



Minutes of the Annual Meeting of the Middle Island Property Owners Association

November 25, 2017

Call to Order and Approval of Agenda

The meeting, held at the Bald Head Island Conservancy, was called to order at 3:05 pm by the President, Lynn Barnard. Twenty-one property owners attended in person. Several property owners were present by phone and an additional 10 property owners were unable to attend but sent written comments. The agenda was adopted by unanimous consent.

Annual Budget Meeting / Report of the Finance Committee

Shawn Smith, Treasurer, presented the materials for the Annual Budget Meeting, which was properly noticed and combined with the Annual Meeting of the Association.

- The 3rd Quarter Financial Report, available in hard copy at the meeting, was briefly presented.
- The proposed Operating Budget was presented. It proposed that 50% of any 2017 operating surplus at the end of the year be transferred to the General Reserve Fund and the remaining 50% be returned to property owners in the form of a credit against 2018 annual assessments. Annual contributions to reserves would total \$35,158, based on the reserve study performed at turnover. The study will be updated in 2018. The main change in operating expenses is an increase in salary and benefits paid by the Association to our property manager, David Ward, resulting from an expected decrease in salary and benefits paid by the Youngs.
- The proposed annual assessments were presented. An increase averaging 3% will be the first increase in annual dues since 2015, but the Association expects the net assessment after the operating surplus credit is applied to remain below the initial dues adopted in our Covenants.
- The proposed Reserve Funds Budget was presented. The major proposed expenditures from reserves are \$22,500 to test several maintenance strategies for the gravel roads and \$100,000 to rebuild the Cape Creek Dock and Ramp.

The proposed 2018 Budget and Annual Assessments were adopted by the Association, as was the proposal to return 50% of any 2017 operating surplus to the property owners as a credit against 2018 assessments while transferring the other 50% to the general reserve fund.

Middle Island Architectural Review Committee Update

The Landscaping Working Group led by Elayne Bennett has substantially improved the appearance of the Middle Island entrance with new plantings.

Melanie Robbins, Chair of the Middle Island ARC, and Lynn Barnard, President of the Association, have been working on a revised agreement with the Bald Head Association ARC. The merger of the Stage I and Stage II Associations resulted in a proposal from the Bald Head Association ARC that they will perform all services previously provided (preliminary and technical reviews, communication with property owners, response to inquiries and maintenance of all records and files of MIPOA ARC submissions, etc.) with the exception of meetings with the BHA ARC. Instead, they will work directly with the MIPOA ARC to support adherence to the MIPOA covenants. The final draft agreement will be presented to the Board for approval.

The adoption of the new BHI ARC Guidelines and possible modifications of the Guidelines for Middle Island construction were discussed, as was the challenge of eliminating invasive plant species such as beach vitex.

Infrastructure Committee Update

The infrastructure improvements since turnover were reviewed:

- Entrance fence, landscaping, security cameras installed; any discussion of a gate option is deferred pending decisions on the roads.
- Gravel roads were rebuilt to create >6 inches of aggregate base course
- Traffic counter at entrance installed, trial of speed camera on gravel road completed
- High speed internet and cable TV brought to every Middle Island lot through negotiations with Spectrum
- Beach access rebuilt –new frontal and primary dune crossings and gate area
- Beach parking areas expanded –blue slate chip surfacing to be completed
- Fixed dock on Bald Head Creek rebuilt
- Pier at Cape Creek Dock rebuilt, security cameras installed, dock and ramp replacement planning underway

Three infrastructure projects in their planning stages were discussed in greater detail.

- The Board is considering changing two of the keyed locks – the doorknob lockset at the beach access and the padlock at the fixed Bald Head Creek Dock - to **magnetic locks operated by proximity cards**. Particularly at the beach access, mechanical locks have frequently malfunctioned due to sand in the keyways, miscut keys, and use of the doorknob as a step over the locked gate. Proximity cards deal much better with sand at the beach and would prevent unauthorized copying. They also allow a single proximity card to operate multiple, specified locks.
- The **gravel road surface** has been problematic because of the aggregate used in the rebuilding of the roads. The Infrastructure Committee prepared a 4 page single-spaced technical summary of six road options, including chip seal and paving, with pros, cons, and cost estimates. Gravel road maintenance strategies will be tested this spring. Ultimately, several options for the roads and the larger question of whether to retain private control of the roads or to transfer the roads to the Village will be presented to the property owners for a vote. Two working groups (the Gravel Road and Chip Seal Working Group and the Public and Private Asphalt Roads Working Group) are examining options and costs in detail. The Finance Committee will model the annual assessments associated with each option, and the need for special assessments for the paving options.

