

I'On Assembly Board of Trustees Meeting
October 23, 2014

Members Present: Deborah Bedell, Tom O'Brien, Bob Davis, Anne Register, Chad Besenfelder, Tony Woody, Stephen Wood, Martha Morgan

SCS: Mike Parades and Jessica Gosnell

Guests: Elissa Nauful, Ed Clem, Brenda Uttaro, Adam Robinovitz, John Powers

Homeowner Forum: Ed complimented the detail and full disclosure of the Board reports that are posted before each Board meeting. They give transparency to what the Board is doing.

Brenda reported on the I'On-exclusive dog park concept and how the Dog Park Committee plans to address the concerns that many I'On residents have. Brenda mentioned all of the valuable amenities that I'On has, and pointed out that there is not an enclosed safe place for dogs. She has personally met many good friends at dog parks and believes that an I'On-exclusive dog park would be a great social tool for the neighborhood. The Dog Park Committee is in the early stages of planning, and its commitment is to plan thoroughly and comprehensively. A key part of the plan is the maintenance process which will have the park monitored and well-managed.

Call to Order: 6:16 pm

Approval of Minutes

Motion to approve the September 25, 2014, Board Meeting Minutes per Bob's revisions. Motion seconded. All in favor. Motion passed.

President's Report: Deborah had previously circulated the new SCS contract following its review and revision by outside counsel, Bob Davis and herself. Deborah requested the approval of the Board to sign the contract on their behalf.

Martha commented that she felt that we are going into the contract understaffed. Deborah mentioned that the contract permits the Assembly to hire more staff if needed.

Motion to authorize Deborah to sign the SCS management contract. Motion seconded. All in favor. Motion passed.

Motion that the Board confirm the Board of Appeals decision regarding the unapproved shed on Ponsbury, determining that it needs to be removed within 30 calendar days.

Tony asked if the renter / homeowner asked the Board of Appeals to review the decision. Deborah responded that the renter did make this request, and it is now being brought to the Board for implementation. Legal counsel confirmed that Board committees are advisory, and therefore the Board then has to vote to adopt or approve the committee's recommendation.

Motion that the Titleholder and the renter be informed that the shed must be removed within 30 calendar days from the date of the letter. Motion seconded. All in favor. Motion passed.

Anne asked if there would be an actual Leadership Development Committee. In a previous Board meeting it was discussed that a Leadership Development Committee would be a year-round committee where interested homeowners are provided a contact to ask questions regarding joining the Board. Tom volunteered to join the committee, with Deborah continuing as the Chair.

Manager Report: Mike reported that the Reserve Study update was completed and reviewed by the Finance Committee. The Reserve Study recommendations are also reflected in the proposed 2015 budget.

The Creek Club loading zone project is in process, and Mike hopes to have a report on this project for the November Board meeting.

Regarding the parking space re-marking project, we received a letter from the Town confirming that they will not be repaving the I'On roads anytime in the next 10 years. Therefore there will be no issue with re-marking over the existing parking spaces. Mike reported that we needed to obtain a permit from the Town before we can begin to re-mark the current spaces. The project will begin on November 3rd as long as Jessica is able to obtain an encroachment permit from the Town before this date.

Stephen asked about the material of the product that we are using to re-mark the parking spaces. Mike explained that the product is a plastic product with glass beads imbedded into it. It is installed using an infrared heat gun where it is literally melted onto the asphalt. Mike commented that the product would last about 15 years. Since the new parking spaces will be visible day and night, there will be no excuse for people not parking in marked spaces.

Anne asked if the project would affect traffic flows. Mike said temporary 'no parking' signs will be placed at street entrances, and an email blast will go out informing neighbors of the areas and specific dates where the re-marking will take place. This should hopefully mitigate any traffic issues caused by the re-marking.

Mike reported that the soccer field irrigation system is now up and running. He also mentioned that he has spoken to Lawn-O-Green regarding lifting the canopy of the trees that line the soccer field.

Mike confirmed that he has marked the exposed roots that need to be pruned on the marsh path, as well as divots where plantation mix needs to be added. Lawn-O-Green will be working on these marsh path maintenance issues in the upcoming weeks.

I'On Trust Report: Anne added that this year the Trust will cover the cost of the Giving Lights project which is usually \$2,000 for the materials. This information will be in the November newsletter. Essentially every single dollar donated will go to the charity.

