



Minutes of the Meeting of the Board of Directors April 2, 2018

Call to Order

The meeting, held at the Bald Head Island Conservancy, was called to order at 5:03 PM. In attendance were:

Lynn Barnard, Rex Cowdry, Brian Johnson, and Cooper Young in person; Jeff Alpert, Fred Craig, Alan Reyner, and Shawn Smith by telephone. Lou Anne Brown was in flight and unable to attend.

This was the quarterly open meeting of the Board. Property owners in attendance included Joe Barnard, Elayne Bennett, Katie Chatas, Melanie Robbins, and Nonie Williams in person; and Mia Doron and Rich Tarplin by phone.

Consent Agenda

The agenda was **ADOPTED**,

The minutes of the March 5, 2018 meeting were **APPROVED**.

Hearing on the Proposed Amendments to the By Laws of the Association

In accordance with provisions of our By Laws, proper notice having been given to the membership, a hearing was held to receive any member comments on the proposed By Laws. The proposed amendments were briefly reviewed. In response to a question about limits on the postponement of the Annual Meeting, the Board noted that postponement was a 2/3 supermajority of the Board and that it could be no later than the end of the calendar year. A view was expressed that it should not be held on December 31. No other comments were heard, and the hearing was closed.

Adoption of the Proposed Amendments to the By Laws of the Association

There being no discussion by the Board, a motion to approve the proposed amendments was made. Eight of the eight Board members present voted in favor, meeting the 3/4 majority of the full Board required for amendment.

The amendments were **ADOPTED and are attached as Attachment I**.

Comments by Property Owners

No property owner had expressed a desire to address the meeting of the Board.

Finance Committee

The Assistant Treasurer summarized the account balances and the 2018 dues received to date. Four members have not yet paid the annual assessment. The Board discussed the costs of placing a lien on the property and informal actions that might be taken in addition to formal notices. If the assessments remain unpaid after multiple formal notices, a lien will be placed on the property, following our previously approved procedures.

Middle Island Racquet and Swim Club Property

Lynn Barnard reported on the engagement of Michael Isenberg to advise the Board about legal issues relating to the sale of the Middle Island Racquet and Swim Club property. He previously represented the Association during turnover of assets from Young Entities to the Association. This engagement had been approved by an interim action of the Board and the approval was validated without objection. Mr. Isenberg has received the agreement with the Youngs, the documents available to the Board, the letter from John Bruffey, and a series of questions from the Board, and will contact us within a week.

Revision of the MIPOA Project Approval and Procurement Policy

A proposal had been circulated to amend our policy to 1) modify our provisions for approval of expenditures already budgeted, allowing the President and two members of the Board to approve the expenditure up to \$3,000 and 2) allow an email vote to approve the replacement of damaged property. A motion was made to adopt the revised policy, but concern was expressed about the lack of a dollar limit on the latter authority, pointing out that it could be handled by either the new \$3,000 authority or a special conference call of the Board.

A **MOTION TO AMEND** the proposal by striking the paragraph regarding damaged property was unanimously **APPROVED**.

The **MOTION** to adopt the revised policy, as amended, was unanimously **APPROVED**.

The revised policy is attached as Attachment II.

Clarification regarding architectural review of properties on Middle Island

Section 6.19 of the Middle Island Covenants indicate that any structures erected, placed or altered on Middle Island are subject to architectural review. Because the Stage I ARC guidelines only apply to residential lots, a motion was made to clarify the Middle Island architectural review guidelines by adding a specific statement noting that all properties on Middle Island are subject to review.

A **MOTION** to adopt the resolution attached as Attachment III was unanimously **APPROVED**.

Reports of Working Groups

The Cape Creek Dock and Ramp Working Group reported that it is awaiting the receipt of bids on the dock and ramp proposal. The Group will not be submitting a final project proposal until the bids are received. There were comments about the value of the approved nine slips at the dock, which are a particularly precious amenity in light of the prohibition on additional docks on all of Bald Head Island.

The attached document (Attachment IV) summarizing options for the kayak launcher was discussed and the two recommended options (noted in the document as Recommended Options 1 and 2) were adopted. A final choice will be made when the final project proposal and the contract for the Cape Creek Dock and Ramp are considered.

