I'On Assembly Board of Trustees Meeting

October 16, 2023 Board Meeting Minutes

Members Present: Julie Hussey, Bob Adams, Lon Waggoner, Michael Spalding, Simon O'Shea and Stephen Wood

Management Company: Emily Simpson

Homeowner Forum: Andy Minkin, 8 Edenton; Tom O'Brien, 15 Hopetown; Ed Clem, 167 E. Shipyard; Barbara Adams, 35 Eastlake; George Toole, 130 W. Shipyard; Roy Rathbun, 30 Mises; Richard Bondy, 107 Civitas; Monika Bonn-Miller, 37 Jane Jacobs; Brad Walbeck, 114 N. Shelmore; Leah Lindemuth, 67 Sanibel; BJ Barnes, 27 Mobile; Craig Berry, 10 Boathouse; Adam Young, 46 Saturday

Monika Bonn-Miller attended the homeowners forum to state to the Board that I'On should not pay for the golf cart that will only be used by Ravenel employees and the funds should not be used from the landscape budget because the landscape budget does not allow for purchases of vehicles and since the management team are employees of Ravenel then Ravenel should have paid for the golf cart. She asked since it will only be used by Mary and Emily, who owns it and it will have to be insured, licensed and maintained, and I'On is not in the business to provide vehicles for employees. She continued to say that we hired Ravenel and are using their employees and does not see the justification for the purchase of a golf cart and sees no need for it.

Andy Minkin thanked the Board for the strong statement against the cemetery on CV-9 and was gratified that the Board voted to accept the committee recommendations. He stated that this was the statement that residents were looking for earlier on in the process and unfortunately it required a lot of angst, anger and cost to get to this point, and hopes in the future that it is a lesson that if there is something from the developer that it is not in the best interest of the neighborhood the board will stand up and stay no and maybe try to avoid so much of the angst that occurred around CV-9. Andy proceeded to speak about the paid maternity leave to a Ravenel employee, and stated it is basically a GoFundMe gift and is unusual that someone would pay for the maternity leave when it is not in the contract. Lastly, Andy mentioned the discussion on the Creek Club lawsuit funds that was in the September meeting minutes and the benefits to the plaintiffs unless they spent a lot of time, legal effort and money, is baked into the successful resolution of the suit and the gratefulness of the neighbors saying thank you and not expect a renumeration. Andy knows it was labeled as a class action suit and asked the board to look into other successful lawsuits against developer by HOA's, and if plaintiffs received renumeration and asked what is the precedent, and lastly Andy stated that personal gratification must be sufficient. Roy Rathbun stated he wanted to respond to a point that Andy made; with regard to the maternity leave payment, we acknowledge that she is not an employee of the HOA and also been with us for 8 years and secondly, her supervisor said she would take on all of her responsibilities during her maternity leave. It would have been very easy for Ravenel to have said that Emily needs support, and Ravenel could have hired a temp for 20 hours a week $25/hour and it would have been more money we would have been paying and economically we are in a better place than where we would be.

Bob Adams discussed the email that was sent by Preserve I'On, and as Treasurer for the Assembly, he wanted address one egregious false statement. The email stated that the Board has made, "payment of association monies to individuals". Bob stated that Michael Koon told Tom O'Brien that this statement related to alleged payment by the Board of the HOA to Mary James in connection with her maternity leave salary, and stated that this statement is not true. Bob stated five facts: 1) The board has not authorized or made any payments from HOA monies to Mary James for her maternity leave salary, nothing. 2) All money paid for the HOA were performed by Ravenel employees is governed by a contract between the HOA and Ravenel. Ravenel supplies, our employees, Mary and Emily, and Ravenel alone pays their salaries. We only learned this spring that Ravenel does not provide maternity leave. 3) One option with respect to Mary's maternity leave would have been for Ravenel to provide a temp who has no knowledge of the Assembly and how we operate and they would work with Emily. Under that option Mary's salary payment from Ravenel would cease while she is on maternity leave. 4) Emily proposed another approach. Emily specifically offered to the Board to perform all of Mary's duties while Mary was on maternity leave. This approach would result in Mary getting paid by Ravenel during her maternity leave and it also ensured that all HOA work needs are satisfied. Further, it would result in no cost to the HOA. 5) The Board accepted Emily's extremely generous offer. Since then, Emily has performed the work of two people and Mary received all her salary from Ravenel during the maternity leave. Bob formally requested that Preserve I'On

LLC immediately send out an email to all the 500 persons who received the October 11th email, and that email must contain the statement that their prior email contained a serious false and misleading statement and it must contain a correction that the Board has not made any improper payments to individuals from HOA money. Lastly, Bob stated that in this day and age, he found it unacceptable that Ravenel does not pay maternity leave, and he intends to bring this up with Ravenel during the next contract negotiation. Tom O'Brien mentioned that he was told a payment of $3,000 was made, but after just hearing Bob, no payment was ever made, and even if it was, the Board provides the individuals bonuses based on a performance method that is in place, it is what the Board chose to do because of everything Mary and Emily do for the neighborhood.

