I'On Assembly Board of Trustees Meeting

November 13, 2023 Board Meeting Minutes

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

Management Company: Emily Simpson & Mary James

Homeowner Forum:

Libby Eble; 171 East Shipyard, Tom O'Brien; 15 Hopetown, Berry Blackwell; 40 Montrose, Adam Young; 46 Saturday, Shannon Runquist; 18 Isle of Hope, Jim Scavo; 170 Ionsborough, Antonia Fokas; 34 Fernandina, Bruce Kinney; 94 West Shipyard, George Toole; 130 West Shipyard, Karen McLean; 59 Robert Mills, Dick Bondy; 107 Civitas, Roy & Karen Rathbun; 30 Mises, Howard Buckner; 90 West Shipyard, and BJ Barnes; 27 Mobile.

Bruce Kinney began by sharing the below letter to the Board regarding the rebuild of the amphitheater.

> *The Westlake Amphitheater is the most significant gathering and focal point in I'On outside of the Square. At almost any time of day someone is walking their dog or just walking around the lake. When the white Tuscan colonnade was destroyed by high wind, the debris was cleared, but the present condition and appearance are not in keeping with the rest of I'On. It looks and is unfinished. Consideration is being given to building a permanent structure or pavilion. That would be a mistake.*
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> *There is no consensus yet on what to build, but any new structure would have to be large enough to provide shelter for a four-piece band up to a gospel choir. It would need to meet Mt Pleasant building codes to withstand severe weather. It would have to comply with the IDC Lowcountry architecture criteria, while somehow blending in with the existing 25-foot towers. Any new structure will be very expensive to build, expensive to maintain, and expensive to insure.*
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> *Cost would be a lesser factor if a pavilion was needed. But it's not. For the past 25 years tent rentals have satisfied the need for protection against rain and sun…up for a day or two and then removed. Tents also have the added advantages of size and location flexibility. The 2023 I'On directory lists five*

Trust events where protection from the elements may be necessary. Building a permanent structure that would be used a handful of times but would take up space year-round doesn't seem like the best use of HOA funds. If the objective is to save the cost of tent rentals, that should be made clear.

I'On is a dense neighborhood. There are only three Common areas large enough for dogs to run free or for an owner to throw a frisbee or for kids to throw a baseball or football. I believe that the entire Westlake area should be thought of as one big park that includes Avant Garden, the walking paths, the terraced lawn on the north side of the lake, and the Amphitheater structure. What's missing from the discussion is that views from vantage points around the entire Westlake "park" should be considered, not just from the lawn. It's no accident that there are 14 Charleston benches on all four sides of the lake to enjoy the views. Not just of the water but of what is on the lakefront.

The HOA has an obligation to repair or rebuild damage to the Commons. Funds should be used to refurbish the towers and rebuild what was there before. The classic colonnade would again make a strong architectural statement, while keeping the Commons as open and uncluttered as possible. This could have been completed over a year ago.

I am not alone on this issue. I've talked to and heard from many residents living near Westlake or who regularly walk by. The consensus is strongly against building a permanent structure. Circumstances have changed since the first survey was taken, especially the likely cost estimate. The opinions of people who live near any proposed change to the Commons should be considered. To that end I've given some emails and other documents to Emily, and I believe she has received additional emails as well.

Finally, on a personal note, if a permanent structure is meant to encourage more live music events, and that's the only reason for it, I ask how you'd like a pavilion to be across the street from your home.

Thank you for your consideration.

He also shared letters and emails of support from his surrounding neighbors.

Karen McLean submitted the below letter regarding the recent purchase of the golf cart.

To The I'On Assembly Board of Trustees, Neighbors and Residents, *During the October homeowner's forum several comments were made regarding the propriety of the recent golf cart purchase for use by our property management team. As a strong proponent of this purchase and and Landscape & Infrastructure Committee member for the past 4 years, I would like the opportunity to respond.*

To be clear, our general manager Emily Simpson has never requested the use of one, nor has she ever stated that she could not do her job without a golf cart. Albeit enthusiastic about the possibility, Emily, in her professional capacity, completely recused herself from the planning and discussions of this proposal, recognizing a conflict of interest.

