

I'On Board of Trustees Meeting

February 27, 2014

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

SCS: Mike Parades and Courtney Yannitelli

Guests: Amy Sage, Ed Clem and Dave Rosengren

Homeowner Forum: No comments

Call to Order: 6:45 PM

Motion to approve the January 23, 2014 Board Meeting Minutes. Motion seconded. Bob proposed amendments to the Covenants Committee report to make clearer as follows:

- Page 3, first paragraph, next to last sentence delete "for the moment" and in the last sentence add "of" between turnover and the IDC.
- Page 3, Covenants Committee Procedures, change "contradictions" to "inconsistencies" and at the end of the last sentence as "by the Covenants Committee".

Deborah explained goal is to have draft of minutes within one to two weeks of meeting that can be posted on the Board only section. The Board can then review, comment and vote on approval using the vote function on the website. Once a majority approve then the draft of the minutes can be posted on the section for all Titleholders to read. *All in favor of minutes as amended. Motion passed.*

I'On Trust Report: Amy Sage noted that the Trust Report was omitted from the Board package. Amy reported the Oyster Roast was a great success. Upcoming events include the Celtic Concert on March 6th and the Bridge Run Concert on April 5th. The Trust will obtain a permit to close W. Shipyard.

Landscape Report: Tony noted the only item that needs to be voted on is approval to move forward on the sycamore tree project at Perseverance Park. The project involves removal of some trees that have either died or will shortly, removal of the wire baskets left in place when the trees were planted and sod repairs in the areas where work is done. The current budget included a provision of \$9,000 for this project and it will likely come in less.

Tony mentioned that the I'On Company had been requested to contribute to the cost of this project, since the problems in planting arose during the I'On Company's control of the community. Chad Besenfelder said that the I'On Company had declined to contribute anything to the project cost.

Deborah commented that since fund are already in the budget it does not really require formal approval.

Dave Rosengren commented on behalf of the committee that during the budget process, provisions are made for major projects and the committee has always sought Board approval when they were ready to proceed with the project.

Motion made to authorize the Landscape Committee to spend up to \$9,000 on the Sycamore tree project. Motion was seconded. All in favor. Motion passed.

Dave reported on the status of the Krier parking project. The committee has finalized plans and preliminary cost numbers and is ready to solicit input from the surrounding property owners but do not want to stir expectations if there are other budgetary considerations.

Tom noted now that the Assembly owns the Creek Club; there is an urgent need to address some projects that will require funds not in the budget.

Tony agreed that deferral makes sense at this point in time. All concurred with deferral.

Deborah commented on several projects that seem to be taking an unusual amount of time to complete and suggested that it might be appropriate to have Mike more involved in bid solicitation and oversight of contractors.

Tony noted an additional issue not in his report needing a vote at this meeting. He was contacted by the I'On Club about the Kids Triathlon scheduled for some time in May, as has been held in prior years. The event will require a TOMP permit which includes a letter of support from the I'On Assembly. No I'On common area will be used as the event will stay on the streets in the community.

Motion was made to sign a letter of support for the event to be drafted by the I'On Club. Motion was seconded. Following discussion, the motion was voted. All in favor. Motion passed.

Treasurer Report: Anne noted a few items requiring a vote in addition to the proposed revision to the Collection Policy.

Mike has recommended to the Finance Committee that consideration be given to adding "Hired and non-owned Auto" coverage to the GL policy via endorsement. The additional premium would be \$135.
Motion made to authorize adding the coverage as recommended. Motion seconded. All in favor. Motion passed.

Stephen asked if all individuals who perform services for the Assembly as unpaid volunteers or paid contractors are covered by the GL and D&O policies. Mike answered yes.

Bob asked if the individuals who have agreed to serve on the Covenants Committee and Board of Appeals will be covered by the GL and D&O policies. Mike answered yes.

Anne noted that in accordance with discussion during Executive Session, *Move that the proposed settlement offers with two Titleholders related to their past due accounts be approved. Motion was seconded. All in favor. Motion passed.*

Deborah had comments/questions regarding finances.

