

MINUTES
FRIPP ISLAND PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING
April 10, 2010
9:00 am

PRESENT: Messrs. Mathews, Davidson, Crouse, DiSerafino, Duncan, Hess and Morrison; Mmes. McCormick and Merrill;

ABSENT: Mr. Case

GUESTS: Messrs. Hindes and Kemmerer

1. Call Meeting to Order and Comments: **President Mathews** welcomed owners and guests to the annual meeting of the Fripp Island Property Owners Association and called the meeting to order at 9:00 am.

2. Report from General Manager: **Kate Hines** welcomed everybody in the chapel and those who were attending by conference phone. A power point with the names of all Directors, committee members and volunteers accompanied her brief overview of the FIPOA's activities and accomplishments since last April.

Statistics: There are currently 2155 platted parcels on Fripp. 15% of our owners are full time residents and 85% are non-residents, a 2% decrease in full-timers since last year.

Communications: We have email addresses for over 2000 owners and co-owners. Please notify the POA office if you know someone who hasn't given us their email address. We also have a new e-blast system. The Chief can also send notices to full time residents only if the situation warrants.

Other improvements include crossover parking location notices, a new Wildlife handout and an alligator warning magnet which will be mailed to all owners with vehicle decal renewals this May.

Appeals Committee: There were 18 requests for appeal of FIPOA citations between April 2009 and today. Two were granted, and 16 were denied.

Architectural Review Board: ARB operations officially moved to the FIPOA in May. The transition has been amazingly simple, all of the ARB members agreed to remain and the POA Board added a sixth member, in accordance with the new covenants. Two ARB members retired in January and have been replaced. Tina Reeves is the ARB Administrator and has been researching neighborhood documents and meeting with contractors. With the slow building cycle, she has been able to get a good grasp on how the ARB operates.

Since May we have issued the following permits:

1 elevator, 2 driveway, 2 dock, 2 house siding, 3 boatlift, 8 seawall, 8 new house, 10 tree removal, 14 addition, 16 new roof, 57 paint, 67 maintenance & repair.

We recently hired a part-time employee, Britteny Gosselin, who is scanning old property plats, and owners will soon be able to obtain copies of their house plans for a fee.

A subcommittee of the ARB, the Property Enhancement Committee, has some great ideas about how to get owners to clean up their properties. There will be more information from them in the future.

THE BEACH: The Beach Committee has had two beach sweeps and helped with education. The new Beach Tent Committee created new regulations to make sure that personal property isn't left on the beach overnight and that any holes dug during the day are covered up. This summer, the turtle patrol will put sticky tickets on tents found in the morning and our new part-time seasonal beach Security officer will help remind people to take their belongings off at the end of the day or the belongings will be thrown away.

OCRM Setback Issue: As part of the 1988 Beachfront Management Act, the OCRM must review the baselines and setback lines every ten years along the entire South Carolina coast. For the past twenty years, they have used an established pool of historic shoreline and erosion rate data on Fripp. Last May, however, they used rates by arbitrarily including data from an 1856 survey. This doesn't take into account the fact that Fripp has a rock revetment and its setback line should stay at the minimum 20 feet landward of the baseline, as required by the Beachfront Management Act.

The POA Board hired Mary Shahid of the McNair Law Firm and also met a number of times with state Senator Tom Davis. Despite our best efforts, DHEC posted notice that the jurisdictional lines were in fact being

adopted in late November. We appealed to the OCRM Board to have the decision stayed, but they decided not to hear the case. Now we, along with 188 affected owners, are appealing to the Administrative Law Court. There was a filing fee of \$250 per affected property and additional costs to date are \$42,283 for a total of \$89,033.

Sen. Davis has a bill in the Senate that we hope will exempt Fripp from part of the Beachfront Management Act. There is mirror bill in the House that Representatives Loftis and Erickson are backing. We have also hired a lobbyist. If the legislative efforts prove fruitful, the legal efforts can cease, but we won't know that until the end of the legislative session in late May. The court has called for our case to be heard after September 15th.

