

I'ON Assembly  
Board of Trustees Meeting  
Thursday, March 28, 2013  
6:00 P.M.  
Executive Session 5:00 P.M.  
Conference Room  
159 Civitas Street, Second Floor  
Mt. Pleasant, SC

A G E N D A

- I. Call to Order
- II. Approval of Minutes
  - February Board Meeting Minutes
- III. Review of Creek Club Litigation Status
- IV. Board Training April 13<sup>th</sup> 9-12
- V. I'On Trust
- VI. Landscape/Infrastructure Report
  - Square Raised Bed Project
- VII. Treasurer Report
  - Signature Cards
  - Revised Collections Policy
- VIII. President's Report
  - Creek Club Litigation
  - Annual Meeting Quorum-- Corrected Annual Meeting Minutes
  - Creek Club Access & Contract
  - Rules Changes
- IX. IDC Committee Report
- X. Amenities Report
  - Amenities Report
  - Waterfront Amenities Management Committee
  - Dog Park
  - ECMCS Use and Indemnity Agreement
- XI. Communications Report
  - New Web Host Contract
- XII. Secretary Report
  - Staffing
  - Board Organization and Planning
- XIII. Compliance
- XIV. Community Manager
- XV. Adjournment

## Finance Committee Report – MAR. 2013

**FINANCES:** We ended the month favorable to budget by \$11,000, (\$55,200 actual versus a budget for the month of \$66,200.) The only account that was materially above budget was legal which was some \$20,000 above budget due to the ongoing Creek Club litigation costs.

**MONEY MANAGEMENT:** In early February we met with Steve Wagner, to review how SCS plans to invest our excess operating funds as well as our Capital Reserve funds. They will set up two accounts with SmartSteet for our operating funds, a checking account to pay bills and a money market account for funds not immediately needed to earn interest until they are needed. They will have a money market fund for our Capital Reserve funds to accept new funds from transfer fees and operating funds that go to the Reserve account. For our existing Reserve funds they offer money market accounts with SmartSteet, or a CD Plus plan with UnionBanc. We will review these options whenever existing CDs are due for renewal. In that contest, we decided to combine 3 CDs with Ameris Bank that mature on Mar. 1 and renew them (\$103,000) for 12 months at Ameris since their rate (0.4%) is better than the rates offered at other institutions.

We also worked with Steve Wagner to reconcile the December 2012 AMCS financials since some bank closing statements were not available until January, some accounts payables from 2012 had to be paid by SCS in January and some funds from AMCS were not transferred to SCS until mid-January. This work was necessary so that SCSs General Ledger and bank accounts were accurate to start the year.

We learned through SCS that we did not have in place sufficient fidelity insurance to protect the HOA against potential misappropriation of funds by banks we use, or Finance committee members and/or Trustees. The Board approved adding that protection to our insurance policy.

**CAPITAL RESERVES:** We worked with Steve Wagner to devise a program to allocate the Reserve funds into four "buckets", from which funds could be allocated when repairs or replacements were required. The four general categories of these "buckets" are Docks, Buildings, Infrastructure and Landscape/Enhancements. The allocation of new funds will be done quarterly to these categories. Further work will entail an analysis of the Miller-Dodson study to budget for expenditures from these funds as required and to have the plan updated to deal with the Boating facilities when they are turned over to the HOA.

**DELINQUENCIES:** We met on Feb. 21 with Kelly Near, the attorney with Leath&Bouch who has handled the legal part of the collection process. The meeting was designed to get a realistic evaluation of these accounts to determine whether some do not have the potential to be collected and need to be written off as losses. Some are related to bankruptcies and/or foreclosures, and many delinquencies are for multiple years of regime fees.

As part of this evaluation process, we are recommending that all new delinquencies that occur be handled by SCS through their existing collection process, with a provision to refer some cases to the law firm of McCabe/Trotter who handle several hundred HOA collection issues. To make the process of

collection more effective, we requested the Board to approve a new collection policy plus a provision for payment plans for qualified accounts and this was done at the Feb. meeting.

