

**FRIPP ISLAND PROPERTY OWNERS ASSOCIATION
BOARD MEETING MINUTES
October 8, 2011**

PRESENT: Mrs. McCormick; Messrs. Hindes, Case, Blake, Crouse, Kemmerer, Morrison and Wolbrink

ABSENT: Messrs. Davidson and DiSerafino

1) Call to Order and 2) Determine Presence of a Quorum of Directors: President McCormick called the meeting to order at 9:00AM. There was a quorum present.

3) Adopt Agenda as Presented Today: Motion made and approved to adopt agenda as presented today.

4) Approval of September 10, 2011 Meeting: Motion made and seconded to approve minutes as presented.

MOTION: Motion approved.

5) Comments and Questions from Members:

(C) Concern expressed with Resolution 589 language regarding certain vehicles not being allowed on island.

(A) The intent is safety; therefore guests or renters will not be allowed to trailer ATV's and similar vehicles onto the island.

(C) Concern expressed with Resolution 590 that the Reserve Fund includes money we invested in the Jentner account.

(A) Reserve Fund monies also consist of CD's, CDAR's and bank accounts.

(C) Why is the House Watch program ending and will Security be doing vehicular patrols at all?

(A) House Watch numbers increased dramatically from 105 in July to 1,184 in September. Security does not have the manpower to perform this number of checks and there will be strict limitations on the revised policy. Security will continue to drive the roads and any suspicious activity will be investigated.

(C) A caller expressed concern that according to the Bylaws, the FIPOA has the ultimate responsibility to provide security for the membership. He felt that the change in House Watch policy affects those most vulnerable (non-residents), not those that are more secure (residents). He is concerned that there will be an increase in alarm systems that will be going off and disturbing the peace and tranquility of the island. He feels Chief Binkowski can watch homes less frequently, check areas most vulnerable more frequently and keep us all safe.

(C) Another owner agreed.

(Q) When will there be an island-wide cleanup?

(A) The Property Enhancement Committee is waiting until hurricane season is over and planning a cleanup in the spring. It was noted there currently is a broken large deck on the beach near Rock Beauty. Referred to Environmental Committee.

6) Report from the General Manager:

Misc:

Micki McCormick attended a meeting of the Marsh Association on September 15th regarding Debris Removal following a natural disaster. County residents in gated communities pay the same taxes, but the current ordinance states that the county will only pick up debris from public roads. There was a follow up meeting where Kate Hines, Marsh members and others went to a Public Facilities Committee Meeting at Beaufort County on September 27th to ask that the ordinance be changed.

The committee was resistant, but agreed to have staff review the matter. In pursuit of their current effort, Micki will continue to attend the Marsh Association meetings.

Tina Reeves and Kate Hines attended the CAI Large Scale Managers Workshop in Seattle. Topics of discussion included the economic downturn and its impact on the communities, increased number of poorly maintained homes and overall membership satisfaction. They also toured six communities.

Micki McCormick, Chief Binkowski and Kate Hines met with owners from the Ocean Point neighborhood to discuss ideas for a new, smaller wall. The FIPOA Grounds Committee will work on design for plantings around the base and will work with the Resort to get plantings around both walls to match.

ARB: Permits approved: ten maintenance and repair, one new roof, two new paint, four paint same, one tree removal, two additions and one elevator. The next ARB meeting is scheduled for Thursday, October 20th.

Boat Committee: The ad-hoc Boat Committee had its first meeting on October 5th. Helpful historical information from past Parking Committee meetings was presented and objectives were discussed. The largest complaints are visibility and lack of room at the marina. The committee will look at definitions, length of stay, storage options, and ARB guidelines among other things. The next meeting is November 3rd.

Bridges: The Fiddler's Trace Bridge has been repaired. It had been approved as a project expense. The weight limit will remain at 4,000 pounds and Security has been instructed to enforce it.

Crossovers: Crossovers maintained their integrity throughout the hurricane season.

Environmental: The committee met on October 3rd and reviewed areas of focus for its future agenda. These are education regarding wildlife and plantings, trash awareness, eco-tourism, and beach cleanliness for starters. The 2011 budget of \$2000 will be spent on educational "rack cards" and two trashcans to be added to Whiting and beach access #2. The committee also discussed recycling. The next meeting is set for November 8th.

Financial:

Assessment Collections: 37 late statements mailed 10/1/11

General Fund - \$1,110,300; Deposits for Right of Entry - \$189,000; ARB Bond Deposits - \$101,000
"For informational purposes only": Reserve Fund - \$1,724,400; Road & Bridge Fund - \$761,100,
including investments adjusted for market value; Accounts receivable for 2011 are \$51,100.

We are at 97% of budget for revenue and 74% of expense.

There were five property transfers in September.

