

**I'On Assembly  
Annual Meeting Minutes  
December 6, 2006**

**Members Present** Everett Wilcox, Alan Barbieri, Ed Clem, Alan Comen, George Flynn, Theresa Green and Ted Webb

**AMCS** Cheryl L. Wilson and Helen L. Postell Hutson

George Flynn called the meeting to order.

George Flynn advised that a quorum had been established.

148 homes were represented in person or by proxy.

**Minutes**

Ed Clem made a motion to accept the 2005 I'On Assembly Annual Meeting minutes as presented. Ted Webb seconded the motion. All in favor. Motion passed.
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**Board Candidates**

George Flynn asked the three candidates to stand and introduce themselves. They are Everett Wilcox, Ward Mundy and Annie Bonk. George Flynn called for nominations from the floor.

No one came forward. Ballots were collected from the floor.

**Development Report**

George Flynn introduced Chad Besenfelder with the I'On Company. Chad Besenfelder reported that there are 670 occupied homes. Mr. Besenfelder introduced the founders of I'On, Mr. and Mrs. Thomas Graham.

Mr. Besenfelder advised that phases 7, 9, and 10 should be ready for turn over to the I'On Assembly in 2007. The turnover will include warranty books for each phase that has been turned over to the I'On Assembly and each phase that is turned over in the future. He advised that the following projects would be completed by the end of 2007. They are aerators system in the canals and lakes, pedestrian path repairs, Ionsborough Street alley drainage repairs, Jogging Street center island repairs, Saturday Road center island repair, phase 6 and 8 tree replacements, mapping of community irrigation system and the addition of historical markers in the new phases.

LeGrand Elebash advised that the East Cooper Montessori Charter School has finance in place and the new school should be open in 2007. He also reported that the Holy Ascension Orthodox Church should be completed in June 2007 and the artist plans for the Church of the Holy Cross should be completed sometime in 2007.

LeGrand Elebash advised that the Jefferson canal site plan has been sent to the Town of Mount Pleasant and the town said they would approve it when the parking plan was approved. The site plan and architectural plans are now being revised

LeGrand Elebash advised that the ten-year anniversary of the approval for building I'On would be in Spring 2007.

LeGrand Elebash informed that the Planned Development Amendment allowed for 762 homes with 30,000 square feet of commercial and civic lot and that Phase 11 consist of 4.5 acres. He reported that the I'On Company told the I'On Assembly they wanted to develop this area very similar to Ionsborough Street. This

will require the I'On Company to revisit the Planned Development Amendment with the Town of Mount Pleasant. He advised that should the I'On Assembly agree to the new Planned Development Amendment it would provide funds to the I'ON Assembly, churches and schools in the community. The I'On Company will not take the revised Planned Development Amendment to the Town of Mount Pleasant without the approval of the I'On Assembly. The I'On Company will keep the community informed as this project progresses. A question came from the floor asking what the I'On Company could develop in Phase 11 under the current Planned Development Amendment. LeGrand Elebash advised that the area could be developed into 6 residential lots.

LeGrand Elebash advised that currently the I'On Company owns 56 lots and 8 near the Jefferson Canal. The average sales price in the community is 1.1 million and that there are 75 active listings in MLS.

### **Finance Committee**

Ed Clem advised that owners should have received a copy of the latest revision of the yearly budget when they came into the meeting. Mr. Clem advised that he would be walking everyone through a cursory review of that material this evening. The Board of Trustees established a budget for this fiscal year of \$451,425 and he is pleased to report that it now looks like the I'On Assembly will end 2006 within the set budget with the expectation of a surplus of about \$20,000, which the Board of Trustees intend to apply to the capital reserve account. This was possible, largely, because of the terrific job done by Libby Eble and Dave Rosengren in discovering that SCE&G had been overcharging the I'On Assembly for several years on the streetlights. Their discovery and negotiations with the utility not only resulted in a refund from SCE&G of some \$72,000 which the Board of Trustees immediately put into the grossly under funded capital reserve account, but also lowered the yearly charge for the street lights by nearly \$20,000.

In looking at the budget numbers, the I'On Assembly expenditures amount to \$391,429 or about 87%; with the remaining 13% going into the reserve. Of the \$391,000 some \$237,000 (almost 61%) is spent on maintenance of our common areas, lakes, walking paths, trees and shrubs; \$86,000 ( 22%) is for administrative costs; \$56,000 (almost 14.5%) is for operating expenses (electricity and irrigation) and the remaining 2.5% (\$11,000) is for taxes and insurance.

Looking at the individual areas, there was some \$25,000 over the planned budget in maintenance, largely due to landscaping enhancements that were not budgeted but which could be done when the Board of Trustees recognized we were going to have the money. This budget overrun was more than compensated for by the favorable deviation from budget of \$31,000 in operating costs, which I have already acknowledged.