A third element of this evaluation entailed creating an ExCel spreadsheet identifying each delinquent account, along with a history of efforts to collect, status of collection activities and, for some, recommendations for future action. Several small accounts were eliminated since no further action is warranted. This spreadsheet will be used by SCS and/or McCabe/Trotter in the new collection process scenario.

TRANSFER FEES: We received \$5008 in transfer fees in February based on collections from five closings. This is just a little below the monthly budget of \$5417, and we are trying to put into place some measures to ensure we are not missing out on any transfer sales. An element of that surveillance is to track the regular updates from two l'On realtors, Carol Williams and Chuck Avera, who list the closings for which they become aware. These regular reports show new listings, sales, listing or selling price, etc. Secondly, we are investigating how Trisha can get on the mailing list of the Charleston Trident Association of Realtors MLS listing which lists all sales in the tri-county area. Additionally, whenever we find out a home has been listed, we can "tag" that information on the SCS account for the homeowner which will make tracking these potential sales easier.

PROPERTY TAXES: As a result of claims made by the Plaintiff's attorney at meetings related to the Creek Club litigation that some common areas had not yet been turned over to the HOA, a comprehensive study was done to identify all common areas currently owned by the HOA (nearly sixty individual tracts) and to determine who was the registered owner, whether property taxes were being paid on them, and by whom. A second element of this study is determining the time line for turning over to the HOA the remaining parcels by the l'On Company. An ExCel spreadsheet was prepared, identifying each parcel along with appropriate information on it including ownership, schedule for future turnover to the HOA, tax payment status, etc.

PRESIDENT'S REPORT  
MARCH 2013

CREEK CLUB LITIGATION

The plaintiffs' attorney has filed a Motion to Enroll, asking the court to register the settlement agreement reached among the plaintiffs, the Creek Club owners, and the Graham interests. We are awaiting a hearing date, and will be taking advice from our attorney as to our options with respect to the settlement agreement. Contrary to our expectations, the agreements submitted to the court were the same versions that had previously been posted by the Board and by the plaintiffs' attorney; they have not been formalized into more detailed agreements.

ANNUAL MEETING QUORUM

After a resident raised the possibility that the annual meeting lacked a proper quorum, the Board directed a review of all documentation related to the annual meeting and the quorum. Based on the advice of two separate law firms, the Board concludes that a quorum did in fact exist and that the minutes, prepared by AMCS, were incorrect in three respects:

- AMCS failed to count those present in person or by proxy correctly'
- AMCS failed to properly calculate a quorum; and
- AMCS failed to accurately report the president's statement at the meeting that a quorum was present.

This issue highlights two conclusions:

- The importance to all residents of either attending the annual meeting in person, or submitting a proxy to the meeting; and
- The value of the Board's decision last year to replace AMCS as our community manager.

Further discussion of the quorum issue will be conducted at the Board meeting.

SQUARE PARKING

At the request of the president of the Square Merchants' Association, the Town is examining options for possibly restoring a parking space along North Shelmore Boulevard in the Square, while providing safety for vehicles and pedestrians. Any modifications to the Square parking areas would end up being at the Assembly's expense, rather than the Town's. Meanwhile, however, parking enforcement will continue in the Square.

## CREEK CLUB ACCESS

We are in the final stages of renegotiating our usage agreement with the Creek Club (this is independent of the proposed settlement agreement), and hope to have an agreement in place in time for the Board meeting that will continue to provide community access while reducing our costs of paying for unused days.