Infrastructure Report: Deborah mentioned that there was no golf cart signage on Westlake. Mike reported that he ordered 10 signs to begin with, but he has found we need about 20 or 25 signs. More signs have been ordered and will be installed once they come in.

Finance Report: The Finance Committee has recommended purchasing a CD with the contribution that the Assembly received. The Assembly currently has two CDs at Harbor National Bank. Anne reported that Harbor National is merging with the Bank of North Carolina as of December 1st; therefore, the bank resolution is to go ahead and start an account with BNC in order to get this new CD set up.

Motion to approve resolution to establish an account with BNC. Motion seconded. Tony abstained. All in favor. Motion passed.

Anne mentioned that in discussing the upcoming yearly assessment, the Finance Committee briefly touched on the issue of delinquent homeowners. When letters are sent out letting these homeowners know that they are delinquent, then they need to also receive a note reminding them that they lose the privilege of using any amenities until they have paid their assessment and any late fees in full.

Tony asked if the delinquencies are up this year since the assessment was split into two separate payments. Anne stated that she believed this was a factor in the increase in

delinquencies as many people that were late in February were delinquent again after July, so we were spending more money and time attempting to collect from the same homeowners. Thus, the recommendation of the Finance Committee is that the 2015 assessment be paid in one installment.

Anne proceeded to review the proposed 2015 budget. She reported that we need approximately \$14,000 more in the Reserve Fund over prior years' funding. The Committee originally planned to put \$105,000 in the Reserve; however after the Reserve Study, it was clear that we needed to put aside \$119,000.

Deborah asked about an increase in rent for the office space effective December 1st. Mike and Anne confirmed that the current lease is up as of November 30th; therefore, the lease addendum is increasing rent from \$825 to \$950 effective December 1, 2014.

Anne reported that they have looked for another office space, but they were unable to find a space with a conference room in the Square that would be any cheaper.

Deborah inquired about quarterly tax payments. Mike confirmed that we have already made quarterly tax payments for 2014 and have another one due soon.

Anne proceeded to summarize the most significant changes in the budget for 2015. The Finance Committee recommended the I'On Trust be budgeted at \$15,000 for 2015, rather than \$20,000 as has been budgeted in previous years. This is not because of any change in the HOA's willingness to support the Trust; however, transfer fees – which benefit both the Assembly and the Trust financially - have been very good this year. Therefore, less funding from the Assembly's budget is required for the Trust.

The increase in management fees and staffing payroll has already been discussed in the contract discussion. The reason for the rent increase was already discussed as well. IDC administration has increased slightly because of the increases in time and pay of the IDC coordinator.

One of the things discussed was the contingency reserve. If there are budget items where additional money is needed, then the contingency money can be used as required. The Finance Committee will have further discussion on this fund at its November 17th meeting.

Motion to approve the budget for the 2015 fiscal year. Motion seconded.

Tom had a question on how we would fund something like a dog park. Anne responded that it would be funded from excess transfer fees, and/or contingency reserves. A dog park is not budgeted as a line item in the 2015 budget.

Deborah commented that she is concerned whether it is realistic to budget this way, by reducing certain line items and increasing others. She commented that it seemed like we were forcing the budget to balance.

Deborah also expressed her concern that the professional consultant budget, including legal fees of \$25,000, is too low. She referenced several instances where we should always seek professional legal opinions to ensure that we are managing the Assembly in the best way possible and we do not want a tight budget to prevent us from taking a necessary step.

In addition, she is concerned if we do not have a strategic planning session as a budget item, then we will not do it. To keep the Board and the community moving in the right direction, she felt that strategic planning should be a line item in the budget.

Anne responded that she agreed with Deborah's comments, but the only way to increase revenue is to increase assessment fees. Since we just raised the assessment last year, the Finance Committee did not want to raise the assessment again.

Deborah asked if there is any long-term maintenance plan in order to know what we will need to pay out of the reserve fund. Mike and Anne confirmed that the Reserve Study includes a long-term maintenance plan, projected out over 30 years, with specifics to be taken care of each year. Deborah suggested that planned expenditures from reserve funds be presented separately to homeowners in financial statements. Anne and Mike Committed to putting this information in the budget for homeowner's information.