What is the status of filing tax returns? Mike stated the CPA SCS uses has quoted \$175 to prepare the 2013 tax returns but as some issues are still unknown, he has directed the CPA to file an extension. In addition, he has discussed with the CPA preparation of a year-end financial report as required by the Bylaws. Based on the discussion, the cost estimate will be approximately \$200. The budget includes \$500 for accounting services. Bob asked why the extra fee for something that should be in the financials produced by SCS. Mike responded because the Bylaws require the report to be produced by a licensed CPA.

Deborah commented that the Use Agreement with the Montessori School requires an annual fee. Mike stated they will be billed April 1st for the contract fee amount as adjusted per the Use Agreement and that the School is aware the bill is coming.

Discussion followed on detail of reporting to the Board as opposed to the Finance Committee. Mike stated he will prepare a monthly summary report of no more than two pages for Board review.

Anne reported on a CD that matures in early March. Following discussion with the bank, the Money Market has a better rate so the CD will be cashed in and the funds placed in the Money Market.

Anne reported that the current Collection Policy originally approved in February 2013 and revised in March 2013 states an account is not delinquent until February 28th. Therefore, she did not feel it appropriate to enforce the Due Date of January 31st noted on the assessment billing that went out in mid-December.

The proposed 2014 revised policy has received much scrutiny from the Finance Committee with input from Mike and review for consistency with governing documents from Bob. She noted the proposed changes including using a 10% per annum interest rate vs. the current 18%, the implementation of a \$25 late payment fee and clarification of steps to be taken by management before an account is turned over to legal to verify mailing addresses. It has been further determined that the \$30 convenience fee for payment plans is really an admin fee due SCS for the additional work involved with a payment plan.

Motion was made to approve the proposed revisions to the Collection Policy. Motion was seconded.

Discussion followed with the following points being made:

- The language in the first bullet point about payment due date needs to be more specific.
- Owners should have at least 30 days from receipt of the assessment invoiced to make payment before collection action is implemented.
- As billing for the 1st installment is dependent on budget approval, the budget needs to be approved no later than the October Board meeting.

Motion was made to amend the first bullet point related to payment of assessments to read "Payments of assessments are due on the date specified (Due Date) on the assessment invoice. Motion was seconded.

The following points were also discussed:

- Timing of referral of an account to legal counsel does not address the issue of legal fees accruing on an account that do not show up on the owner's statement.
- Should the Board specifically approve any foreclosure action?
- What reasonable steps should be taken to verify an owner's mailing address before the account is referred to legal counsel?
- Who can communicate with an account that has been turned over to legal counsel?
- The Finance Committee receives a monthly Debtor balance report that itemizes accrued legal fees that have not been posted to an owner's account.

It was agreed that the SCS collection process needs to ensure that before any foreclosure action on an account is taken, legal counsel obtains specific approval to proceed from the Board.

It was agree the proposed additional actions to verify mailing addresses before foreclosure action is begun are reasonable and need to be properly documented in the owner file.

There being no further discussion or questions. The proposed amendment was voted. *All in favor. The amendment passed.*

Vote was then taken on the proposed revised Collection Policy as revised. *All in favor. Motion passed.*

Governance: No additional comments

IDC: Stephen, following discussion during Executive Session:

Motion that regarding the Titleholders' on Saturday Road request to landscape on property owned by the Assembly:

- (a) With respect to the current gravel pathway leading from Saturday Road to the front of the residence, the Titleholders may, with the advance written approval of the IDC, change the material (for example to brick or similar pavers), but may not widen the pathway nor change its current course or location;*
- (b) With respect to the Assembly-owned property in front of the residence abutting the marsh walk, the Titleholders may (i) maintain the landscaping as is without any alteration; or (ii) submit plans to the IDC to change the landscaping; however, the Board's strong preference is that any changes return the area to a highly naturalized state. Also, should any changes to this area be submitted to and approved by the IDC, the current play structure on the Assembly-owned property must be removed at the Titleholders' expense; the Titleholders must execute an agreement, acceptable to the Assembly, that relinquishes any present or future claims of adverse possession to the property; and they must indemnify and hold the Assembly harmless from any claims for injuries or damages arising from use of the property. Notwithstanding the second and*

last condition above, the Assembly does not recognize any possible claim of legal possession by the Titleholders to the property regardless of whether changes are requested, nor will the Assembly accept any responsibility or liability for any injuries or damages that may be sustained on such property.