BRIDGES: The FIPOA owns The Maxwell Bridge, the Tarpon Bridge and the Fiddler's Trace Bridge. A driver had a minor accident on the Tarpon Bridge, but repairs were made and paid for by their insurance carrier. We also have one footbridge over Blue Heron Lake and one from Tarpon into Sawgrass. As you know, the PSD owns the Fripp Inlet Bridge, but the POA is responsible for funding its repairs, including this year's work which was approved at a cost of \$613,578.

CROSSOVERS: The POA has 32 beach crossovers and Tina Reeves is responsible for their oversight and maintenance. Second post markers on the beach were added which makes it easier to find the crossovers from the beach. Two "Nantucket trash depots" donated by the Women's Club were added to crossovers 2 and 15; regular beach cans were added at the end of Tarpon and crossover 28. Each beach crossover is examined monthly with minor repairs made if needed; a dock contractor inspects the crossovers annually for structural integrity. This past spring, mulch was added at many crossovers as an experiment to see if it will keep the weeds down.

DEER: The HSUS was here for their annual study. The 2009 Immunocontraceptive Progress Report submitted by Dr. Allen Rutberg shows that the deer densities have declined about 30% since 2006 and the fawn:doe ratios have declined by about 84%. The deer population on Hunting for the same time period has remained stable.

Those who came to Fripp from Tufts and HSUS expressed their thanks to everyone who provided housing and to the Resort for providing amenity cards and golf carts. The only funding for this program comes from donations, so please be generous.

GROUNDS: The Tower Garden was completed in August and was a community wide effort involving the Resort, POA, PSD, Garden Club, Women's Club, and Jim Yeager of Earthworx. The committee has focused on the front of the island and the front of River Club. Older plants were cleared out and new grasses and dwarf oleanders were brought in. Our harsh winter froze out many plants but new plants are on their way.

HUMAN RESOURCES : The Committee reviewed other POA's salary and benefits packages. Upon my recommendation, we implemented a wage freeze for 2010.

LAKES & LAGOONS: There was a large fish-kill in August in Blue Heron Lake. The Earthworx crew had everything cleaned up that same evening. The lagoons are inspected by an aquatics contractor monthly to ensure that the salinity and oxygen levels are where they need to be.

NOMINATING: Several Board members served on this year's committee and came up with a great slate of resident and non-resident candidates for the class of 2013.

PARKING: In May of 2009, the committee's recommendations were approved by the Board and put in place. The focus was on specified parking for beach access roads from Whiting to Seahorse. We now give handouts to guests that show which crossovers have parking available, and all golf carts brought to the island are required to have identification. Since last summer, the committee has been working on signage for individual streets and making sure that owners can access their driveways. In December, the Board approved improving parking at crossover 22. We hope that all parking will go smoother this summer with seasonal Security staff hired specifically for parking enforcement.

The committee is now looking into boats and RV's parked on private property. We are reviewing alternatives for parking boats on the island, such as at the Marina or behind Don Peel's office and are still seeking input from all owners.

ROADS AND DRAINAGE: Due to the rain we've received since December, it was nearly impossible to grade the roads this spring. When the contractor came to Fripp, they could not get enough dry base to grade the roads properly.

We are experimenting with recycled asphalt on Wahoo to see if it will hold up any better at the intersections. Owners on Blue Gill, Pike, and Perch have expressed an interest in paving their roads. If enough of them decide to pay for the asphalt, POA will pay to prep the area and we will pave in 2011 when we re-surface Bonito as part of the Reserve Schedule. We do scrape and grade our rock roads twice a year.

SECURITY: Highlights since last April: **Golf cart vandalism and proms.** (A) All Fripp owners have been notified of all local school spring vacation dates and prom dates. With your help, we can keep kids who are not chaperoned from renting here. (B) The Chief is coordinating directly with the school principals to put the word out that miscreants and vandals will not be tolerated on Fripp. (C) Split shifts will be implemented for better evening coverage.