Stephen inquired about the policy for the Trust contributions made by the Assembly each quarter. He asked if the Board would vote each quarter to make the contribution. Anne responded that when the Trust requests these quarterly payments, they will submit information on their current financial status for the Finance Committee to review to recommend whether to pay a quarterly contribution. However, the budgeted amount was set with the full intention of making the total \$15,000 payment to the Trust.

The Trust board is concerned that if it does not request funding one year, they may "lose their place." There is a worry that every year may not be as good as this year as far as the high

amount of transfer fee revenue, so they want to know that they will have the continued support of the Assembly in the event that they have a year in which transfer fees are down.

Discussion continued and the Board agreed that the \$15,000 allocated in the budget is more of a “not to exceed amount” rather than a guarantee of a \$15,000 annual donation to the Trust. The bottom line is the Assembly does want to support the Trust and ensure its success. Therefore if the Trust needs the money, then it will be contributed. On the other hand, if there is another very successful year with transfer fees, then the Assembly may not contribute the full \$15,000. The Finance Committee will review the Trust’s financial standing and make a quarterly recommendation on whether to contribute to the Trust.

All in favor of the proposed 2015 Budget as submitted. Motion passed.

Motion to approve yearly assessment of \$1000 to be billed in December, due January 1st and considered late with penalties beginning on January 31st. Motion seconded. All in favor. Motion passed.

IDC Report:

Motion that the four members of the IDC be required to sign the Board’s approved Conflict of Interest Policy. Motion seconded. All in favor. Motion passed.

Motion to approve an increase of the weekly-allotted hours of the Neighborhood Design Coordinator from 20 hours to 25 hours, and increase her hourly pay from \$20 to \$21 dollars an hour. Motion seconded. All in favor. Motion passed.

Amenities Report:

Motion to appoint Kathy Davis and Sally Little to the dog park committee. Motion seconded. All in favor. Motion passed.

Motion to add Antonia Fokas, Chuck Kranitsky, Stephen O’Conner, Don Wilbur, and John White to the Athletic Field Committee. Motion seconded. All in favor. Motion passed.

Tom began discussion of the dog park. The idea is to have a safe place for people to run and exercise their dogs. The challenge is where to put the dog park.

Chad showed the Board his idea for the area where a dog park could be installed. The lot he suggested is across the street from the Creek Club overflow parking area, Lot CV-5. The area is approximately 12,000 buildable square feet and is not a buffer area. Chad mentioned that the

developer already landscaped the linear area along the road, so it would save a lot of money by already having a landscaped area for the most part. Chad recommended building a picket fence along North Shelmore and installing a living fence on the wooded sides of the park.

The proposed park would be about 9,000 square feet total, with 6,800 square feet of actual mulch-covered area. Chad confirmed that this is not a house lot. It is zoned as an HOA area that may only be used for a park or a civic lot.

Tom asked the Board for their early thoughts and input on having a dog park.

Stephen commented on the underlying current of equally passionate homeowners opposed to having a dog park. He hopes that there is some way to get a good sense of the overall community feeling on the idea.

Deborah remarked that many people who are objecting might not fully understand the vision of the plan where the park will not be open to everyone. It will be secluded in the neighborhood, and will be secured, requiring key access.

Tony suggested that serious design effort be put into creating the buffers around the area, and that the Committee meet with the homeowners near the proposed park to let them know it is coming and that the Board will be sensitive to their needs.

Communications Report: The Communication Committee wants to emphasize that the HOA website is a good communication vehicle for neighbors when using the discussion boards. They want to automatically include everyone that signs up on the website to subscribe to the discussion boards so they would receive all messages that are posted. The goal is to hopefully generate more traffic and conversation on the bulletin boards increasing the use of the HOA website. Homeowners could of course opt out of the discussion boards if they wish to not receive them. Further study is needed on the legalities of doing this.

Secretary Report:

Motion to approve the proxy presented by Martha and approved by legal counsel. Motion seconded. All in favor. Motion passed.

Martha outlined the proposed agenda for the December Annual Meeting. The business meeting will be as short as possible. Mike and Deborah will each give a short report and then the business meeting will be adjourned. The Homeowners' Forum will follow, to provide an

open dialogue between homeowners and the Board. The goal is to have a productive meeting for our homeowners while respecting everyone's time.

Motion to implement a policy to accept no nominations from the floor or write-in nominations at the annual meeting. Motion seconded. All in favor. Motion passed.