## Amenities Committee Report

- 1) Dog Park- In response to multiple inquiries via the HOA mailbox, the committee has begun looking at the possibility of establishing a dog park. Sally Little and Ann Register graciously agreed to assist in this endeavor. Tony Woody also assisted with his knowledge of the neighborhood and his professional skills. It appears that a reasonable location would be the end of the soccer field closest to Mathis Ferry, sort of a mirror image of the community gardens. This land is already owned by the assembly, which would greatly simplify its use. However, the committee solicits opinions for other locations. Costs would include fencing, dog refuse containers, seating for owners, signage, and a drinkable source of water for the animals. The committee would ask that the board establish a budget for constructing and maintaining the area. We have also been asked to establish some preliminary rules based on dog size. The area is too small to have separate areas for "large" and "small" dogs, so it has been suggested there be separate times. Probably 10-12 lbs would be cutoff between large and small.
- 2) "Dog Free" zones- The committee also noted multiple requests that one or more "dog free" zones be established. The committee would ask that the board consider this concept. The amphitheater area and Maybank Green have been suggested for such zones. If this is supported by the board, the committee asks for a budget for placing signs, and an opinion on how the zones could be enforced.
- 3) Care of the docks- The committee recognizes that when the Assembly takes over the docks, we will have significant responsibilities in areas of maintenance, security, safety, etc. An appeal was sent out to establish a subcommittee to look at these issues so we can prepare, but response has been minimal. We will need to reach out to the assembly in a stronger and more persuasive fashion.

David Countryman M.D. FACS

COMMUNICATIONS REPORT – I'ON BOARD  
MARCH 2013

'MEET THE MANAGER' LETTER

- Waiting for SCS letter of Introduction – want to include from I'On board too?

PROPERTY CLOSINGS REPORTS

Need process from Finance Committee and/or Trisha for monthly reports starting from January to

- Vikki Davis to maintain homeowner database and trigger new resident Ambassador visits and website enrollment.
- Margaret Summers for I'On Trust to track their x-fer fees

NEW WEBSITE SERVER

The website subcommittee (Lees Baldwin, Margaret Summers, Anne Register, Barb Fry, Steve Degnen and myself) has researched the details of service from AssociationVoice.com for I'On and are excited about the increased options and flexibility they provide compared to our existing service with athomenet.com. Highlights (included)

- training for any/all site administrators throughout the life of the contract, domain management, content transfer, advanced search software and a competitive annual fee, directory (printing) layout, newsletter publishing software, discussion groups, interactive maps, easy upload photo gallery, form tracking (IDC, violations, event reservations etc.).
- Start up cost est. = \$3,500 (inc. all content x-fer and services)
- Annual fee = \$2,100
- Timeline: 2-3 months to launch live. (3 week beta testing for limited testers inc. board)

**\*\*\*Board ACTION NEEDED**

Vote: on contract approval with AssociationVoice.net as our new online server and host management service for <http://www.ioncommunity.com>

Deborah has reviewed the contract and cost estimate has been sent to Frederick

Secretary Report - I'On Board  
March 2013

STAFFING

We are extremely under staffed – Trisha averages 100 new emails a day. She was hired as a part time Property Manager but works full time hours. She has no other staff available. SCS had offered but withdrew from providing her with an assistant to help. SCS has also given her other HOAs to manage. Her dedication is beyond expectations including 4am and weekend emails. She risks burnout and I'On risks losing her and also risks the community-wide domino effects from the backlogged demands on one person.

Current workload

- Prepare board packets and attend monthly & annual board meetings
- Landscape meetings and inspections
- IDC tracking, follow up and enforcement
- Financial meetings and account reviews
- Assessment delinquency follow up
- Infrastructure meetings and follow up
- web administration for all board documents
- respond to all HOA Mailbox requests
- enforce of rules and regulations when needed
- respond to emails
- respond to phone calls
- post email blasts and newsletters
- keep homeowners database current
- create & distribute property closings monthly report
- research documentation for legal issues
- co-ordinate board training
- coordinates with Town of Mt Pleasant
- more...

BOARD ORGANIZATION AND PLANNING

- Create searchable archive of all policy decisions repeating topics previously discussed for current board ability to move forward if /when those topics resurface.
- Create a Developer Property Transfer file that is accessible to board members Include history of trouble areas, key correspondence, tax maps, timeline from developer filings, etc.
- Complete a 3-5 yr strategic plan before December 2013.