready to send letters requesting all owners who are not directly affected to voluntarily donate \$100 to the cause. It was noted that 1/3 of oceanfront owners have not responded financially. In the end, all island residents and non-residents are directly affected. Regarding real estate value, the standard is set by the property value of oceanfront homes; there will be a domino effect to ALL properties if the beachfront properties are devalued. As of now, we need \$35,000 more to offset our legal fees, and more legal expenses have been and will be incurred.

--It was felt that we needed to include the amount of money spent vs. the amount collected in the letter to non-affected owners. It was decided that the letter needs to be sent out as soon as possible. The POA staff will make this their main priority for next week.

ii. **Boats on the Beach:** President Mathews summarized the letter from Henry and Ellen Lucas, and they participated in the discussion on the phone as well. They live in Periwinkle and have brought their Sunfish sailboat to the beach for 20 years, leaving it on the beach overnight. They are concerned about the new ruling to not leave any property on the beach overnight. Another owner, Ed Smith, has the same problem. Various solutions and compromises were suggested and discussed, as well as input from Janie Lackman, Turtle Patrol Director. It was noted that property left on the beach at night compromises the turtle nesting season as well as contributing to a messy looking beach. In the end, it was felt that we need to protect the integrity of the beach and the dunes and maintain the policy that the board previously adopted. A copy of the violation notice was also presented.

7) Comments and Questions from Members:

(C) A Board member noted he had been contacted about the Audubon Club wanting to count the number of feral cats on the island and was requesting assistance from the POA.

- (A) It was noted that the POA currently has two HaveA-Heart traps available for owners' use.
- (C) A Board member noted that due to no business being conducted at the Annual Meeting, we have had to vote on two resolutions today with only one reading. He requested that directors have a short business meeting after the Annual Meeting ends. It was agreed this was a good idea.
- (C) An owner who is directly affected by the proposed setback lines expressed his appreciation to Mrs. Hines and the Board for their efforts in pursuing this issue.

8) Message from the President: Mr. Mathews commented that he had thoroughly enjoyed his service on the POA Board and expressed sincere appreciation to Kate Hines, Tina Reeves, Carol Young and Cyndi Follich for their outstanding support and dedication to the homeowners and the island. He also expressed appreciation to all Board members for their help, and to Mrs. McCormick who filled in for him during his recent illness.

Individual gifts were given to outgoing directors Buck Mathews, Micki McCormick and Rita Merrill. These included a personalized brick to be installed in Davis Love Park.

7) Statement of Matters Deferred to June Meeting:

Resolution 539: Update Employee Holiday

Resolution 542: Anchor Retaining Wall on POA Right of Way

8) Next Meeting: The next meeting will be held Saturday, June 12th, 2010 at 9:00AM in the POA Boardroom.

9) Vote to Go Into Executive Session to Hold an Organizational Meeting

10) Recess

11) Reconvene in Executive Session

12) Reconvene Regular Meeting; Announce Action Taken in Executive Session: Officers elected were: Micki McCormick, President; Bob Hess, Vice-President; Bob Davidson, Treasurer; David Case, Secretary

13) Adjourn: The meeting was adjourned at 11:00AM.

Respectfully submitted,

David Case, 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 1-800-444-2801; then 5763474