

Mariners Cove Club

Horizontal Property Regime

Board of Directors Meeting - April 26, 2016

I. Roll Call:

Jim Ludlow, President, called the meeting to order at 6:00 p.m. in the High Tide Associates Board Room, 55 New Orleans Road, Suite 207, Hilton Head Island, SC 29928. Board Members present were Jim Ludlow, President; Janet Miller Secretary; Donna Winter, Treasurer; Susan Hicks; and Todd McGarrity. Also present were Doug Skelly; Mark Megliore and Cissy Facenda of High Tide Associates.

II. February 2016 Minutes Approval: Susan Hicks made a motion to waive the reading of the minutes of the last board meeting. The motion was unanimously approved. The minutes were waived and approved as corrected. **The last meeting I attended was the Bylaws Information meeting in March. I have no record of a February Meeting.**

New officers names will be put on the website with address, email addresses and phone numbers. Susan will set up a new email that does not conflict with her work email.

III. Financials: Mark Megliore of High Tide Associates reviewed the financials. No motion was made to approve the financials.

1. Audit Discussion: Raymond Warco (auditor) will give a presentation to the Board at no cost. Further discussion tabled until after that presentation.

Regarding the audit....Raymond Warco was a name that was given to Mark. RW suggested that instead of a full blown audit MCC get "an agreed upon procedure" which is a mini audit for a specific thing which in this instance would be the renovation project. In addition, he could go beyond this and say any other operating expense in excess of any amount we give him. EG. \$2,000, \$5,000, etc. He said this would be significantly less than a full audit and he would like to have a\$an opportunity to come before the board and make a presentation at no cost.

Jim Ludlow asked what a 3-year full blown audit would cost. Mark said he got three quotes each saying to take a year audit and multiple by 3 and subtract 10-15%. The equates to \$17,000 to \$20,000.

It was decided to get in touch with Raymond Warco to do a presentation.

IV. **Property Managers Report**

1. Doug Skelly of High Tide Associates introduced Cissy Facenda who will be working with Doug Skelly in the management of Mariners Cove Club.

2. Plumbing Valve Status - Island Plumbing reviewed several units. The plumber said all the units need valve replacement because of their age. The cost is \$250 per unit. Jim suggested to put it out for bid since the valves in the entire complex would need to be replaced. **No motion was made to obtain bids.**

3. Palm Tree Trimming - Susan Hicks make a motion to hire CM Services to trim all the palm trees on the property. The motion was unanimously approved.

Proposal from CM Services to trim all 196 palm trees on property. \$20 per tree. Excludes trash bin. \$500 deposit and charge of less than \$400 with delivery and disposal charges included. BS Tree Experts, Inc. proposal: Trim palm trees twice a year. June/December. \$25 per palm. Haul away all debris.

4. 403 Tree update - Because of lightning strike, owner has been monitoring tree condition. It seems to be holding.

Owner is considering personally removing it because of its proximity to house. He will ask again at another meeting. Beaufort Co. would give okay providing another tree be planted.

5. Roof Warranty Work - Southern Roof and Wood Care coordinated with the roof manufacturer who authorized the necessary repair of the "fish mouth" condition, which was then repaired. Roof will be inspected and repaired as needed. Ask roof company to please notify owners when they are doing each building because of skylights.

6. Fountain Repair: It didn't work because it had no power. Levi Morales of CM Services put a device under the fountain so it would not short out. The pump is fine. The fountain is now working.

V. Old Business

1. Pool Paver Resurfacing Cost - Todd McGarity: Two contractors didn't show, and 2 rescheduled. Pools contractors are very busy at this time of year and have put MCC on the back burner because no work will be started until the fall when pool is closed.

Low Country Paver and American Paver. It appears that just the deck and coping need work. The pool itself is in good shape.

2. Bylaws Update - Jim Ludlow: Of the 40 units 25 Ballots have been returned. 22 are in favor of the changes, 3 are not. The "yes" percentage thus far is 53.839. 66.66% is needed in order to adopt new by-laws. It was suggested the 2 months fee collected at a closing be called a "transfer fee" to coincide with verbage of other communities who charge a transfer fee at closing.

3. Status of Jenkins Island Traffic Issues - Town of Hilton Head rejected the findings of the Planning Commission. Jim Ludlow went to a meeting at Windmill Harbour with Joe Patton, President of Blue Heron Point. Other attendees were a representative of the RV Park, Gary Kubiak (sp?) county administrator, and Colin who is the traffic engineer who said that the action of the Town means nothing and that it is a county project. They will move forward with alternative plans for funding in case SPOLST does not work. (special option local sales tax). They are going to put this on the November ballot. If it doesn't work they have other means of funding.

VI. New Business:

1. Tennis Court Maintenance Contract: Interviewing companies for this purpose.

2. MCC Sewer: Mariners Cove owns the sewer under the property. Because it is not a public sewer, there will need to be further investigation of its condition. A plumbing contractor will go into the manholes and take photos and estimate a cost. Discussion tabled until the next meeting.

3. Owners Web Site: Jim Ludlow, President, made a motion that MCC information such as bylaws and regime information remain on the High Tide website rather than create a Mariners Cove website. The motion was carried with 4 ayes and 1 abstention.

It was decided to continue on the High Tide website rather than have a private MCC website in order to present to the public that MCC is being represented by an experienced property management company and that MCC has the ability to share in the experiences of other large properties. It is good advertising.

4. Capital Reserve - Future Funding & Mortgage Approval: There was a discussion regarding different lenders and their capital reserve requirements. Several suggestions were made, but discussion tabled until after the renovation is paid in full.

Different lenders have different requirements. Fannie Mae requires 10% in capital reserve. MCC has a \$222,000 annual regime fee and puts in approximately \$8,000 into the reserve which does not meet Fannie Mae requirements. FM does not take into consideration that MCC is paying off a renovation project. However,

coincidentally, MCC is now collecting money from owners for capital improvement work, and because of that, they will approve that loan, but only as long as MCC makes payments into the capital improvement account. Another solution would be to set up a separate insurance account from the management account. EG. \$300 insurance reserve fee which would be considered a prepayment account and a \$200 capital reserve fee. This would reduce the total dollar percentage required to go into the reserve fund. Then the capital reserve account would meet Fannie Mae requirements. This is tabled until the renovation is paid off.

5. Meeting Minutes Format Review: Susan Hicks suggested streamlining the Minutes to be more in accordance with Robert's Rules of Order. Tabled for further discussion.

Susan Hicks made a motion to adjourn.
Meeting Adjourned at 7:45 p.m.

According to Robert's Rules, this should be signed by the Secretary.

Respectfully,

Janet W. Miller
Secretary