The Gravel Road and Chip Seal Working Group noted that the recent road maintenance substantially improved the roads but that the easterly sections of Cape Creek Road are prone to develop potholes in the middle of the roadway because of the way maintenance was performed in that section. The next maintenance will require a motor grader. The estimates for chip seal are available. In response to a request by the owner of a lot abutting the cul-de-sac extension of Dogwood Ridge, other abutting property owners will be contacted to determine whether the extension will be included in any paving plan. Clearing of the usual envelope will be necessary prior to any paving of the extension.

The Public and Private Asphalt Roads Working Group provided the following written report:

The Asphalt and paved road working group is finalizing the presentation to the property owners. We will be picking up the realtor surveys Monday and will be included in our final presentation. We will need to work with the Finance committee over the next few weeks to understand the impact on dues and reserves if the vote is to pave and Middle Island maintain the roads for future maintenance. Other than those two outstanding items, our working group work is finished.

Board discussion following the report clarified that no working group will make a presentation to the property owners. The Finance Committee will use the paving estimates and other input from the working groups to determine the special assessment needed for each paving option and the impact of each option on the operating and reserve budgets. The Board will present the overall cost of each of the road options, any special assessment on Forest lots needed to pay for paving, and the likely effect on our annual dues. The Board presentation will be followed by presentations from advocates of specific options. Those advocacy presentations are meant to ensure a full airing of arguments, including any opinions, facts, and conclusions that remain in dispute.

The access control system (proximity cards and magnetic lock) is performing without flaw during testing prior to installation at the Bald Head Creek floating dock gate. Prior to the initial test period after installation, prox cards will be mailed or delivered to any property owners who indicate that they plan to use the dock, when queried with an email to property owners.

The plan to install a drain to address stormwater pooling on East Beach Drive awaits approval by the property owner involved and receipt of a revised estimate from Lyn Stephens.

Timeline for Presentations to Property Owners and Voting

The proposed timeline (attached as Attachment V) was reviewed by the Board. One member expressed a preference to complete milestones early in each timeframe, including completing the public presentations by the July 4th and distributing ballots shortly thereafter. Exact timing will be resolved at a later date.

There was a discussion of how a possible loan would be described. Preliminary discussion in the Finance Committee concluded that the single special assessment provided the best indication of the cost per Forest lot of chip seal or paving; a loan to spread payments over 5-7 years (and the additional cost due to interest payments) could be presented as an option the Board could explore if paving were approved and Forest lot owners expressed a desire to finance the paving over a number of years. The loan would have to be secured by only the expected revenue stream from annual special assessments.

Timber Bridges beyond the Sanctuary

The condition of the bridges was discussed. Cooper Young, Brian Johnson, and Rex Cowdry will inspect the planks and report the scope of necessary or desirable plank replacement. With one possible exception, no vehicle heavier than a pickup truck or ambulance has needed to access the Cape Creek Dock area over the past 30 years. Nonetheless, when repairs are made, a weight limit sign will be posted.

Property Manager Benefits

Parking passes for the contractor lot at Deep Point and the cart lot on the island have been purchased. The manager has been paid for the utility trailer, and a quarterly reimbursement of \$120 for half of the manager's cellular service costs has begun. The use of the credit card will be limited to smaller expenditures; procurement of more expensive equipment or materials will be pre-paid by check to the manager from our accountant, Chuck Pardee. After the report that no annual bonus was paid in December, the Board unanimously **APPROVED** the award of an additional week's pay in recognition of the manager's excellent work clearing debris following the January ice storm.

Adjournment

The meeting was adjourned at 6:26 PM. A discussion with property owners followed.

ATTACHMENT I

PROPOSED AMENDMENTS TO THE BYLAWS OF THE MIDDLE ISLAND PROPERTY OWNERS ASSOCIATION April 2018

For each amendment, we've provided a description of the proposed change, the current language, and the proposed new language. Words to be removed are struck through, and words to be added are underlined.

The current By-Laws are found at <http://www.middleislandpoa.com/covenants--bylaws.php>

AMENDMENT #1

This amendment provides a predictable date for our Annual Meeting - the Saturday of Labor Day weekend – but allows for some flexibility should the need arise.