As I'On ages and there are greater challenges to keeping things up and running, our committee has seen a substantial increase in the amount of time our managers spend in the field. On site meetings take place all over our 244 plus acres on a frequent basis. From an efficiency standpoint, it just does not make sense that the only option available to our managers is the use of their personal vehicles for daily operations.

A golf cart is certainly more environmentally friendly, has greater visibility for inspections and photos, and is much easier to maneuver and park on our busy streets and alleys.

After due diligence and approval from The Board, a 2019 refurbished base model cart was purchased from a local dealer (Garretts). A full 1 year warranty is included. The HOA will own and insure the golf cart and there is a plan in place for on site routine maintenance and safe storage.

As our committee has the largest budget and the bulk of Emily's time outside the office is spent on L&I related duties, we thought it appropriate that the cost for the cart come from our current 2023 funds. As to the comment that L&I is prohibited from purchasing a vehicle, I don't know if that is valid or why it would be an issue. We believe this proposal to be a solid, worthwhile expenditure for a tool that can provide years of service and therefore a benefit to our entire community. Thankfully our Board agreed.

As to the comment that Ravenel Associates should have paid for the golf cart, we might have tried some lengthy, complicated negotiations to that end. If they had agreed to provide it, all associated cost surely would have been added onto their contract with the HOA. By owning the golf cart, The Assembly retains control of this asset and its present and future use.

As to the rather unenlightened characterization of our property managers as merely "Ravenel employees", I believe our community spirited residents see Emily and Mary as much, much more. I greatly respect their dedication and commitment to the preservation of this very complex neighborhood and I believe the majority of our homeowners do as well.

Thank you to all who took the time to read this letter. Whether in agreement or not, it is greatly appreciated.

Karen McLean

George Toole stated that he has attended the last few board meetings. He commented on the fact that only 2 Board members were in attendance in person. He shared his opinion that to be an efficient board, he thinks being in person is important. Bob Adams responded that he has attended every Board meeting but sometimes there are reasons a member must call in instead of attending in person. George expressed that the homeowner's forum should only be the homeowner's time to express their opinions, comments, and concerns without being interrupted by the Board.

Antonia Fokas first asked about the amount received from the lawsuit. Julie responded that this would be spoken about later in the meeting. Antonia went on to express her opinion on the negative climate of the neighborhood as of late. She thinks the Board has lost track of the bigger picture. She touched on the small group of people suing the neighborhood and the amount of money we have spent on defending ourselves against these neighbors. She touched on the anonymous comments from the Preserve I'On group and expressed her frustration on the amount of money being spent on legal items from a group of people who refuse to identify themselves.

Howard Buckner expressed his support to Antonia's comments.

Call to Order: 6:19PM by Julie Hussey

Approval of Minutes:

Michael made a motion to approve the October 16, 2023 I'On Assembly Meeting Minutes. Bob Seconded. All in favor. Motion passed unanimously.

President's Report:

Julie first acknowledged the receival of funds from the lawsuit. The Walbeck award of $1.26 mill was for "compensatory" damages -- i.e., to compensate the Assembly for the injury that the Assembly suffered relating to the ownership and use of the Creek Club. At its October meeting, the Board voted to prioritize the distribution of that "compensatory" money to: (i) make the Assembly whole for buying the Creek Club from 148 Civitas in 2014 and (ii) to make the Assembly whole by ending the lease to 148 Civitas for use of the Creek Club through February 2034. As for (i), the total cost of buying the Creek Club was $495,000 plus attorneys' fees. This money came from the reserve fund and it must be returned to it. Since that time the Walbeck lawsuit obtained a repayment of $210,000 for the reserve fund. Consequently, that remaining $285,000 must now be paid back into the reserve fund. With respect to (ii), the total cost for buying out the 148 Civitas lease is $1M. The Board began setting aside money for this purpose over the past two years and it placed $271,000 into a "Strategic Fund" (recently renamed the "Creek Club Termination Fund"). To fully fund the buy-back, the Board at its October meeting placed $729,000 into that Fund so that the Fund currently has a balance of $1M. The remaining money from the Walbeck award will (a) pay the mandatory attorney fees to 148 Civitas as required by the 2014 Settlement; (b) pay the anticipated 2023 deficit beyond what was set forth in the 2023 budget; and (c) reduce the increase in the annual dues from about $200 to $150.