- The developing plans for **rebuilding the Cape Creek Dock and Ramp** were presented by Alan Reyner, Chair of the Cape Creek Dock and Ramp Working Group. The special value of the amenity was noted, since no new boat slips can be approved anywhere on Bald Head Island, and we have the only enclosed boathouse on the island. The current storm-damaged and aging dock and pilings would be replaced and reconfigured to make better use of the permitted nine boat slips. The ramp would be rebuilt and better protected from current scour. This improvement – like each of the major improvements to date – will be funded using part of the generous contribution to reserves made by the Young family at turnover, supplemented by accruals from the property owners' annual contributions to the reserve funds.

President's Comments

Lynn Barnard presented a series of updates on questions raised by property owners during the September special meeting of the Association.

- **Installing a gate at the entrance to Middle Island:** Decision to install a gate will be addressed by the summer/fall 2018, either with or after a decision has been made regarding our roads.
- **Wording and placement of the Middle Island entrance sign:** Decision to move/delete the word Plantation from the large Middle Island entrance sign and move it to the entrance fence will be addressed by the summer/fall 2018, either with or after a decision has been made regarding our roads.
- **Vandalism on Middle Island:** A crime incident report is being created with help from Public Safety comparing Middle Island with other Bald Head neighborhoods. We hope that this report will provide realistic information to address any security and vandalism issues on Middle Island.
- **Racquet and Swim Club:** Several property owners asked that the board to revisit the previous Board's decision not to purchase the RSC. After discussion, the new board voted not to pursue purchase of the RSC.
- **Publish the minutes of the Board meetings:** Preliminary Minutes are being posted to the website within 10 days after the meetings. Approved minutes will be posted on the website after the next monthly meeting.
- **Have quarterly open Board meetings:** There will be quarterly open Board meetings. The first was held October 2nd; the next open meeting will be on January 8th. Reminders will be sent with the meeting agenda and posted on the MI website.
- **David's employment and compensation:** Information has been provided to the party asking this question. The Board has had several meetings with David to clarify his reporting structure and expectations. A toilet was purchased for David and put in the equipment shed for his convenience.
- **Help for social media communications:** The Board is looking for a volunteer to help with the MI website and Facebook page.

The Timeline and Process to Make Decisions Regarding the Gravel Roads

The timeline for the Middle Island Road Decision was outlined, featuring presentations of the options with pros, cons, and costs to the property owners in the late Spring, with town hall meetings to follow, culminating in a vote of property owners in the mid to late summer.

The Gravel Road and Chip Seal Working Group presented its activities to date, including short-term repairs of problem areas, development of gravel road maintenance options, examination of whether triple shot chip seal is a viable option for our environment, review of existing plats and road engineering information, and preliminary determination of areas where there is not an existing 30' ROW required by the Village road ordinance for roads adopted by the Village. This coming Spring, the Working Group will conduct trials of several maintenance strategies and equipment, followed by dust suppression treatment. The Group will also determine the immediate and long-term costs of promising options, including chip seal.

The Public and Private Asphalt Roads Working Group is exploring two primary options: paving the roads without major changes to the roadbed or right-of-way, with MIPOA maintaining responsibility for private roads; and paving the roads to meet requirement for turnover of the roads and rights of way to the Village, with the Village assuming responsibility for the now-public roads. The Group is developing a statement of pros and cons, a summary of the functionality, durability, and useful life of the proposed surface and a cost estimate for each option. A set of questions for submission to the Village regarding current road standards and possible variances or waivers has been drafted. The Group plans a cost benefit analysis of each option, including possible effects on property values.

The Board, in collaboration with the Infrastructure Committee and the Working Groups, is responsible for developing a balanced presentation of the options for the property owners, with pros, cons, and costs.

Property Owner Comments

Donna Alpert suggested that committee chairs should have term limits. Melanie Robbins discussed communications with property owners and suggested more frequent, brief emails.

Members of the Board read written comments from 14 property owners in favor of preserving Middle Island as a private community with private roads and opposing paving and dedicating the roads to the Village. Jane Johnson (also representing Rich and Linda Tarplin), Pat Young, and Jeff Decker were present in person and also made comments supporting a private community and opposing transferring the roads to public ownership.

Adjournment

The meeting was adjourned at 5:00 pm.