The Revenue side will be favorable by about \$5000, collecting more in revenue than planned; due to an aggressive approach, the Board of Trustees adopted this year to collect overdue accounts, as well as the new investment plan for our capital reserve funds and our operating funds. The Board of Trustees will only be keeping enough cash in the checking account, which earns no interest, to cover each month's bills, and invest the remainder of funds in a Money Market fund. The capital reserve funds are invested in US Treasury bills with staggered maturity dates, so that money will be available as they mature in the event of a need. Both investment funds are in an insured account at Fidelity where each is yielding about 5%. The Board of Trustees were able to get this new investment scheme in place in May, and the results will return the I'On Assembly over \$6000 in interest, compared to about \$2000 reported last year at the Annual Meeting. For 2007, the results will be close to \$20,000 earned.

For 2007, our expenditures are expected to rise to \$536,500, an increase over the current year of almost \$80,000. This coming year, the Board of Trustees are required to substantially increase the contributions to the capital reserve fund; specifically the budget calls for \$94,017 to be put into this fund, actually \$104,017 but \$10,000 will come from interest, compared to \$42,354 contributed to date this year.

This increase in the contribution level is due to two factors. First, the Board of Trustees enlisted the firm Miller-Dodson Associates of Annapolis, MD to update the prior capital reserve study done by Falcon Engineering. Peter Miller will discuss this report later in the program with more details on the study. The new study was necessary to reflect the new assets acquired by the I'On Assembly as the developer has turned over more facilities to the owners as the transition process progresses to complete homeowner control. Secondly, the I'On Assembly has had to rely on increased contributions to this reserve fund from regime fees because the Board of Trustees have been unsuccessful so far in getting a transfer fee passed to generate funds that could be used to fund the reserve. Therefore, this accounts for some \$60,000 of the increase alone. The other portion of this increase is because of the Board of Trustees plan to enhance the landscaping in our magnificent community, with a budget next year of \$37,722, which is more than double the expenditures of \$18,720 this year. The Board of Trustees have been hearing concerns from many residents about the deteriorating condition, and inadequacy, of our existing landscape elements, and this budget increase reflects that concern, which the Board of Trustees share. Alan Barbieri and Dave Rosengren will report on the community landscaping later in the program.

Unfortunately, this increase in the budget will require the Board of Trustees to increase the regime fees next year to \$750, something they tried hard to avoid, but they feel every element in this budget is necessary to continue to operate, enhance and maintain our valuable assets in such a manner as preserves the inherent value of each of our investments.

Mr. Clem spent time reviewing one line item in the budget, under Administration, Account 6220 Community Support of \$5000. Mr. Clem advised that the current Board of Trustees, as well as prior ones, have a history of funding certain items, which they believe enhance the quality of life for all residents, to one extent or another. For example, the budget includes paying the Creek Club a fee of almost \$5000 for next year to allow residents the use of the Creek Club and many residents have taken advantage of this opportunity. The Board of Trustees also pays a little over \$4000 each year for the Creek Club so that any I'On resident can launch their boat. The I'On Assembly shares with BizNet the cost of producing a Directory, which has just been distributed to each resident, and there are several other examples.

For at least the last two years, Mr. Clem advised that the Finance Committee has sent out a request to all groups asking for funding support, giving them an opportunity to solicit the Board of Trustees for whatever funding they want. The Board of Trustees review these requests and adjust the budget to accommodate those they feel are justified. From this inquiry the Board of Trustees received a request from the I'On Trust for \$7,500 to help defray some of the costs of five events planned for 2007, the Easter Egg Hunt, Arts in the Park, the Memorial Day Weekend Concert (where the Charleston Community Band will be in concert), the July 4<sup>th</sup> CelebratI'On and Halloween in the Hood. The Board of Trustees feel these type of activities greatly enhance the quality of life in I'On, and are a major factor in causing I'On to be a preferred community by those people searching for a new home. The Board of Trustees felt, that they could not support the full \$7500 request, but agreed to provide a grant of \$5000 to the I'On Trust with the understanding the funds would be applied to those events that were free to all I'On residents, not just to I'On Trust members. Mr. Clem advised that this year, the Board of Trustees have made modest contributions to this year's Easter Egg Hunt, Halloween in the Hood, National Night Out, had \$2000 budgeted to help with the cost of the fireworks display for the 4<sup>th</sup> of July CelebratI'On, and they contributed \$1000 to this use last year, so this request was consistent with past practices. The Board of Trustees believe that this is a very worthwhile endeavor, but have had its propriety questioned by a couple of people, so they are making residents aware of the specifics of this proposed budget item in case there are others who are concerned. The Board of Trustees are keenly aware that it is the owners money that they are managing, so they are very careful to insure that any funds expended are appropriate, as they feel this one is.

