



## **Minutes of the Special Meeting of the Board of Directors May 21, 2018**

### **Call to Order**

Proper notice having been given to the Board members, the meeting, held by conference call, was called to order at 5:03 PM. In attendance were:

Jeff Alpert, Lynn Barnard, Lou Anne Brown, Rex Cowdry, Fred Craig, Alan Reyner, Shawn Smith, and Cooper Young.

### **Consent Agenda**

The agenda was **ADOPTED**, including **APPROVAL OF THE MINUTES** of the April 30, 2018 and May 7, 2018 meetings of the Board.

### **Drainage easement and maintenance agreement**

The status of the East Beach Drive drainage project was discussed. The funding includes the \$5000 previously approved, with an additional \$500 from Rich Tarplin. The wording of the drainage and maintenance agreement was discussed, with the understanding that it is still under review by Jeremy Spivey and his attorney. The Board **APPROVED** the agreement in concept and **AUTHORIZED** funding for a review by Mike Isenberg prior to signing.

### **Gravel Road and Chip Seal Working Group Update**

The cost estimates for the gravel road were reviewed. David's continuation as Property Manager is assumed. Additional funds are provided in the operating budget for additional fine gravel for routine road repairs (\$4000), and in the reserve fund contribution for periodic (every 1-2 years) grading, addition of aggregate, and rolling of the roadways by Barnhill or Island Contracting (an increase of \$2000 over current reserve contributions). The overall budget for the gravel roads would increase by 19%. The Board discussed whether this is sufficient to address the potholes, with David's current schedule; the future availability of and alternatives to calcium chloride; and the condition of the MIPOA truck.

The cost estimates for the triple shot chip seal were reviewed. The Barnhill estimates for chip seal will be used to estimate the special assessment for chip seal. The high estimate to add a single coat

after the first useful life raises the annual contribution to the reserve fund. The varying estimates of the useful life of chip seal was discussed; we will query Barnhill's subcontractor directly.

### **Public and Private Asphalt Roads Working Group Update**

The Working Group presented revised estimates from Barnhill Contracting. The higher Barnhill estimate of \$915,000 covers paving the roads to Village standards, with waivers from the Village. The larger Finance Committee estimate includes: 1) a figure for bulkheading sections of the road immediately adjacent to the marsh; 2) nothing to further elevate the roads; and 3) legal and surveying fees assuming that only Association property (with or without easements) will need to be conveyed. The lower Barnhill estimate paves to 11' rather than the required width of 12' and does not widen the base course to Village standards. This estimate represents the cost of private asphalt paving.

### **Finance Committee Report**

The summary figures for each option were reviewed, beginning with the special assessments per Forest lot, and the offset against the special assessment resulting from returning at least part of the existing road reserves to the property owners. The projected annual dues resulting from the projected operating costs and reserve contribution for each road option were reviewed. Any of the paving options eliminate the dues differential between East Beach and Forest Lots; retaining gravel roads would also retain a degree of differential between East Beach and Forest Lots.

The detailed spreadsheet showing changes in the operating costs were reviewed. Under the public asphalt roads option, our property manager position would be eliminated and replaced with \$25,000 to replace our employee's services for the remaining amenities. Certain other costs are eliminated, and the Association would no longer have any vehicles or equipment. Possible advantages and disadvantages of eliminating the property manager position and relying on contractors were discussed, as well as whether the \$25,000 will be adequate to replace our employee's services. All of the private road options – asphalt, chip seal, and gravel – assume we retain the services of our property manager for 32 hours a week.

Board members will send any further questions to the Committee.

### **Budget for legal expenses**

There was general agreement on the desirability of explicitly including legal expenses in the budget so full Board approval of a budget amendment would not be needed for minor expenditures.

The Board **APPROVED** unanimously a proposal to modify the budget item "Miscellaneous / contingency fund" to read "Miscellaneous / legal / contingency fund".

### **Board Presentation**

The Finance Committee will prepare several slides with high level assumptions for each of the options and the resulting special assessments and dues. The President will develop the introduction. The Board also agreed to post the underlying spreadsheet details for any property owner to review.

### **Town Hall Meetings**

These meetings will tentatively be scheduled for June 9, 16, 30, and July 7. One of these dates may be dropped. The Board reviewed the structure of the meetings, the basic rules, and the time limits on questions and comments. There was a discussion of how to assure accuracy in the presentations. Advance notification of any advocacy presentations will be required. Advocacy groups and the Board members will be able to challenge the accuracy of facts presented during the meeting. The plan for communicating with the members to invite attendance, comments, and presentations was reviewed. The meeting structure and communication plan were endorsed.

### **Update on the Cape Creek Dock Project**

CAMA officials have approved removal of the existing pilings. The start date is to be determined. Working Group members described their visit to Bellingham Marine, our dock manufacturer.

### **Red Bay Tree Removal**

An update was provided on the status of laurel wilt infections, including restrictions on transporting any part of infected trees away from the site. Large logs must be left in place. Smaller limbs and branches can be chipped, but many landscapers do not have a chipper. There is an infected tree that is near the property line separating the property from the road ROW. Lou Anne Brown, a Board member who owns the property in question, recused herself from participation in this discussion.

If the infected tree is on Association property, the Association has liability for any damage caused by the tree and will therefore take appropriate action.

Because of the number of red bay trees and the likelihood that almost all will be infected in coming years, the Board discussed whether the Association should assist property owners with an infected red bay tree on their property where either 1) the Association has an interest because limbs overhang the road ROW and pose a risk, or 2) the tree is entirely on private property and the Association's chipper is local and convenient. In this specific situation, limbs overhang the road ROW and pose a risk to individuals on Association property. To address this and similar situations with other infected red bay trees:

The Board **APPROVED** a policy to remove any significantly infected red bay tree located on private property that has limbs extending over the Association's right of way and that poses a potential risk to individuals traveling in the roadway, if asked to do so by the property owner. The property owner will be billed for David Ward's time and for running time of the chipper at a reasonable market rate.

This policy does not address the situation in which an infected tree is located entirely on an owner's property and poses no risk to individuals in the Association's right of way.

### **Interim Actions**

The President noted that the Board had approved the expenditure of \$300 for Mike Isenberg's legal review of issues related to the sale of the Racquet and Swim Club.

**Adjournment**

The meeting was adjourned at 6:25 PM.