Thefts. We have installed a second camera in the outgoing lane at the Gate to help capture faces of drivers as they leave. The Resort has given us permission to stop and search their company owned vehicles if necessary. We now have a driver's license reader. Any employee or contractor coming to the Gate after 7:00PM has their driver's license checked.

We recently replaced the DVR at the front gate with one that will hold recordings longer and can download directly to a DVD.

We bought out the lease on the Ford Escape, traded in the Chevy Trailblazer, and purchased a Jeep Patriot.

Messages from the Chief for notices to all owners, and Security Alerts to fulltime residents for urgent matters such as spates of vandalism are all sent via email directly from the Chief.

A **Town Watch** program is just now being implemented. The volunteers will work from a script and help educate guests about the dangers of wildlife. The idea is to be eyes and ears for Security and not be at all confrontational. Folks who have signed up will be supplied with wildlife handouts and a form to compile results of what they've seen for tracking purposes. If they see anything else, they will call Security immediately. If you would like to help, please contact Chief Binkowski or Bob Hess.

This summer we will bring in two seasonal employees. One will patrol the beach and one will patrol parking.

THE TRAWLER is now exclusively on-line. This is saving the FIPOA \$24,000 over last year's budget. Our web layout editor, Cyndi Follrich, has made it faster to read on-line and easier to print from your home computer as well. Tina and the *Trawler* panel work extremely hard to get all of the Fripp news together for you, and we in the office hear from many who are appreciative of their efforts.

MISC:

- The Board adopted a policy of having two readings of each Resolution before voting on them. This gives the community time to be aware of what the Board is contemplating. If there is an urgent need, two thirds of the Board can vote to take immediate action.
- We switched from Bank of America to Alliance Association Financial Services and gained better FDIC coverage while earning more interest. As part of the package, we were able to outsource our billing for free and have our bills sent to a lockbox system also allowing my staff more time for other duties.
- We purchased a new safe and a new computer
- The Board revised the agreement with the FIPSD to include paying for insurance for the Inlet Bridge annually.

VOLUNTEERS: The FIPOA would be nothing without volunteers. We currently have over 70 volunteers working for the POA. Each June, a list of people who are interested in serving on committees is given to the committee Chairs. If you have not recently expressed an interest in any committees, please do so.

Mrs. Hines expressed appreciation to all volunteers and those departing and remaining Board members who congratulated and who serve as great examples to the incoming class. She welcomed newly elected Board members Micki McCormick (re-elected), Tom Hindes and Wayne Kemmerer. All administrative and security staff members were introduced and thanked as well.

3. Report from the Treasurer: Bob Davidson noted what a change a year makes. This time last year we were wondering what the recession was going to do to us. Practically everyone was hurting. The POA was no exception: investment returns were down and there was a lot of uncertainty in the financial markets.

For 2009, things have gotten better. We repaved South Tarpon and parts of Remora ahead of schedule to capture lower prices, we repaired the Inlet Bridge for much less than the \$3,000,000 we were expecting and our investment portfolio of stocks and bonds showed a 12-month gain of \$156,000.

We can learn from our experience. We should improve the finances of the Roads and Bridge Fund. There currently is a cap on how much we can keep in that fund. We should remove that cap and begin replenishing the fund that has been significantly depleted by the Inlet Bridge repairs.

We should also realize that the costs to run the island, keep the island's physical assets up to date and improve those assets necessitate giving the POA Board the tools to manage them. Currently, the annual assessment (\$740 per owner in 2009 and 2010) adequately takes care of current needs. However, that assessment is based on a formula that does not even recognize the island's greatest expenditures: roads and bridges. As a result, we need a funding formula that allows your POA to prudently take care of the island's future needs as well.