Covenants Report:

Motion to assess an additional fine of \$100 against the Titleholders who continue to keep chickens and a coop on their Lot. (Titleholders were previously assessed a \$50 fine and instructed to remove the chickens and the coop.) Motion seconded. Seven in favor of the motion. One opposed. Motion passed.

Bob reported that the Titleholder who engaged in the unauthorized removal of vegetation from HOA common property was sent the opinion from the Covenants Committee and has 10 calendar days from the date of the opinion to either comply or request an appeal before the Board of Appeals.

Bob discussed some of the details of the Community Survey that was completed in September. The results of the Survey were preliminarily discussed at the September Board meeting. He explained that the Communications Committee and the Covenants Committee are now recommending that the full Survey results be released to the neighborhood. This will allow all Titleholders to see the responses. It will also provide the Board the opportunity to express appreciation for the time and participation of all respondents to the Survey.

Motion to authorize the full results (raw data, questions and responses, bar graphs, comments) of the Survey be shared with the entire I'On community.

Discussion continued regarding how the Board will respond to the information received as a result of the Survey. Deborah recommended sorting out issues from the Survey to be referred to the applicable committees for action and follow-up, as appropriate.

Motion seconded. All in favor. Motion passed.

Mike commented that this is a very important task, because this information is what will drive what management focuses its attention on.

I'On Company Representative:

Chad had a few items that the Grahams wanted him to bring to the Board.

The I'On Company is ready to plant Georgetown Park. Chad asked if the Board would like the Landscape Committee to take a look at the park plans or if they can proceed as planned. Chad said that plans were sent to the Board some time ago. Tony asked that Chad resend these plans for another look, but everything should be in order to proceed.

The I'On Company is also ready to deed over the Jefferson Canal to the Assembly. This process is a little more involved than the Georgetown Park turnover. Therefore Mike, The Greenery, Lawn-O-Green, the Infrastructure Committee, and any other necessary parties need to plan to meet to do a walk through in order to take a look at the canals to see if any maintenance is needed before they are turned over in accordance with the standard Turnover Policy.

Chad reported that The I'On Company was approached about three weeks ago by a church requesting to build a church and parish hall on CV-9 next to the cemetery. The Church would buy the lot CV-9 from the I'On Company, and Historical Concepts would design the building. There will be some off-street parking, but most will be on-street. Chad reported that off-street handicap parking is the only requirement from the Town for off-street parking.

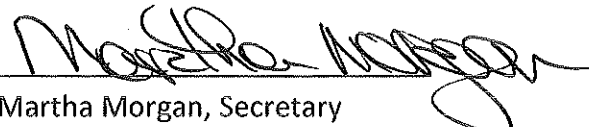
Bob inquired whether Chad was asking the Board for it's blessing or simply telling the Board about this project. Chad replied that he is reporting this development to the Board as it is being seriously considered by the I'On Company.

Discussion followed on the current parking situation in the area, whether this particular lot was originally planned for this type of use (to which Chad replied it was), and when plans would be brought before the Town for this project.

As a whole, the Board is very concerned about this proposal and does not believe that community reaction will be favorable to this location for a church or any other public meeting place.

Tony asked Chad to take back to the I'On Company that one of the top items on the recently completed Community Survey was parking and the Board strongly believes that adequate off-street parking should be associated with a facility such as a church.