Grounds & Beautification: Earthworx has been maintaining all beds per direction from the Grounds Committee. Some improvements have been made at the Tower garden including a change to the irrigation system and the addition of many plantings. They have cleaned out much of the vegetation, repaired the irrigation and the water fountain at Davis Love Park.

Lakes & Lagoons: We had a minor fish kill in September; Earthworx was able to clean it quickly.

Parking: The Parking Committee met September 22nd. They discussed feedback (which was minimal) from the letter sent to owners on south Tarpon regarding the possibility of future parking

on the street. Also discussed was apparent confusion regarding the parking signs on some of the beachfront streets. An Appeals Committee member was present and noted many of the traffic tickets had to be forgiven because the signage isn't clear enough. The committee met on site with a new Security officer and some signage will change for clarity. A new sign will also be added on Davis Love near Sweetgrass.

Property Enhancement Committee: The committee met on September 27th. They reviewed their guidelines that state the committee's focus will be on single-family homes and lots. It was noted that there are still several posts without mailboxes. With the economic downturn, the committee is noticing that several properties are not getting the proper maintenance and care that is needed.

- The committee also reminds owners that yard debris must be hauled off island. It is against policy to pile debris on your property, neighboring properties or common areas. Owners are responsible for their own yard maintenance and debris removal.
- Curt Blake, Chair of the Environmental Committee, attended the meeting to discuss ways that the two committees may be able to work together for the betterment of the island.
- The committee is looking for a volunteer to fill an open position. The position requires that the volunteer be a full-timer. If you are an off-island owner and would like to participate in keeping our island beautiful, there will be opportunities to participate in future projects. If interested, please contact Tina Reeves.

Roads & Drainage: We have received a bid for Fairway drainage improvements; the committee needs to see if it's feasible. Bluefish and Rock Beauty have been recently graded. Flap valves were cleared before the fall tides.

Security: The Security Committee approved the 2012 budget request at its meeting on September 21st. The committee also reviewed the proposal for changes to the rules and regulations regarding golf carts and Low Speed Vehicles.

- The Committee reviewed the House Watch numbers. There were 105 in July and they increased to 1,184 in September. The committee determined that the protocol needed to be revised effective 10/11. There must be a start and end date to each request, it will no longer be seasonal, open ended, or extended. All owners currently on the program have been notified of the revision.
- A Good Neighbor Watch Program will be implemented. Similar to Neighborhood Watch, it would be neighbors watching out for neighbors and be run by the Chief. It will be specifically tailored for Fripp owners by Fripp owners with Security oversight and involvement.
- The gatehouse is being power washed and woodwork will be primed and painted.
- The next Committee meeting is scheduled for October 26th at 2:30pm.

The Trawler: The next Trawler publication is November 15th; deadline for articles is October 31st.

CAB: Met on September 19th. There was no quorum, but the new CAB members were introduced. They are Eric Erickson, Frank Sutherland, Patti Mathews, and Bob Bicknell. There is a new email address for members to give feedback – it is clubfeedback@frippislandresort.com.

PSD: Met on September 13. They reviewed the unaudited financial statements for 2011 and approved the Fire Department mutual aid agreement.

Commissioner Combes also noted the attorneys are finalizing legal documents regarding the Harbor River Bridge incident. The manager is in lease negotiations with AT&T for a tower cell. Upon recommendation of Collins Engineering, bids for repairs on the Fripp Inlet Bridge have been sent out and are due back December 1st. Costs are estimated at \$140,000. Their next meeting will be October 11 at 9:30AM.

i. **Resolution 588 – To Adopt the 2012 Calendar Year Budget; with Changes to the Annual Assessment and to Continue the Special Road & Bridge Fund Assessment**

Proposed Resolution: That the 2012 Calendar Year Budget of the Fripp Island Property Owners Association in the amount of \$1,921,000, a copy of which is attached to and made a part of this Resolution, be adopted by the Board of Directors, and

Be It Further Resolved: that the annual assessment will be increased from \$740 to \$768, and that the Special Road and Bridge Fund assessment remain \$100, both assessments to be assessed and collected in accordance with the Bylaws.

Discussion: During the past several months, the General Manager has accumulated information and data necessary for the preparation of the 2012 Calendar Year Budget. The August 2010 Consumer Price Index CPI-U for All Urban Consumers 3.8% year over year has been applied, per the Bylaws. The proposed draft of the annual budget was approved by the Finance Committee on September 29th and provided to the Board of Directors October 8th.

Motion: A motion to amend the resolution was made that the annual assessment remain at \$740 instead of increased to \$768. It was noted this is the first time we have been able to raise assessments in three years, due to no change in the CPI. A \$28 increase in individual assessments would increase the budget by \$60,000. Pros and cons were debated and it was noted that a new Reserve Study would be prepared next year.

Action: Amended motion presented for first reading. By individual vote, the amendment to have the annual assessment remain at \$740 was approved by 7 ayes and 1 nay. Mr. Hindes to rework resolution language accordingly. Deferred to the November meeting for second reading.

