

# MINUTES

## THE PRESERVE at INDIGO RUN, HPR

Meeting of the Board of Directors

**Wednesday, October 14, 2020**

**3:00PM | IMC Conference Room**

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- I. **Roll Call/Call to Order** – With a Board quorum, Joe Muenkel called the meeting to order at 3:07pm.
  - A. **Directors Present** – Joe Muenkel, President; Kate Holland, Vice President; Elizabeth Davis, Secretary; Christopher Leibham, Treasurer
  - B. **IMC Representatives Present** – Deanna Anderson, Community Manager; Garrett Hamilton, Principal/VP Accounting & CFO; Lyndsey Dorshimer, Minutes
- II. **Approval of Minutes**
  - A. **July 22, 2020** – Christopher Leibham made a motion to approve the minutes of the July 22, 2020 Board meeting, as presented. Elizabeth Davis seconded the motion. The motion passed without opposition.
- III. **Ratifications**
  - A. **Hargray Contract Proposal Acceptance** – Joe Muenkel made a motion to ratify and accept the proposed Hargray contract bundle service for the office and fitness center, for a reduced monthly cost. Christopher Leibham seconded the motion. The motion passed without opposition. Joe Muenkel mentioned that with the hard work from Deanna Anderson and Chris Leibham, they eliminated almost \$10K annually overall between Verizon and AT&T.
  - B. **Custom Security Proposal Acceptance** – Joe Muenkel made a motion to ratify and accept the proposal submitted by Custom Security for back gate wiring for internet to the gate access controller for \$2300. Elizabeth Davis seconded the motion. The motion passed without opposition. This will assist with the back gate security, as well as cameras at or around the trash compactor and recycling area.
  - C. **Approval of MAJ Proposals**
    - a. **Retention Wall for \$900** – This retention wall was damaged by a tractor trailer delivering services to a resident near the 21/23 building. This wall has since been reset at a total cost of \$900. The cap will be replaced soon, also covered under the \$900. It was noted that the repair cost was covered under payment from the trucking company responsible for damage. **Joe Muenkel made a motion to ratify and approve the proposal submitted by MAJ for the retention wall for a cost of \$900. Christopher Leibham seconded the motion. The motion passed without opposition.**
    - b. **Lattice Block Work at Buildings 36, 38, 39 and 42 for \$3870** – The Town of Hilton Head required parking lot designs in these areas to be lattice concrete with sand to allow significant trees to get water and nutrients. The roots of those trees have caused some areas of the parking lots to raise creating an uneven surface, which the MAJ proposal addresses. **Joe Muenkel made a motion to ratify and approve the proposal submitted by MAJ for the lattice block work to buildings 36, 38, 39 and 42 for a cost not to exceed \$3870. Christopher Leibham seconded the motion. The motion passed without opposition.**

**c. Repair of Sidewalk at Building 18 for ½ of \$780** – A resident in building 18 requested to remove a sidewalk curb to allow easier access to the unit. In looking at requested area, it was noticed that a trip hazard existed a short distance from the curbed area. The Board and the resident agreed to share evenly in the cost to make a repair to the sidewalk and remove the curb. **Joe Muenkel made a motion to ratify and approve the proposal submitted by MAJ for the repair work to the sidewalk located at building 18 for half of the total cost of \$780. Christopher Leibham seconded the motion. The motion passed without opposition.**

**D. Approval of Landscape Proposal at Front Entrance Kiosk for \$2126** – Joe Muenkel made a motion to approve the landscape proposal for the front kiosk for a cost of \$2126. Christopher Leibham seconded the motion. The motion passed without opposition.

**E. Approval of Community Reading Library** – A reading library was requested by owners within the Preserve. This would include a bookcase with chair, which will be added to the hallway between the gym facility and restrooms. Minimal contribution was needed by the HPR. That being said, **Joe Muenkel made a motion to approve the community reading library. Elizabeth Davis seconded the motion. The motion passed without opposition.**

**F. Approval of a New Elliptical for Fitness Center** – Joe Muenkel mentioned they are getting a commercial-grade elliptical for the owners to use freely and safely. This replaces an existing elliptical that was broken and parts could not be purchased due to the age of the equipment. **Joe Muenkel made a motion to approve the new elliptical for the fitness center, at a cost of \$2895.50. Christopher Leibham seconded the motion. The motion passed without opposition.**