Meeting adjourned at 9:40 pm


Martha Morgan, Secretary

I'On Assembly, Inc.
Proposed Budget
2015
Prepared on an Accrual Basis

		Annual Budget 2014	Actual YTD Sept 30, 2014	Estimate Rev/Exp for Oct-December	Estimate FYE 12/31/14	Budget Variance YTD
	REVENUES					
	4000 Assessments	\$759,000	\$759,570	\$0	\$759,570	\$570
	4050 Special/Specific Area	\$0	\$410	\$0	\$410	\$410
	4500 Past Due-Late Fees	\$3,500	\$4,233	\$750	\$4,983	\$1,483
	4610 Return Check Charge	\$0	\$25	\$0	\$25	\$25
	4697 Directory Ad Revenue	\$1,600	\$30	\$1,600	\$1,630	\$30
	4698 Facility Revenue	\$0	\$1,630	\$5,100	\$6,730	\$6,730
	4699 Dock closure fee	\$0	\$0	\$0	\$0	\$0
	4700 Interest Income-Opertions	\$350	\$238	\$100	\$338	(\$12)
	4702 Interest Income-Reserves	\$3,500	\$1,553 *	\$420	\$1,973	(\$1,527)
	4952 Montessori School	\$6,706	\$6,706	\$0	\$6,706	\$0
	4954 IDC Revenue	\$12,000	\$20,800	\$4,000	\$24,800	\$12,800
	4995 Delinquent Assessments	(\$10,000)	(\$8,394)	(\$1,500)	(\$9,894)	\$106
	Total Revenue	\$776,656	\$786,801	\$10,470	\$797,271	\$20,615
	EXPENSES					
	Administrative:					
	5940 I'On Trust Support	\$20,000	\$15,450	\$5,150	\$20,600	(\$600)
	5945 Social Events/Community Gifts/Memorials	\$500	\$1,196	\$800	\$1,996	(\$1,496)
ISC	5950 Creek Club Expenses	\$8,000	\$6,608	\$5,625	\$12,233	(\$4,233)
	6000 Management Fee	\$68,580	\$48,566	\$8,539	\$57,105	\$11,475
	6010 Staffing/Payroll	\$43,000	\$32,126	\$25,913	\$58,039	(\$15,039)
	6050 Security	\$5,000	\$4,103	\$0	\$4,103	\$897
	6080 Office Rent	\$5,100	\$6,200	\$2,600	\$8,800	(\$3,700)
	6092 CAI-Board Expenses	\$515	\$2,166	\$500	\$2,666	(\$2,151)
	6200 Bank Wire Fees	\$0	\$30	\$0	\$30	(\$30)
	6210 Postage & Delivery	\$3,000	\$1,520	\$500	\$2,020	\$980
	6246 Directory Printing	\$3,600	\$1,069	\$5,000	\$6,069	(\$2,469)
	6250 Printing	\$5,500	\$562	\$4,900	\$5,462	\$38
	6260 Office Supplies	\$2,500	\$3,590	\$450	\$4,040	(\$1,540)
	6400 Accounting/Tax Services	\$500	\$315	\$0	\$315	\$185
	6409 Website Maintenance	\$2,500	\$1,859	\$573	\$2,432	\$68
	6500 Legal-Professional	\$50,000	\$68,508	\$10,000	\$78,508	(\$28,508)
	6545 Legal-Collections	\$10,000	\$266	\$300	\$566	\$9,434
	6555 Professional Consultants	\$12,000	\$1,397	\$2,593	\$3,990	\$8,010
	6556 Risk Assessment	\$4,000	\$6,000	\$0	\$6,000	(\$2,000)
	6557 IDC Administration	\$30,000	\$17,555	\$10,240	\$27,795	\$2,205
	Total Administrative	\$274,295	\$219,086	\$83,683	\$302,769	(\$28,474)
	Maintenance:					
LSC	6020 Landscape Contract	\$177,096	\$133,222	\$44,274	\$177,496	(\$400)
ISC	6830 Signage	\$2,000	\$178	\$1,000	\$1,178	\$822
ISC	6840 Repairs/Maintenance	\$25,000	\$13,646	\$14,100	\$27,746	(\$2,746)
ISC	6841 Infrastructure Enhancements	\$3,000	\$0	\$5,885	\$5,885	(\$2,885)
ISC	6842 Vandalism	\$5,000	\$1,115	\$500	\$1,615	\$3,385
LSC	6845 Seasonal Flowers	\$15,800	\$7,900	\$7,900	\$15,800	\$0
ISC	6847 Walking Path-Repairs	\$7,500	\$2,859	\$5,000	\$7,859	(\$359)
ISC	6849 Common Area Lighting	\$4,000	\$2,992	\$1,500	\$4,492	(\$492)
LSC	6850 Landscape Enhancements	\$32,000	\$7,400	\$1,500	\$8,900	\$23,100
LSC	6852 Grounds Supplies	\$34,475	\$33,460	\$1,015	\$34,475	\$0
LSC	6854 Plant/Tree-Replacement	\$6,000	\$2,205	\$3,795	\$6,000	\$0
LSC	6856 Tree Maintenance/Trimming	\$24,050	\$22,215	\$1,835	\$24,050	\$0
LSC	6858 Pine Straw/Mulch	\$22,280	\$22,280	\$0	\$22,280	\$0
LSC	6860 Irrigation Repairs	\$3,000	\$1,057	\$1,200	\$2,257	\$743
ISC	6862 Power Washing/Painting	\$4,000	\$0	\$4,000	\$4,000	\$0
ISC	6864 Mailbox Repairs	\$3,000	\$2,414	\$586	\$3,000	\$0
ISC	6866 Pet Stations	\$4,000	\$4,202	\$430	\$4,632	(\$632)
ISC	6868 Fish and Wildlife	\$0	\$0	\$0	\$0	\$0
ISC	6870 Lake Maintenance Equip	\$2,000	\$533	\$960	\$1,493	\$507
ISC	6874 Streetlight Replacement	\$3,000	\$0	\$2,400	\$2,400	\$600