Simon O'Shea followed up on Andy Minkin's statement regarding CV-9 and how the CV-9 committee came together to issue their recommendations to the Board. He mentioned that we all live in a community and the neighborly thing to do is to ask for help, but when people approach the Board and say this is a problem and if you don't address it, I am going to sue you and sue the Board, that changes the relationship from being a neighbor to neighbor and potentially dealing with litigation, and lastly if the Board was approached in a different manner about CV-9, it would have been addressed in a timely manner. Bob asked Andy about his statement about who on the board agreed to a cemetery, and Bob said no one agreed. He mentioned that the Board received a letter from the Assembly attorney about the lawsuit funds and it will be included with the minutes from this meeting, and without Brad and Lea Ann there would not have been a lawsuit and we would not be where we are not without them. Julie thanked Andy for this comment on the CV-9 committee putting the statement forward to the Board then the Board could accept it from the homeowners.

George Toole stated he had nothing more to add during the homeowner forum. He mentioned that he has attended the last several Board meetings because there seems to be a lot of misinformation and miscommunication out in the neighborhood.

Tom O'Brien stated he has lived here for 13 years and the neighborhood is better now than 13 years ago. Secondly, he stated he is opposed to a cemetery or mausoleum in I'On. He mentioned that he served on the Board for eight years, and was President for three, the neighborhood's biggest issue is getting qualified people to run for the Board and for many years we have a tough time to fill Board positions and fill committee roles. While he was on the Board, he went through the sports court project and Phase 11, and many statements were made, some accurate and others not correct at all, and is why he decided to come off the Board. Secondly, Tom discussed governance, and that residents have been saying a neighborhood vote should have been taken, this doesn't happen in our country, state or city. Governance happens when you elect the members to be able to make these decisions for you.

Roy Rathbun agreed to everything Tom stated. He also values the community that we have and that is the best thing about I'On. But when an LLC was established and caused the community to spend $60k as a result of confrontational issues, it was not helpful for building our community, and it is unconscionable that the Board was being threatened with lawsuits. Bob chimed in and apologized that he got upset, and it is because his integrity was being challenged and integrity and honesty means everything.

Brad Walbeck attended the meeting because he thought the funds from the lawsuit was finally resolved, and can finally put an end to this. Brad mentioned he was shocked to hear comments from residents that he did it for money. He purchased his property when he was 29 years old, filed the lawsuit when he was 39 years old, and now, he is 52 and been dealing with this for 14 years. Brad briefly explained he spent 19 vacation days from his employer, was countersued by the Grahams, and no one paid for his parking, lunches, and mileage going to the Supreme Court. He encouraged those present at the meeting to attend the meeting on Thursday to learn more about the case, as there is a lot of misinformation going around and Thursday evening is a chance to understand the case. Bob reiterated that Brad stated he did not do it for money and if it wasn't for Brad and Lea Ann, the Assembly would have nothing. Brad said that when he got his property report when he bought his lot, it showed what we would own, and a week after he closed the Grahams changed the language and never notified him, and when they went to sell it in 2009, that is when he said that's ours, and that is what started the lawsuit. Tom said if we lost the deep water access it would have a huge impact on the values of this neighborhood.

Ed Clem joined to listen in to the Board meeting. He mentioned that when he was on the Board, they had their problems too and there was a board member who threatened to sue the rest of the board, and he is hoping we are going to grow out of this.

Barbara Adams said thank you to Emily, and it is gratifying and admirable that she stepped up while Mary was on maternity leave. She was shocked to hear that maternity leave was not provided and asked if it is a South Carolina thing, to refuse maternity leave. Julie mentioned it is based on the business size.

Dick Bondy said he read the notes from the last meeting and understood that a communication was sent out to the community about changes in the IDC procedure, and he did not receive the email. Emily informed him she will resend the emails to him.