We have an asset replacement study which has examined the island's physical assets – roads, parks, building, lakes, etc. – and has established a minimum annual amount of \$266,000 which adjusted for inflation will generate the \$20,000,000 necessary to keep our island in good working order for the next 30 years. However, the Board has been unable to make that contribution every year. We also need to look to the future for ways to improve our island, to make it a better place to live. That costs money too.

The Finance Committee has worked hard for the Board and for every property owner. We're glad to report that current finances for 2009 are adequate. We need your help and understanding so we can do our job better as we look into the future.

4. Remarks from the President: Buck Mathews noted he had enjoyed his many years of service on POA Committees, the POA Board, and as President of the Board for the past two years. He noted a favorite quote, "If you don't know where you are going, any road will get you there" in referring to the Long Range Plan which has guided our direction in improving the island where we live and that we love. He expressed appreciation to the current Board for their dedication and for stepping in for him during the past winter. He also thanked the administrative staff for their hard work and dedication.

5. Remarks from the PSD: Commissioner Rich Combes noted the following:

--The Bridge bearing replacement project has been completed and the cost is expected to be within budget. It was noted an earlier cost estimate was for \$2.7 million; however the PSD looked at alternatives and the actual cost was \$613,000.

--Additional inspection found damage to 8 of 49 bridge supports, which will require additional work; estimates are being requested.

--Regarding a cap on the Road & Bridge Fund, he felt the PSD was in good shape right now but significant expenses may be coming in the future.

--The expense for rebuilding the revetment on Porpoise cost \$30,000; shoring up the revetment at the end of Tarpon is estimated to cost \$11,000. The broken water line under the Harbor River Bridge was patched last year, but it has been decided to replace the entire line. This will require permits and will involve considerable expense. Neither of these come from POA funds.

6. Questions, Answers, and Comments:

(Q) What happens if our setback appeal fails?

(A) The setback line will remain as currently proposed in May 2009 by OCRM. If a storm hits the island, there will be extra permits that owners will have to work around in order to replace their homes. Property values will shrink and some homes may not be able to be rebuilt.

(C) An owner expressed concern about the new ban on beach tents and personal property left on the beach overnight. He requested tents be allowed to remain on the beach for no more than seven days.

Another owner noted the need for protection from the sun and dehydration and requested a compromise. An owner noted she very narrowly escaped injury after almost stepping in a deep hole partially covered by spartina grass. It was noted this issue could be referred back to the Board for reconsideration. A turtle patrol member noted the difficulties encountered during the nesting season when turtles become entangled in structures left on the beach. She is very thankful for the restrictions recently approved and noted Fripp is the only beach on the SC coast that has allowed tents to remain on the beach overnight.

(Q) Can there be more trash barrels on the beach, especially in the summertime?

(A) It was noted that the purchase and setup of trash barrels is approximately \$500; the cost of doggie pot stations is approximately \$250. The POA will look into building these expenses into next year's budget.

(C) An owner requested that names on ballots for election of Board of Directors be placed in random order instead of alphabetical order.

(C) It was requested that the Parking Committee consider parking restriction signage on Ocean Point Drive, as the street is very narrow.

(C) It was requested that Yellow Tang be looked at for scraping. It appears it hasn't been done in several years.

(C) An owner noted he is in favor of lifting the cap on the Road & Bridge Fund and the importance of keeping our infrastructure in good shape. An owner questioned how this change could be effected and it was noted it would require a vote of the membership for a Bylaws change. Another owner felt that advance notice to property owners, as in the Covenants vote, would be very helpful.

7. Adjourn: The meeting was adjourned at 9:50AM and all attending were invited to have refreshments in the Community Centre.

Respectfully submitted,

David Case
Secretary

* Minutes are not the official record of proceedings until the Board of Directors has approved them at the following meeting. Please hold this draft until you pick up the next meeting's draft that will contain corrections as made and approved by the Board.

** To Participate in Board meetings by teleconference, owners may call 1-800-444-2801; then 5763474.