I'On Assembly, Inc.
Proposed Budget
2015
Prepared on an Accrual Basis

			Annual Budget 2014	Actual YTD Sept 30, 2014	Estimate Rev/Exp for Oct-December	Estimate FYE 12/31/14	Budget Variance YTD
ISC	6941	Pond/Lake Maintenance	\$6,900	\$4,700	\$2,400	\$7,100	(\$200)
ISC	6942	Playground Improvements	\$2,000	\$0	\$1,000	\$1,000	\$1,000
		Total Maintenance	<u>\$386,101</u>	<u>\$262,378</u>	<u>\$101,280</u>	<u>\$363,658</u>	<u>\$22,443</u>
		Utilities/Insurance/Taxes:					
	7000	Electricity	\$56,650	\$41,841	\$13,947	\$55,788	\$862
LSC	7010	Water	\$9,000	\$10,993	\$1,500	\$12,493	(\$3,493)
ISC	7015	Storm Drain	\$3,100	\$0	\$1,000	\$1,000	\$2,100
	7060	Insurance	\$16,000	\$26,916	\$0	\$26,916	(\$10,916)
	7450	State & Federal Income Taxes	\$200	\$2,303	\$0	\$2,303	(\$2,103)
	7460	Property Taxes	\$310	\$0	\$310	\$310	\$0
		Total Utilities/Insurance/Taxes	<u>\$85,260</u>	<u>\$82,053</u>	<u>\$16,757</u>	<u>\$98,810</u>	<u>(\$13,550)</u>
		Total Operating Expenses	<u>\$745,656</u>	<u>\$563,517</u>	<u>\$201,720</u>	<u>\$765,237</u>	<u>(\$19,581)</u>
	8000	Replacement Reserve Funding	\$27,500	\$20,625	\$6,875	\$27,500	\$0
	8012	Interest Reserve funds transfer	\$3,500	\$0	\$1,978	\$1,978	\$1,522
		Total Operating and Reserve Expenses	<u>\$776,656</u>	<u>\$584,142</u>	<u>\$210,573</u>	<u>\$794,715</u>	<u>(\$18,059)</u>
		Net Surplus(Deficit)	<u>\$0</u>	<u>\$202,659</u>	<u>(\$200,103)</u>	<u>\$2,556</u>	<u>\$2,556</u>

Reserve Activity	Funded	Contingency	Total	
Balance 12/31/13	\$1,240,957	\$114,479	\$1,355,436	
Additions:				
From Annual Assessment	\$27,500		\$27,500	Portion of Annual Assessment funding to F Amount under contingency represent exce:
From Transfer Fees	\$77,500	\$27,827	\$105,327	
Interest Earnings	\$1,978		\$1,978	
Total Funding	<u>\$106,978</u>	<u>\$27,827</u>	<u>\$134,805</u>	
Expenditures:				
Purchase Creek Club	(\$285,000)		(\$285,000)	
Refurbish Boathouse	(\$7,000)		(\$7,000)	
Replace Flagpole	(\$9,608)		(\$9,608)	
Replace main dock ramp	(\$15,800)		(\$15,800)	
Remark Designated Parking Spaces		(\$7,700)		Funding by excess transfer fees
Total Expenditures	<u>(\$317,408)</u>	<u>(\$7,700)</u>	<u>(\$317,408)</u>	
Estimated Balance 12/31/14	<u>\$1,030,527</u>	<u>\$134,606</u>	<u>\$1,172,833</u>	