### **Landscaping Committee**

Alan Barbieri thanked Dave Rosengren and Alan Comen for their hard work on the Infrastructure and Landscape Committees. Mr. Barbieri advised that this year the Board of Trustees had sought out professionals when working on the communities landscape. The Board of Trustees are looking to work with Ed Pinckney,

Landscape Architect, to help enhance the common areas in the community. The Board of Trustees will be working to consult with Mr. Pinckney and have him inventory the community and identify areas that Mr. Pickney feels could be enhanced. Mr. Barbieri introduced Mr. Pickney who gave a brief introduction of himself and what areas he will be working on with the Board of Trustees.

### **Communication Committee**

Theresa Green advised that the Communications Committee meets monthly and that they work closely with the neighborhood ambassadors. The Communications Committee has been working on how to get more residents involved in the community. The Communications Committee long term planning involves compiling a calendar to include all events in I'On and those in the Charleston area so that there are not any conflicts, better signage at the community entrances on Eastlake Road, Lowcountry Blvd. and N. Shelmore Blvd., database of community volunteers, quarterly newsletters from the Board of Trustees and a Communications Committee Mission Statement.

### **Infrastructure Committee**

Dave Rosengren advised that the well water stains at the Eastlake Road entrance are due to the areas irrigation system being split to use city water and well water in hopes of saving cost to irrigate the area. The Infrastructure Committee is working to remove the stains. Mr. Rosengren advised that the committee is working on refurbishing walking paths, installing 4x4 posts to encourage proper vehicle parking near the common areas, repairing the Perseverance Square fountain and sidewalk and curb repairs, which would be done by the Town of Mount Pleasant.

### **Traffic Committee**

George Flynn advised that the Board of Trustees worked with the Town of Mount Pleasant to have a stop sign added to the intersection of Ponsbury Road and West Shipyard Road. The committee will look into adding speed bumps on Eastlake Road.

Mr. Flynn briefly reviewed the history of parking plan. Mr. Flynn advised that the revised parking plan would be going up on the community website for residents to review. He asked that residents review the plan and forward any comments to him so he can work them with the Town of Mount Pleasant. Mr. Flynn advised that the Town of Mount Pleasant is willing to work with the community on this issue and they will listen to any comments or concerns residents may have.

### **I'On Trust Report**

Cynthia Rosengren thanked everyone who volunteered with the Home Tour that was chaired by Susan Powers. Mrs. Rosengren reported the following upcoming I'On Trust events, which are the Jazz Night in early 2007 at the Creek Club, I'Onissimo Concert on Sunday on Montrose Road and the luminaries on Sunday.

### **Board of Directors Election Results**

The 2007 Board of Directors are: Everett Wilcox and Ward Mundy. The Board of Trustees advised that George Flynn would be President Elect for 2007.

### **Reserve Study and Transfer Fee**

Peter Miller presented the reserve study that was completed by Miller & Dodson. Mr. Miller reviewed a brief presentation that will be later posted on the community website. Mr. Miller advised that the Board of Trustees chose the cash flow method for the reserve study. Mr. Miller advised that the reserve study should be updated every three to five years. He stated that the reserve funds are set aside funds that will be used for replacement of association assets.

Ted Webb advised that the balance for the reserve account on December 31, 2006, would be \$108,326. Mr. Miller advised that he had done a survey of homeowner associations in the Lowcountry to determine how they

handle living with hurricanes and how they financially prepare for them. From the survey, Mr. Miller concluded that on average the communities have \$250- \$500 thousand for storm clean up and replacement.

Mr. Webb advised that there are a few ways for the association to build a storm clean up fund, they are:

1. Raise Dues
2. Special Assessment
3. Transfer Fee

Mr. Webb advised that the Board of Trustees would be working on passing the transfer fee.

### **Civitas Award**

The recipients of this years Civitas Award are Bonnie Ray and Diane Balister.

### **2007 Meetings**

George Flynn advised that the Mid-Year meeting will tentatively be held on June 27, 2007 at 7:00 PM at the Creek Club and the Annual Meeting will tentatively be held on December 5, 2007 at 7:00 PM at the Creek Club.

### **Question and Answer**

Jack Hamilton reminded residents that they could publicize their community events by completing the form available on the community website.

James Thompson asked that the Board of Trustees address the speeding issue in the community.

The Board of Trustees reminded residents that a valid South Carolina Drivers license was required in order to operate a golf cart in the roadways.

### **Meeting Adjourned.**

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Theresa Green, Secretary