ARTICLE IV MEETINGS OF THE MEMBERS

~~**Section 1. Meeting.** The Annual Meeting of the Members shall occur each year on a date and at a time and place established by the Board of Directors. A meeting of the Association shall be held at least once each year.~~

Section 1. Meeting. The Annual Meeting of the Members shall occur each year on the Saturday preceding Labor Day, unless postponed by a 2/3 vote of the Board of Directors to a date no later than December 31 of that year. The time and place of the meeting shall be established by the Board of Directors.

AMENDMENT #2

This amendment clarifies that the Board must send the list of Board nominees to the Members at least 60 days in advance of the Annual Meeting to allow time for nomination by petition.

ARTICLE VII NOMINATION OF DIRECTORS

Section 2. Nominations. Nominations for election to the Board of Directors shall be made by the Nominating Committee. The Nominating Committee may make as many nominations for election to the Board of Directors as it may desire, but not less than one (1) nominee for each vacancy to be filled. The Nominating Committee shall submit its list of nominees to the Board of Directors ~~at least 60 days in advance of the Annual Meeting of the Members.~~ The

Board shall publish the list of nominees to the Members by email transmission at least 60 days in advance of the Annual Meeting of the Members.

AMENDMENT #3

This amendment provides for the annual election of officers, since the Board membership may change each year.

**ARTICLE X
OFFICERS**

Section 1. Officers. The Board of Directors at their Annual Meeting shall elect to serve for the term of ~~two (2) years~~ one year or until their successors are elected, a President, a Vice-President, a Treasurer and a Secretary, each of whom shall be a Member of the Association. The offices of Secretary and Treasurer may be combined, and held by one person as Secretary-Treasurer.

ATTACHMENT II**MIPOA POLICY:
REVIEW AND APPROVAL OF PROCUREMENTS AND PROJECTS;
ONGOING OVERSIGHT OF PROJECTS**

(revised April 2, 2018)

Procurements/projects Requiring Board Approval before beginning the project or acquiring goods or services include:

- Procurements/projects that will require a budget amendment for funding
- Procurements/projects that are expected to cost more than \$1000, or
- Procurements/projects that will have a significant impact on property owners' use of a Middle Island amenity

Minor Expenditures Not Requiring Board Approval are limited to those that:

- are already part of an approved capital or operating budget,
- cost less than \$3,000, AND
- will not have a significant impact on property owners' use of a Middle Island amenity.¹

These expenditures may be approved by any officer of the Board for expenditures below \$200 and by the President and any two members for expenditures of \$200-\$3,000.

Emergency expenditures. Emergency expenditures allowed under Section 8.4 of the covenants are not subject to the approval and procurement requirements in this Policy document, but should be reported to the full Board within 48 hours.

Approval Process for Infrastructure Projects:

- For each infrastructure project, the Board shall designate an individual or a committee to be responsible for project planning and procurement.
- A project proposal is prepared by the individual or committee designated by the Board and emailed to the Board. The proposal shall include:
 - An indication whether this is:
 - a Final Proposal with all the necessary specifications needed for the procurement, or

¹ The project to place bollards at the entrance to the former Bald Head Creek Dock access road, for example – needed, inexpensive, well implemented, but with noteworthy impact on use of the Dock area -- would not qualify as a minor expenditure.

- a Concept Proposal that will require the development of further specifications before final approval by the Board²;
- A description of the project / scope of work;
- A design sketch, if appropriate;
- A preliminary cost estimate; and
- A statement that the project is already included in an approved operating or capital budget, or an accompanying budget amendment to the operating or capital budget transferring funds from another budget item or capital reserve fund.

A Final Proposal must also include:

- a time line for completion of the project;
 - a final cost estimate based on final scope and design specifications;
 - for any project, a detailed project plan with clearly defined responsibilities for execution of each phase of the project and for project oversight on behalf of the Association;
 - the planned procurement approach, either
 - competitive bidding with an indication of likely sources, or
 - sole source, with a justification for the source selected; and
 - an indication of whether the results of the procurement process will be brought back to the Board before committing the Association, signing a contract, or initiating the project.³
- Board Deliberations and Voting:
- Deliberations and final action may be handled by email.
 - On a one time basis, any three Board members may defer action on the proposal until the next meeting of the Board.
 - Most actions require the approval of a majority of those voting, once a quorum of members has indicated a vote or abstention.
 - Any procurement/project funded by transferring funds from the general reserve or from a specific reserve fund to benefit a different asset requires a 2/3 majority of *all* Board members.
 - Board members who might derive personal financial benefit from a specific project or procurement shall recuse themselves from the Board's

² It is expected that all major projects will come to the Board initially as a Concept Proposal with a preliminary design and approximate budget; if the project is approved in concept, the individual or committee designated by the Board will then develop a Final Proposal including all necessary specifications and a more detailed budget and will send the Final Proposal to the Board for action.