Julie reminded the community that there are 4 seats open on the Board. We have received 3 applications so far and applications are due this Friday, November 17th. She encouraged residents to run for the Board and stated that anyone can run, no matter their background.

Amenity Report:

Simon began by thanking Bruce for his service on the Amphitheater Committee and for sharing his and others' opinions on this project. It was noted that the Trust expressed their need for a covered area and that we should not discount the Trust's needs while working on this project. He stated that initially, we were confident a new structure could be built within the budget. However, issues continued to arise that we found costly. The committee has researched many ways to successfully rebuild the amphitheater while trying to remain in line with neighbors' desires as well as the budget. The team looked at a lower cost kit that could be constructed on site. However, architectural elements escalated this cost and quickly rose beyond the budget. Going forward, we will work with a local architect firm for a preliminary study to scope out a more sympathetic structure. Ultimately, we will be spending money for professional drawings to help visualize what things might look like. It was noted that the current towers cannot be taken down as they are used for storage and hold vital equipment for the lakes. It was noted that the Trust have expressed their needs for storage and a covered space for shelter. Bruce inquired if a timeline could be set for the completion of this project. Simon responded that setting a timeline is setting ourselves up for failure. It was noted that the entire community will be surveyed and deciding on this. Lastly, Simon expressed his motivation to complete this project.

Simon went on to report on items the playground subcommittee has been working on. He stated that termite damage was found on the structure for the tire swing at the Ramble playground. The tire swing has been removed and all wooden structures at playgrounds will be inspected for termite damage.

The boat dock will be resurfaced the week of December 4th. The dock will be closed for 24 hours and an email blast will be sent to the community notifying them of this closure. Julie inquired if the warranty is included as it seems the dock has been resurfaced numerous times. Emily will look into possibly adding gutters to the pierhead as the water run off seems to be contributing to the paint chipping and the need to continually be resurfaced.

Treasurer Report:

Bob first shared that the finance committee recommends the Creek Club funds be put into 4 laddered T-bills. The team recommends $450,000 each to be put in a 1, 5, and 10 year T-bill. This would give the most flexibility and is ultimately the safest option. It was noted this option would earn 4-4.6 percent interest. It was noted that we will likely need extra money to make sure the Creek Club is in top condition when it is under our ownership. Simon commented on the yields of T-bills and commented on the risks. Bob expressed that it is a risk either way. Simon touched on inflation protected treasuries providing a better return. Bob also touched on the possibility of the Creek Club lease terminating before 2034.

Julie made a motion to rename the strategic reserve fund to the lease termination fund. Lon Seconded. All in favor. Motion passed unanimously.

Bob made a motion to approve the investment of funds within the lease termination fund. Michael Seconded. All in favor. Motion passed unanimously.

Next, Bob reported on the increase to the annual assessment of $150. He stated that we would have needed a $200 increase, but part of the Creek Club award is being used to reduce this. A driving factor for the increase is due to litigation expenses. $150,000 was spent on legal fees this year and had only budgeted for $80,000. We were advised to budget $150,000 for legal expenses this year. We are also anticipating a substantial increase in insurance costs. Stephen asked about the $8,500 for federal income tax. This likely has to do with income from investments and interest received as part of the payment from Creek Club litigation. It was noted we received $300,000 in interest. It was also noted that legally, the Assembly is a Not for Profit organization. Emily will ask Vickie about this. Julie asked about funds being rolled over to the reserves from the operating account. Bob reiterated the difference being for the purpose of the Creek Club buy back account. It was also noted that $119,000 has been spent on litigation with 148 Civitas, LLC. We just received $15,000 in invoices for October and expect another $15,000 come November. Julie asked if the committee would consider crediting funds back to the neighbors if we find that we have overbudgeted for next year. Bob replied that if we don't spend the $150,000 in legal fees, he has no problem putting excess money back into operating so that there does not need to be an increase. Bob stated that we have likely received just about everything we are likely to win in this lawsuit. Depositions and the discovery process is about to begin which is the most expensive part of litigation. Julie stated she will be voting for this budget because she has heard from the neighborhood that defending the neighborhood is what they want. However, she noted that she voted for money to go to the reserve fund because she wanted to reduce the annual assessment increases.