Motion seconded. Vote was 7 in favor and 1 opposed. Motion passed.

Amenities: Tom asked that all members review and submit comments to him on the Dock rules drafted by the Dock Committee. He will then finalize and submit for Board approval at the next meeting.

Discussion followed on issues to be considered such as

- Will these be Rules or a Policy?
- Should there be a charge for gate lock key(s) and decals?
- Will the rules be applicable to the crab docks?
- Are there some operating costs that users should pay?
- Will the rules authorize towing of boats left tied to docks for extended periods

Chad provided some history on the original intent of the docks and the challenge of enforcement/management of their use.

Tom commented on his "I'On Proud" proposed program wherein various items such as golf shirts, caps, glassware, etc would be branded with the I'On logo and available for sale, at cost, to Titleholders. The idea is to increase awareness and pride for our community. He passed around several items that had been prepared for demonstration. All present favored the idea.

A question was raised regarding use of the I'On logo, which belongs to TIC. Following discussion, Chad was asked to discuss the use of the logo with TIC and report back to the Board.

Deborah raised the issue of the private dock being built next to the Creek Club by an owner on Saturday Road that was not submitted by the owner for review and approval by the IDC. She noted that there was not intended to be any private docks in I'On. Chad provided historical background on how the owner was able to use his unique situation to legally obtain a permit to build the dock.

Stephen commented this is a Compliance issue not an IDC issue. SCS was directed to obtain all documents from OCRM relative to the dock permit issued, and, assuming the dock is built on the Titleholder's property, write a letter to the owner reminding the owner that all additions must be submitted to the IDC for review and approval.

Communications: Anne has come up with a design, sample shown, that could be used on tee shirts and other items as a method of recognizing volunteers and encouraging volunteerism. All present thought this was a great idea. Deborah commented she thought the program might be more appropriate coming from the I'On Trust.

Discussion followed on I'On related web sites.

Titleholders also need to understand that the I'On community web site and newsletter are the only official I'On news sources. Nextdoor I'On was originally established by a homeowner who has since moved away.

Secretary Report: Martha stated that some additional changes have been made to the proposed Board Appointment Resolution adding the Community Garden Chair Steve Degnen and changing the title of Pam Gabriel to Neighborhood Design Coordinator.

Motion was made to approve the revised Resolution. Motion seconded.

Discussion followed.

- Consensus was it is a good idea to formally appoint all volunteers every year.
- Requirements to be on committees. The Board felt that, except for the IDC, committee members must be Titleholders. As such, it was suggested that requirements be reviewed and if necessary the proposed committee members be revised.

Based on discussion, several amendments to the Board Resolution were made as follows:

- Under IDC committee, change Pam's title to Neighborhood Design Coordinator and the spelling of Stephen's name.
- Under Communications Committee, add appointed by I'On Trust after Margaret Summers.
- Add Landscape Committee Tony Woody (Chair) Dave Rosengren and Amy Sage.
- Add Community Garden with Steve Degnen, Coordinator.
- Add Infrastructure Committee Tony Woody (Chair) and John Powers.

Motion made to approve the amended Resolution. Motion seconded. All in favor. Motion passed.

Martha commented on the reasons for inclusion in her report of the Guide for Parliamentary Procedures. Specifically, there is a need to focus on the length of Board meetings and seek ways to streamline procedures while being fair to the entire agenda.

President Report: Deborah commented that in addition to the items in her report, there is a need for the Finance Committee working with Mike and others to look at risk management for I'On and obtain an update on the Reserve Study with the acquisition of the Creek Club. These items will affect the budget for this year and in subsequent years.

Deborah reminded all that an in-chambers lawsuit mediation will be held on Friday, March 17th.

She also noted that Chad was advised by the Founder to not sign the standard Conflict of Interest form. He has signed an alternate based on the requirements of state law. The standard form goes further than what Chad has signed.

Finally, effective going forward, based on the I'On Company's insistence, SCS should send the Founder a Certified Letter informing him of the 2014 meeting schedule and send a copy of the approved minutes each month by Certified Mail.

Manager Report: Mike said he had nothing further to report.

There being no further business, the meeting was adjourned at 9:15 PM.

Board Secretary:


Martha Morgan