³ The expectation is that *before any binding commitment is made on behalf of the Association*, the Board will review and approve the *results* of:

- any procurement over \$10,000,
- any procurement requiring a contract signed by an officer of the Association,
- any procurement exceeding the project budget approved by the Board, or
- any other procurement where the Board's approval was conditioned on the Board's review and approval of the outcome of the procurement.

formal deliberations and the Board's vote on any Final Proposal relating to that project. At their request or the request of the Board, they may provide information to the Board prior to any formal deliberations.

- The Board may approve, approve with changes, defer with requested changes, or disapprove the proposal.
- The Board shall specify whether the results of the procurement must also be reviewed and approved by the Board before committing the Association, signing a contract, or initiating the project.

Procurement Process for Infrastructure Projects:

- If approved as a Final Proposal, the individual or committee designated by the Board shall proceed with procurement as described in the proposal.
- After selection of the preferred bidder and before making any commitment to the bidder, the individual or committee designated by the Board must take the results of the procurement process to the Board if it was required to do so as part of the Board approval process or if the cost of the project exceeds the project budget approved by the Board.

Performance and Invoicing of Infrastructure Projects:

- The individual or committee designated by the Board is responsible for oversight of infrastructure projects.
- Invoices shall first be sent to the individual or committee designated by the Board for review and approval and then to the Treasurer for review, approval, and payment. Disputed invoices or other implementation concerns should first be addressed to the individual or committee designated by the Board. Unresolved issues may then be referred to the Board by that individual or committee, the Treasurer, or any Board member.
- During an infrastructure project, the individual or committee designated by the Board shall make periodic reports to the Board specifying progress to date, expenses to date, and whether the project is on schedule and on budget.
- The individual or committee designated by the Board shall promptly notify the Board by email of major delays in implementation, of major changes to the approved design specifications, and of cost overruns.

ATTACHMENT III

**Clarification of Middle Island architectural review guidelines
to conform to our covenants**

Whereas section 6.19 of the Middle Island covenants states that the Association “reserves for itself, its successors or assigns the right to control and to decide on the precise design, site and location of all dwellings, accessory buildings, fences, walls, screens, and other structures, erected, placed or altered on Middle Island.”;

Whereas the Stage I guidelines apply only to residential properties and therefore conflict with the Middle Island covenants;

And whereas the Middle Island covenants are our governing documents adopted by the property owners and supersede the Guidelines;

Therefore, the Board of the Association adds the following clarification to our architectural review guidelines to reflect the provisions of the covenants:

“The Middle Island architectural review guidelines and the architectural review process apply to all properties on Middle Island.”

ATTACHMENT IV

KAYAK AND CANOE LAUNCHER OPTIONS

OBJECTIVE

Provide a stable launch and recovery dock for Middle Island canoers and kayakers. Enhance the Cape Creek Dock and increase its utilization by a broader group of property owners.

DESIGN FEATURES

Launch dock should hold the canoe or kayak stable for entry and exit from a variety of canoes and kayaks. The dock design should include a handrail to assist entry and exit, and railings to facilitate launching and recovery. The launch dock can be attached directly to the new main dock in at least two locations or float independently using pile guides at both ends of the kayak dock that connect to the new pilings below the level of the main dock pile guides and do not interfere with their operation.

OPTIONS

Six designs were examined. The Yak-a-Launcher was rejected as unstable, and DockDoctor solutions as too expensive (\$8,500 for a dock and integrated launch ramp plus about \$2000 freight plus installation). The reasonable options are outlined below, in order of ascending cost.