I'On Assembly, Inc.
Proposed Budget
2015
Prepared on an Accrual Basis

	Proposed Budget 2015	
REVENUES		
4000 Assessments	\$760,000	No increase, 759 lots plus church at \$1,000
4050 Special/Specific Area	\$0	Community Garden (fees net of expenses)
4500 Past Due-Late Fees	\$0	Should not budget
4610 Return Check Charge	\$0	Should not budget
4697 Directory Ad Revenue	\$0	Should not budget
4698 Facility Revenue	\$6,500	Outside use of soccer field and boat registration fees (75x\$20)
4699 Dock closure fee	\$15,050	New Revenue Acct: Est 43 dock closings for weddings at \$350 each
4700 Interest Income-Opertions	\$0	Should not budget
4702 Interest Income-Reserves	\$0	Should not budget
4952 Montessori School	\$6,974	Increase per agreement. This will be last year.
4954 IDC Revenue	\$18,000	Anticipate fewer new construction homes
4995 Delinquent Assessments	(\$12,000)	Provision for bad debt write off
Total Revenue	\$794,524	
EXPENSES		
Administrative:		
5940 I'On Trust Support	\$15,000	Provision for funding support
5945 Social Events/Community Gifts/Memorials	\$2,000	Provision for town hall mtgs, community gifts and memorials
5950 Creek Club Expenses	\$8,925	Landscape \$4800, Dock maintenance \$1,200, use by HOA 13 x \$225= \$2,925
6000 Management Fee	\$34,155	Back office at \$3.75/mo x 759 lots per new Mgmt Agreement
6010 Staffing/Payroll	\$103,653	Full time manager & 50% Asst Mgr per new Mgmt Agreement
6050 Security	\$2,500	Provision for independent security service, if needed
6080 Office Rent	\$11,400	Renewal at \$950/mo effective 12/1/14
6092 CAI-Board Expenses	\$3,000	\$515 Renew CAI Membership, \$2,000 Board member education, \$485 other
6200 Bank Wire Fees	\$0	Non-budget item
6210 Postage & Delivery	\$3,000	Historical
6246 Directory Printing	\$5,000	Est cost for new directories
6250 Printing	\$4,500	Est cost for printed materials and mailing for mid-year and annual meetings
6260 Office Supplies	\$2,500	Historical, 2014 included \$1,800 for new office furniture
6400 Accounting/Tax Services	\$500	Historical
6409 Website Maintenance	\$2,300	\$575/Qtr
6500 Legal-Professional	\$25,000	Lawsuit over, provision for consulting
6545 Legal-Collections	\$0	Misc out of pocket costs
6555 Professional Consultants	\$0	Provision for consultants
6556 Risk Assessment	\$0	2014 expense was for Risk Mgmt Program evaluation
6557 IDC Administration	\$40,100	\$27,300 NDC, \$10,800 consultants and \$2,000 office supplies and plan copies
Total Administrative	\$263,533	
Maintenance:		
6020 Landscape Contract	\$177,096	Per contract, no increase
6830 Signage	\$3,000	Provision for repair of old and new signage
6840 Repairs/Maintenance	\$32,000	Provision for common property repairs and maintenance & remark parking 2014 Add power Pub side N Shelmore 2014. 2015 add power Square Onion side N Shelmore and add alley turn radiuses
6841 Infrastructure Enhancements	\$18,500	
6842 Vandalism	\$2,500	Provision for repair vs cost of outside security
6845 Seasonal Flowers	\$15,800	Per contract, no increase
6847 Walking Path-Repairs	\$0	Included in reserve funding at \$8,000 per year
6849 Common Area Lighting	\$2,000	2014 includes more xmas lights, 2015 includes last phase of xmas lights
6850 Landscape Enhancements	\$24,500	Per proposed budget, 2 projects
6852 Grounds Supplies	\$34,475	Per contract, no increase
6854 Plant/Tree-Replacement	\$6,000	Provision for other tree maintenance and trimming
6856 Tree Maintenance/Trimming	\$24,050	Per contract, no increase
6858 Pine Straw/Mulch	\$22,280	Per contract, no increase
6860 Irrigation Repairs	\$2,500	Historical
6862 Power Washing/Painting	\$0	Moved into GL 6840
6864 Mailbox Repairs	\$3,000	Historical
6866 Pet Stations	\$4,000	More pet stations added in 2014 and bag refills higher
6868 Fish and Wildlife	\$1,500	Fish feeder deferred to 2015, budget transferred to Common area lighting
6870 Lake Maintenance Equip	\$2,000	Maint for aerators.
6874 Streetlight Replacement	\$3,000	Est cost to replace 2 streetlights per year