BJ Barnes dialed in to listen and to hear what is going on in the community. She said her husband had contributed feedback to the proposed IDC guidelines and wanted to know the status of it. Stephen chimed in to let BJ know that the comment period has been extended until the end of the month. Lastly, she mentioned that she briefly helped with the amphitheater subcommittee and people have been asking her what is going on with it and wanted to let the Board know that people are asking. Simon informed her that he had messaged the committee earlier in the day and will provide an update to the community shortly.

Call to Order: 6:49PM by Julie Hussey

Approval of Minutes:

Julie Hussey provided Emily with a minor amendment to the September 18 meeting minutes. Lon made a motion to approve the amended September 18, 2023 I'On Assembly Meeting Minutes. Bob Seconded. All in favor. Motion passed unanimously.

Amenity Report:

Simon reported that the playground subcommittee had met with two companies, and should be receiving the proposals within the next couple of days.

Simon mentioned that once boating season comes to an end, the main dock will be resurfaced, as it is still under warranty, and there are 6 rotted boards that will also be replaced at the same time.

The Eastlake Boathouse recently had several rotted boards replaced and the entire structure was repainted. This was a previously approved project, when the Board approved the 2023 Reserve/Capital budget.

Lastly, Simon informed everyone that the playground inspections were completed on September 20th and there were some very minor repairs noted at a couple of playgrounds, and will be completed soon by our maintenance team.

President's Report:

Julie reminded everyone about the meeting at Town Hall on Thursday at 6:00pm to discuss the Creek Club lawsuit. There will be a presentation and conversation with Justin Lucey, and we are hoping that Brad and Lea Ann will also be in attendance.

There is a vote for the Board to authorize disbursement of the legal fees and expenses from the Walbeck et. al versus I'On Company to the Lucey Law Firm. *Simon made a motion to approve the disbursement. Bob seconded. All in favor. Motion passed unanimously.*

Julie presented another vote to the Board for upon receipt of the monies from the Lucey Law firm and per the Finance Committees recommendation, that first we repay the advance from the reserve fund in the amount of $285k, and secondly add $729k to the strategic fund. *Bob made a motion and indicated it was mentioned in the last meeting and recommended by the Finance committee to repay the reserve fund $285k and to add $729k to the strategic fund. Simon seconded. All in favor. Motion passed unanimously.* Julie mentioned that the $729k going into the strategic fund account, is the account we have been building up to terminate the lease with 148 Civitas in 2034.

Treasurer Report:

Bob reported that last month we have paid a total of about $106k in legal fees, and that $75k shows on the executive dashboard due to $31k from last years budget, and we have received more legal invoices totaling around $38k, and we are expecting to be around $144k at the end of the year. Bob stated he is appalled at the amount of legal fees we have had to pay this year, and we had budgeted $80k for the year, and as Simon previously said, we had to pay $60k in legal fees for getting an opinion for suing the I'On Company and threats of suits against the Board and individual members.

Julie mentioned that 148 Civitas has filed a new complaint which will require additional legal fees for next year.

Landscape and Infrastructure Report:

Julie presented the Landscape and Infrastructure report, and noted the new layout of the report, which will make it easier to follow.

A motion came forth from the committee to appoint a resident to the committee.

Motion made by the Landscape Committee to appoint Dennis Jordan to the Landscape & Infrastructure committee. Lon seconded. All in favor. Motion passed unanimously.

Julie pointed out that the golf cart had been delivered and is stored securely in the Scramble shed. Also noted the Greenery added new granite material to the slick spots on the Westlake path; and the Greenery completed the first phase of cleaning up and widening the marsh trail, and the second phase will be topdressing. Emily mentioned she will be walking the trail tomorrow with the Greenery to get a proposal for the second phase.

Covenants Report:

Lon reported that year to date 50 property violations have been sent and there are currently 14 properties who are actively being sent violation letters for non-compliance, and there is one property that the Board agreed to fine that has come into compliance.

IDC Liaison Report:

Stephen reported that the deadline for comments on the proposed guidelines have been extended until the end of the month, and we have received several comments from residents, and one board member went through the guidelines with a fine toothed comb, and we have asked our attorney for input to understand the authority of the Board and the IDC as we work through the guideline recommendations.

Communications Committee:

Michael mentioned there was nothing new to add to the report that was submitted.

Secretary: No Report

Other Business:

There being no further business to come before the Board of Trustees, the meeting adjourned at 7:18pm. The next meeting will be on November 13, 2023 at 6:00PM and will be held at 159 Civitas Street.

Respectfully submitted by____________________

Michael Spalding, Board Secretary