Golden Boat Lift Kayak Launch (est \$1900, self-installed)

Kayak/canoe is loaded into the cradle, then ladder/cradle assembly is lowered with the winch until the kayak just floats above the cradle. Stepping into the kayak stabilizes it and allows safe entry, although getting onto and off the ladder may be a bit awkward. The handrail and the ladder rails will assist in getting up out of the kayak. Cradle is rated for 160-250 pounds. Ladder, bunk, and railings are aluminum; winch is stainless steel. Comes assembled except for attaching bunks. We would probably want to add an angled dock edge kayak roller and a 6" dock extension to aid getting onto the ladder from the dock. <https://www.youtube.com/watch?v=bh9b6BBmJDU> \$1540 plus about \$200 freight to Deep Point.



DockDoctors Kayak Ladder Lift and Launch (est \$2200-2400 self-installed)

Similar to the Golden Boat models, but the cradle is rated for only 100 pounds. In both the dock model (KDL-100) and the ladder model (KLL-100), there is more play in the cradle when launching than the Golden Boat because it relies on a single post. However, the handrail extends closer to the center of the boat, and there is a platform at the level of the boat, making entry easier.

<https://www.youtube.com/watch?v=iNYOMpaMFPw> Here too we would probably want to add an angled dock edge kayak roller. The dock model is \$1949 plus freight. The ladder model is \$2149 plus freight.



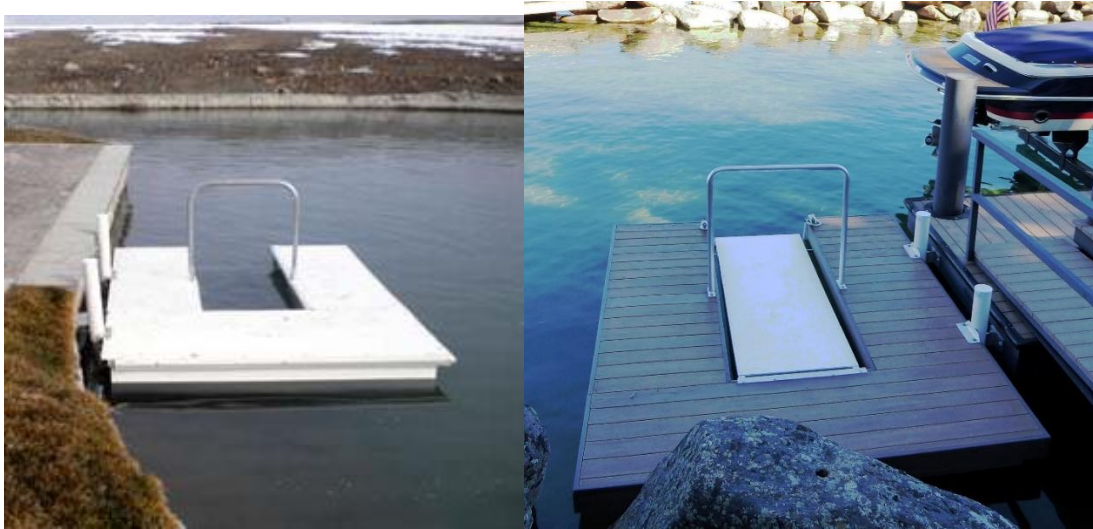
Carolina Floats Kayak Dock (est \$2600 self-installed) **RECOMMENDED OPTION #1**

Outer shell of 1/4" LDPE over inner foam. Compared with preceding launches, much more stable launch platform with 15" nonslip walkways on either side. Total length of 16' to handle long kayaks and canoes. Some canoes may be tight – the ramp is designed for kayaks and canoes under 35" in width. Can be fitted at very low cost with a PVC boarding assist bar attached to the 1" PVC rails at their front end. <https://www.youtube.com/watch?v=JOqqQnNn7gY&t=60s> Kayak Dock with Front Extension, side attachment fittings, freight to Deep Point, and user-purchased PVC pipe is \$2350.



**Accudock Kayak Slip Dock Safe Launch (est. \$4790 self-installed, \$5325 with plank deck)
RECOMMENDED OPTION #2**

This is a floating dock slip equipped with an adjustable 8' ramp. Side bars should be added for launching and recovery. https://www.youtube.com/watch?v=VGO_KTN4Abs The cost as shown below, with standard surface (shown on left), SafeLaunch (shown on right), an overhead bar, and freight to Deep Point is \$4160. Two side bars at the entrance to assist in launching and pulling the kayak up the ramp would be included (not shown). Wolf PVC decking (shown on right) would add \$535.