I'On Assembly, Inc.
Proposed Budget
2015
Prepared on an Accrual Basis

		Proposed Budget 2015	
6941	Pond/Lake Maintenance	\$7,200	Based on new Greenery contract at \$600/mo
6942	Playground Improvements	\$2,000	Provision for repairs and improvements
	Total Maintenance	\$387,401	
	Utilities/Insurance/Taxes:		
7000	Electricity	\$56,650	Historical
7010	Water	\$13,000	2014 Added 2 new areas
7015	Storm Drain	\$2,000	Provision for alley storm drain maint
7060	Insurance	\$30,000	Includes Creek Club insurance
7450	State & Federal Income Taxes	\$2,500	
7460	Property Taxes	\$350	
	Total Utilities/Insurance/Taxes	\$104,500	
	Total Operating Expenses	\$755,434	
8000	Replacement Reserve Funding	\$39,000	Funding to Reserves based on same as 2014
8012	Interest Reserve funds tranfer	\$0	
	Total Operating and Reserve Expenses	\$794,434	
	Net Surplus(Deficit)	\$90	

Reserve Activity

Balance 12/31/13

Additions:

From Annual Assessment	Reserves
From Transfer Fees	ss xfer fees
Interest Earnings	
Total Funding	

Expenditures:

Purchase Creek Club
 Refurbish Boathouse
 Replace Flagpole
 Replace main dock ramp
 Remark Designated Parking Spaces

Total Expenditures

Estimated Balance 12/31/14

PROXY FORM—I'ON ASSEMBLY 2014 ANNUAL MEETING

Directions for Completing Proxy

The primary purpose of the proxy form is for a Titleholder to have votes counted if you are unable to attend the annual meeting. This proxy form allows you to designate another person to cast your votes exactly as you indicate on this form or to allow the proxy holder to vote at the meeting as s/he deems best. If you return the proxy form and do not specify a proxy holder to vote on your behalf, or if the person named does not attend the meeting, the Chair of the Leadership Development Committee of the Assembly, who is appointed by the board each year, will be the designated proxy holder to vote on your behalf. For 2014, the Chair is Deborah Bedell.

Directions for Proxy holders

If you hold one or more proxies from Titleholders and plan to attend the meeting, please note that these proxies must still be submitted as provided below prior to the deadline - regardless of your intentions to attend the meeting. This is to enable the management company to prepare the ballots and expedite the check-in process at the meeting. Thank you.

**➔ ALL PROXIES MUST BE RECEIVED OR POSTMARKED NOT LATER THAN
5 PM Eastern, Monday, December 8th**

**➔ NO PROXIES WILL BE ACCEPTED
AT THE DECEMBER 10th ANNUAL MEETING.**

DROP OFF: I'On Office 159 Civitas Street, Suite 207

MAIL: I'On Assembly Secretary
c/o Southern Community Services
3301 Salterbeck Street
Mt. Pleasant, SC 29466

FAX: 843-352-8995

EMAIL: jgosnell@scs-carolina.com

Questions? Please contact Jessica in the I'On office tel: 843-388-7547

See reverse for Proxy

I'On Assembly Annual Meeting December 10, 2014

Appointment of Proxy

As the record Owner(s) of property in I'On, I/we hereby appoint as proxy (insert name of individual) _____ to exercise my (the undersigned's) vote as directed below at the Annual Meeting of the Assembly's members to be held on December 10, 2014. If the above-designated proxy does not attend the meeting, or if I have chosen not to designate another person above, then I hereby designate the Chair of the Leadership Development Committee of the Assembly to serve as my proxy.

Name: _____
(Please Print)

I'On Address: _____
(Please Print)

Signature: _____

Date: _____

My instructions to my Proxy are as follows:

A. To cast votes FOR the following candidates

(Choose maximum of 4)

OR

☐ David Beckmann

☐ Lori Feehan

☐ Bruce Kinney

☐ Elissa Nauful

☐ Adam Robinovitz

☐ Tony Woody

B. To cast my votes at his/her discretion. **(Check the box)**

☐

Please Remember



**5 PM Eastern, Monday Dec. 8th DEADLINE for Submission
NO PROXIES will be accepted at the Annual Meeting**