



Minutes of the Meeting of the Board of Directors June 4, 2018

Call to Order

The meeting, held by conference call, was called to order at 5:05 PM. In attendance were:
Jeff Alpert, Lynn Barnard, Lou Anne Brown, Rex Cowdry, Fred Craig, Brian Johnson, Alan Reyner, Shawn Smith, and Cooper Young.

Finance Committee: Return of Reserves to Property Owners

There was general agreement that in most cases, the existing road reserves should be retained either in a road reserve fund or in the General Reserve Fund to deal with known but unpredictable risks, such as hurricane damage to our amenities. If the roads are paved and conveyed, the entire East Beach Drive Reserve Fund and half of the Gravel Road Reserve Fund will be returned to property owners; the other half of the Gravel Road Reserve Fund would be transferred to the General Reserve Fund. In all of the private road options, the East Beach Drive Reserve Fund would be retained; the Gravel Road Reserve Fund would either be retained in the Gravel Road Reserve Fund if the gravel roads are retained, or transferred to the General Reserve Fund if the gravel roads are paved.

A **MOTION** to adopt the retention or redistribution of reserve funds described above was unanimously **APPROVED**.

Finance Committee: Useful Life of Chip Seal Paving

Varying estimates of the useful life of triple shot chip seal were reviewed, ranging from seven years to twelve years. Barnhill's chip seal subcontractor estimated 10-12 years, given our low velocity, low volume traffic (compared with most county roads). Concerns about durability with construction vehicles turning while stationary were discussed; those repairs would largely be paid for by withholds from the construction deposit for the property. For purposes of estimating annual reserve contributions, **the Board adopted by consensus** a ten year life span before a single renewal coat is needed.

Finance Committee: Gravel Road Improvements and Maintenance

The assumptions used in financial projections were reviewed. The proposed operating budget and reserve contributions will be increased by a total of \$6000 a year to provide 40-60 tons of a finer aggregate for repair each year and more extensive grading, gravel addition, and rolling using Barnhill

or Island Contracting every 1-2 years. After discussion, that budgeting proposal was accepted, with the understanding that this strategy and budgeting will receive ongoing review.

Finance Committee's Proposed Dues/Assessments/Reserves

The pro forma projections of annual dues and special assessments will be modified to reflect the change in the handling of road reserves and the change in the assumed useful life of triple shot chip seal.

Board Presentation Slide Review

The draft Board presentation to the property owners was reviewed. On slide 2, the role of the Finance Committee is clarified. On slide 4, asphalt paving will be described as more expensive initially. On slide 5, the wording becomes: "Association will pave to Village standards." On slide 6, the comment about budget restrictions on the public asphalt road proposal will be moved to slide 4 and clarify that every paving options is subject to the budget restriction for that option. On slide 9, the best way to convey the public asphalt road proposal assumptions about our MIPOA employee and contractor labor was discussed. Slide 10 will use the second of the two pro forma dues estimates, reflecting the shorter assumed useful life of chip seal.

The final slide about the upcoming vote of property owners was discussed at length, particularly whether the choice between public and private roads will be presented as a separate issue. The Board decided to note only the timing of the vote on the slide presentation, and to resolve the structure and wording of the ballot at the Board's next meeting.

Structure of the Meeting with the Property Owners

Presentations by the advocacy groups will be limited to 15 minutes. Questions will then be taken, after which any property owner may make comments lasting up to 3 minutes. After all who wish to speak have been heard, owners can speak a second time.

Request to Change the Covenants

A proposal to revise the covenants to equalize assessments between Forest and East Beach lots and to assure that all property owners can vote on all issues was discussed. Directors pointed out that 1) the only issue on which East Beach owners don't vote is whether to impose a Special Assessment on Forest Lot owners to pave the gravel roads, 2) the proposal did not include a provision requiring all lots to bear the cost of a special assessment for paving, and 3) the differential in annual assessments between Forest and East Beach will automatically disappear if property owners choose any of the options to pave the gravel roads. By consensus, the Board concluded that this issue is best addressed at the next annual meeting, when it will be clear whether the dues differential has been eliminated without further action.

Nominating Committee Update

An email has been sent soliciting property owners interested in running for a Board position. The Board must send the list of proposed nominees to property owners 60 days in advance of the Annual Meeting (i.e., by July 3, 2018).

Cape Creek Dock Update

The Cape Creek Marina Working Group provided a brief update. Tommy Perry is expected to remove the existing pilings soon. The order for the dock sections has been placed with Bellingham. Given the backlog of dock building work in the area, the timing for installation of the new docks is uncertain. The Working Group will keep the Board and property owners advised.

Adjournment

The meeting was adjourned at 6:30 PM.