



## **Minutes of the Special Meeting of the Board of Directors November 12, 2018**

### **Call to Order**

Proper notice of the meeting and the agenda having been given to the Board members, the special meeting of the Board, held at 48 Cape Creek Road and by conference call, was called to order at 5:00 PM. In attendance were Jeff Alpert, Lynn Barnard, Lou Anne Brown, Rex Cowdry, Brian Johnson, and Alan Reyner.

### **Property Manager Compensation and Budget Effects**

A number of issues regarding compensation and benefits were noted, and the sentiment expressed that we should discuss these issues at a full meeting of the Board.

The Treasurer reported that when MIPOA took over, the Youngs were considering an increase in hourly wage; the Association agreed to increase his wage in part to help him pay for his own health insurance. The Association now has several non-mutually exclusive options: provide a COLA or other increase in taxable wages, provide small group health insurance, or provide untaxed health insurance benefits through a QSEHRA (qualified small employer health reimbursement arrangement), either toward the premium for individual market coverage or toward deductibles and co-insurance. The underlying health insurance issue is whether he and his spouse have access to employer-sponsored health insurance. There is enough flexibility in the budget both in the salary line and other line items to move forward with the proposed budget prior to final resolution of these issues.

A **MOTION** to provide a holiday bonus from the Association consisting of one week's pay expressing appreciation for his work and to provide information in the next newsletter about how individual property owners could send voluntary holiday gifts of appreciation was unanimously **APPROVED**.

Jeff and Rex will do further inquiry into their health insurance status, possible eligibility for ACA subsidies, and the Board's options, reporting their findings and recommendations at the December meeting of the Board.

### **Proposed 2019 Operating and Reserve Budgets and Proposed Dues**

**Operating budget.** The insurance estimate is based on premiums for the policy year that began in May; those premiums had decreased slightly from the year before. The finer aggregate for pothole repair costs about \$2000 per dump truck load, paid this year from the miscellaneous line item. The

\$12,000 in the line item for calcium chloride is \$1500 above the 2018 cost, and unspent funds may be available for reallocation from the dune preservation and landscaping line items, although a supplier for this coming Spring has not yet been identified. The Board discussed realistic expectation for maintenance of gravel roads, the condition of the roads last summer, the current satisfactory condition of the roads, and whether there is a need for a backup plan for pothole repair during any absence of more than a week should major potholes develop. We will explore with David having Randy Travis as a backup for periods when David is on vacation, sick, or his schedule is such that he's not able to fix the potholes in a timely manner.

**Reserve budget.** The Board discussed the status of both the boathouse (which we own) and the maintenance shed (which we lease from the Smith Island Land Trust). Both of these structures are marked "TBD" in the preliminary reserve study and no annual contributions to reserve are currently being made for replacement of the buildings. They will be more thoroughly assessed this coming year as part of the full reserve study. The boathouse will be repainted using reserve funds. The leased status of the maintenance shed was discussed, including our option to incur expenses to improve the shed and whether the Association should revisit the possibility of deeding the shed and immediately surrounding property to the Association, to relieve the burdens of leasing. Rex will research current ownership, the recorded plan, and the 2008 lease agreement. Alan and Lynn will contact the Executive Director of SILT to discuss options.

The card access system 2019 reserve expenditure will be revised from \$1200 to \$1650. The full cost of proximity cards was not in the preliminary budget estimate.

The Board reviewed the Covenant provisions allowing the Board to set priorities for rebuilding in the event of a catastrophic event.

A **MOTION** to approve the proposed 2019 operating budget, reserve budget, and annual assessments was unanimously **APPROVED**.

### **Adjournment**

The meeting was adjourned at 6:02 PM.