EZ Kayak Launch (est. \$4700 installed)

This molded plastic launch is attached to the main dock and provides a reasonably stable platform. The boater's paddles are used to move the kayak into and out of the water using notches in the side of the launch. Canoe paddles will not work as well. There are no hand rails to assist in exiting the kayak, but the kayak paddle in the notch will provide assistance. Dealer notes that getting onto the Launch is more difficult from a high floating dock (ours is designed for 18-24" freeboard, so an additional dock section is needed). <https://www.youtube.com/watch?v=E1FFqLaoJhk> Cost delivered to Deep Point \$4410.



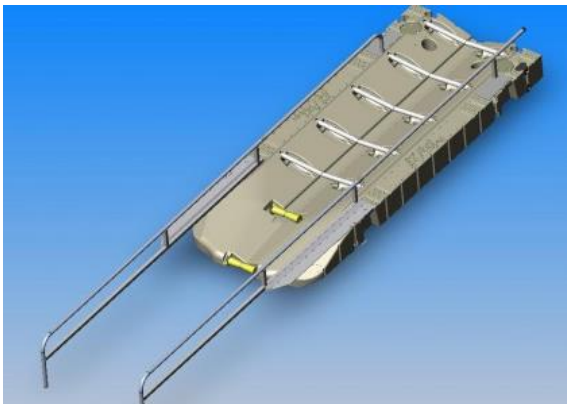
Kayak Dock. (est \$5100, self-installed)

This design consists of 20"x20" floating modules that are bolted together to form a 5'x 13' launch dock. It moors directly to the dock with fenders. Modules at the entrance end sit lower in the water. The center modules are less tall and are fitted with bunks to create a stable V for the kayak or canoe. Entry rails facilitate launching and recovery. An overhead bar could be mounted if desired for additional entry and exit assistance. Lifetime warranty from manufacturer in Queenstown, MD. Quoted with rails, fender mooring system, freight to Deep Point: \$4806

**EZ Launch for kayaks and canoes. (est. \$7300, self-installed)**

This kayak launch connects directly to the dock and has a series of rollers that facilitate launching and recovery. This equipment is in use at the Village kayak and canoe launch dock on Bald Head Creek. Both the Village kayak launch and the picture below have two sections, an entry "port" (dock) and an extension. For cost control, we propose only single entry section. Handrails extend over the water providing an easy means to get the kayak/canoe out of the water and onto the port. However, the rails get in the way of stepping onto the dock to enter the kayak/canoe, so an additional small EZ Dock section is needed between the main dock and the EZ Launch.

<https://www.youtube.com/watch?v=UKPMZ1xpbxk> Cost delivered to Deep Point: \$6967. An overhead handrail for entry and exit assistance can be provided using a dealer's locally manufactured rails instead of the manufacturer's. The right hand picture gives the general idea, but the middle dock section would be attached directly to the floating main dock rather than riding on guides as shown.



APPENDIX V TIMELINE FOR MIDDLE ISLAND ROAD DECISION

APRIL - Goal: Presentations for road options including pros and cons

- Advocacy groups, possibly made up of Board members and other property owners, will develop materials for road options and include the costs and pros and cons of each option.
- The Advocacy groups will present their material at the Town Hall meetings. These presentations represent the property owners not the Board.
- The Finance Committee will determine the effect of each option on the operating budget and summarize the special assessment or loan needed to finance the option.

MAY- Goal: Finalize presentations for Town Hall meetings, develop communication strategy and approve voting procedure and ballot

- Review and approve the Finance Committee's analysis regarding the effect of each option on the dues and special assessment or loan option's.
- Develop and decide on the communication strategy.
- Approve voting procedure and ballot, deciding what issues will be addressed on the ballot.
- Schedule Town Hall Meetings. The Board will provide the structure for the meetings and present the dues/loan information. The road options presentations done by the advocacy groups will be independent of the Board.

MAY – JULY: Goal: Educate property owners on the road options

- Hold multiple Town Hall Meetings
- Execute communication strategy to ensure all property owners understand the options and voting procedure

JULY-AUGUST: Goal: Send ballots and strive to receive 100% property owner response

SEPTEMBER: Goal: Announce voting results and plans to move forward at the Annual Meeting