Bob made a motion to approve the 2024 budget with a $150 increase to the annual assessment. Simon Seconded. All in favor. Motion passed unanimously.

Landscape and Infrastructure Report:

Julie reported on items that have been completed since last month's meeting. She stated that The greenery has installed the Fall/Winter annuals in the common areas and has also completed the enhancement of the Sowell/Ponsbury triangle. Several other enhancements are being worked on, including the north end of Eastlake as well as the marsh trail. Our arborist walked the marsh trail to look at tree roots that could possibly be removed and noted 7 severely diseased trees that need to be removed. Simon asked if there was a way to save any without removing. Julie commented that a link to the tree study is being sent to the community. If there is a major pushback, could reconsider. Michael asked if we are subject to liability if the arborist missed anything. Karen responded that not every tree on the trail was looked at but every tree leaning towards a house was looked at. It was also noted that the marsh trail is a nature trail and will always have tree roots and is not a path that will ever be similar to the paths around the lakes. If people are not comfortable walking the trail, they need to know there is a risk of tripping. Tom O'brien commented on it being one of the most used amenities in the community and noted the numerous tripping hazards and also commented on it being more narrow now. The vines are so overgrown in many areas and not able to see the marsh. He commented that we used to trim every 2-3 years for a vision corridor.

Julie motioned to approve the proposal for root remediation (noted in reserve study) and tree removals. Michael Seconded. All in favor. Motion passed unanimously.

Next, she went on to discuss the topdressing of the path around Westlake. We have received 2 proposals. One is to complete the West side of the path, and the other is to top dress the East side. Simon commented on the drainage issues along Westlake and asked if the top dressing is going to help. We will see how this turns out. The other option was much more costly. It was noted that the material has no sand and is a much heavier material. This will be an ongoing maintenance item. Lastly, it was noted that The Greenery would maintain the drain.

Julie motioned to approve the top dressing of the Westlake paths for $15,000. Simon Seconded. All in favor. Motion passed unanimously.

Covenants Report:

Lon reported that the Covenants Committee met last week. 88 violation letters have been sent this year. 18 properties are currently in non-compliance.

It was noted to remove the comment regarding Holiday decorations and the requirement for them to removed in a certain timeframe since we have no formal guidelines stating so.

IDC Liaison Report:

Stephen communicated that there have been conversations regarding the authority of the IDC in relation to the Board. The IDC is a legally separate entity from the Board. The only authority of the Board is to appoint and remove IDC members. If this is the case, does the Board have the right to deny the guidelines that the IDC uses. Emily has reached out to our attorney and are waiting for his response. A special meeting will be held in early December to review the suggestions that were raised by homeowners on the guidelines. Bob noted he feels strongly that the current IDC rules give them full authority even outside of following the guidelines. They are paid by the community to be a service to the community. He hopes the IDC will be persuaded to adopt the bulk of the proposals. It was noted that one member has already put in her resignation. Stephen expressed that the IDC members care passionately for the aesthetic of the community. BJ noted that neighbors being on the IDC is not in the bylaws and expressed her opinion that their vote shouldn't count as much as the professionals do.

Communications Committee:

Michael reported that 700 copies of the 2024 directories have been picked up and are ready for distribution. Residents that participate in the Giving Lights event will receive their directory with the luminary kits. All other residents can pick up a directory in the management office.

The newsletter deadline is November 28th for the December issue of Living in I'On.

Michael expressed that he would like to work on communicating legal matters to the community so neighbors can understand more of what is going on.

Lastly, Michael spoke on the I'On history page needing to be updated. He would like to work with someone who has more knowledge of the history and possibly include a narrative with links to new neighbors via the welcome packets.

Antonia relayed that the signage out front in the Square needs to be redone. She asked if a reading board could be installed as well.

Simon noted that an invitation was sent to the Preserve I'On group to address accusations, etc. As far as we see, no member of the group is here today.

Secretary: No Report

Other Business:

There being no further business to come before the Board of Trustees, the meeting adjourned at 8:05pm. The next meeting will be on December 11, 2023 at 6:00PM and will be held at 159 Civitas Street.

Respectfully submitted by____________________
Michael Spalding, Board Secretary