Several budget line items were discussed, including the leasing of the ARB's wide format scanner, crossovers, roads and the Reserve Study. It was also noted that funds for completing the Maxwell Bridge sidewalk are included in the budget.

Resolution 589 – To Adopt Changes to the Rules and Regulations to Allow Only Registered Golf Carts and Low Speed Vehicles; to Disallow Non-Property Owners from bringing Golf Carts and Low Speed Vehicles onto the Island; Require that all Golf Carts and Low Speed Vehicles be Registered

Proposed Resolution: That the Board of Directors approves the proposed changes to the Rules and Regulations last amended January 19, 2011.

Discussion: There has been a significant increase in the use of high-speed golf carts and ATV's on the island. The Security Committee has reviewed and recommends the Board make the following changes to the Rules and Regulation:

Motion #1: No vehicle will be allowed on Fripp Island streets and roads other than currently State licensed automobiles, motorcycles, trucks, scooters and Fripp registered golf carts and low speed vehicles. Operation of any other vehicle on Fripp streets and roads will result in a Fripp Island citation of \$300.00. Emergency vehicles would be excluded. Such vehicle may be impounded and held by Fripp Security until removed from the island. Prohibited vehicles acquired prior to the publication date of this resolution may apply to the Appeals Committee for an exclusion for that specific vehicle for the life of that vehicle.

Motion #2: No guests or renter shall be allowed to trailer or transport golf carts, low speed vehicles, Gators, Mules, ATV's or any other off road vehicles such as the Mule, Gator and Ranger onto Fripp Island. If guests or renters arrive with such vehicles, they will be advised to park said vehicle and refrain from any operation of said vehicle. A \$300.00 Fripp Citation will be issued if said vehicle is observed on any Fripp streets or roads.

Motion #3: Effective _____, all owners shall have all golf carts and low speed vehicles inspected and registered with Fripp Island Security Owners who fail to register said vehicles shall be subject to a \$50.00 Fripp citation.

It was noted that a property owner had done extensive research on this issue and one result was that no other island on the east coast allows any off road vehicles to be trailered on to their islands. Concerns expressed that we shouldn't tell renters what to do, the many "almost" accidents, the need to maintain a safe and beautiful island and the marked increase in parking. Several changes to the resolution were suggested, including allowing golf cart rental companies on the island, eliminating the need for inspections, keeping our own requirements for registration, and a plan for notification of the new policy.

Action: Presented for first reading. Mr. Kemmerer will rework the resolution accordingly. Deferred to November meeting for second reading.

Resolution 590: To Transfer Excess Revenue to the Reserve Fund

Proposed Resolution: The Board of Directors accepts the recommendation of the Finance Committee to approve the audit report and give approval to transfer \$523,525 from the General Fund to the Reserve Fund.

Discussion: Presented for first reading.

Action: Deferred to November meeting for second reading.

7)Committee / Other Reports

Resolution 591: To Have all Ballots except those for Board of Directors Sent to the Auditor of Record for Counting Based on Rules provided

Proposed Resolution: That the Board of Directors approves sending all ballots except those for Board of Directors to Auditor of Record for Counting based on Rules Provided.

Discussion: The Non-Standing Ballot Committee was created at the Board's request to advise the General Manager and the Board of Directors on procedures for counting ballots for covenant issues, Bylaw issues and voting for Directors. The committee met and determined that going forward it would be wise for the FIPOA to send all ballots for everything except Directors directly to the auditor of record. Directions for validity procedures will be given to the auditor as well. An invalid ballot is one in which the General Manager cannot determine the intent of the voter. Markings on the ballot do not automatically invalidate a ballot. They felt there was no need to change the Bylaws; the major question was the validity of the ballots. It was noted that electronic voting was not considered.

Action: Presented for first reading. Deferred to November meeting for second reading.

8) Statement of Matters Deferred to November Meeting:

- i. Resolution 588- To Adopt the 2012 Calendar Year Budget; with Changes to the Annual assessment and to Continue the Special Road & Bridge Fund Assessment
- ii. Resolution 589 – To Adopt Changes to the Rules and Regulations to Allow only Registered Golf Carts and Low Speed Vehicles; to Disallow Non-Property Owners from bringing Golf Carts and Low Speed Vehicles on to the Island; Require that all Golf Carts and Low Speed Vehicles be Registered
- iii. Resolution 590 – To Transfer Excess Revenue to the Reserve Fund
- iv. Resolution 591: To Have all Ballots except those for Board of Directors sent to the Auditor of Record for Counting Based on Rules Provided

9) Next Meeting: The next meeting will be held Saturday, November 12, 2011 at 9:00AM in the Boardroom.

10) Adjourn: The meeting was adjourned at 10:38AM.

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.