#### **IV. Presidents Report**

**A. Retention Pond and Drainage Project** – Phase I of the retention pond and drainage project has been completed by JS Services. All roots that have impacted the drains have been cleared and the retention pond behind pool has now been fixed. The heavy rainfall seen in August and September has not caused any flooding throughout the Preserve. Per JS Services, general maintenance should be done every three years to keep the system functioning the way it currently is. The total cost came to \$23,875. Phase II will be addressed in January and/or February. This will include cleaning out all of the debris and silt in the retention ponds to prevent future buildup of silt. **Joe Muenkel made a motion to approve \$23,875 for the first phase of the retention pond and drainage project. Christopher Leibham seconded the motion. The motion passed without opposition.**

**B. Compactor Rules and Regulations** – While the Board understands and appreciates the fact that many residents are receiving more packages at home due to COVID, there has been a great deal of larger boxes, some of them moving boxes, left in the recycling area. All boxes must be either broken down and put in the appropriate recycling containers or they must be brought to the Hilton Head Recycling Center, which is less than two miles away. No boxes should ever be put in the compactor, as it causes damage to the compactor. In addition, if the compactor is not functioning, owners leave their trash on the ground or on top of the compactor to attract rats and other animals to tear open the bags of trash and make a mess. The regime then must pay to have the mess cleaned up and the unbroken down boxes hauled to the recycling center. Nothing should ever be left outside of the recycling bins or compactor but rather taken to the Town recycling center. The

Board is fining all known offenders. In addition, better equipment is being installed so that the regime can fine anyone who does not obey the existing posted rules.

- C. **Compactor Maintenance** – The Board would like to remind owners that compactor repairs are conducted by a company out of Columbia. Repairs are generally only necessary when residents use the compactor inappropriately by putting items other than bagged household trash in the compactor. Inappropriate items cause the pistons to jam and result in the system shorting out or shutting down. If compactor replacement is necessary, it comes at a cost of over \$35K to the regime.

*Kate Holland joined the meeting at 3:41pm.*

- D. **Building Assessment and Maintenance** – The Board concentrated efforts this year on correcting drainage issues. They also replaced OceanWoods Landscaping with Brightview for better maintenance of the property. It was noted that Brightview performed a walk-through of all buildings and supplied a proposal to replace some older tired shrubs. If ten buildings are done yearly, that expense would require, at some point, an increase in regime fees, which, with the rising vendor and supply costs, is eminent. In the Palmetto and Camelia models, the kitchen sinks and ac lines drain into the main lines for the building. These main lines can be subject to clog due to garbage disposal misuse. The Board approached Piper Plumbing about a proactive approach of cleaning out main lines periodically, but Piper Plumbing advised against it, as they could clean main drains and then a resident can use the disposal inappropriately and clog the line. These issues will be addressed as they come up. Also discussed was the need for soft washing of the buildings. It was concluded that each building should be surveyed to assess what needs to be done regarding maintenance. **Kate Holland made a motion to retain Brett Williams with IMC to evaluate all buildings regarding maintenance needs, as well as have Arn and Saffel Construction along with another outside contractor to be determined along with IMC, to evaluate building 8 and submit their proposal for maintenance, to include soft washing and painting, no later than November 13, 2020. Elizabeth Davis seconded the motion, and the motion passed without opposition.**

- V. **Financial Report** – See attachment A. Garrett Hamilton reported on the cash position and budget variance as of September 30, 2020.
- VI. **Executive Session** – The Board entered Executive Session at 4:26pm. During this time, they discussed any outstanding accounts and owner concerns. The Board exited Executive Session at 4:53pm.
- VII. **Old Business**
- A. **Website** – Deanna Anderson mentioned the old system that Ross Pascall used to send the newsletter was no longer supported so the format had to be changed. This has since been done successfully. All e-blasts will be sent through the IMC VMS software system going forward. Any emails that did not transfer, accidentally, have now been corrected. If you notice that you are not getting these emails, please first add @imchhi.com or @imcresortservices.com to your safe senders list and then contact Lyndsey Dorshimer at IMC so that they can better investigate it on their end as well. Lyndsey can be reached at [Lyndsey@IMCHHI.com](mailto:Lyndsey@IMCHHI.com).
- B. **Reserve Study** – The Board received a rough draft of the Reserve Study, which was last completed in 2013. Garrett Hamilton mentioned to fully fund the reserve, Miller Dodson recommends

\$147,713/year. The Board then reviewed the Reserve Study in detail and noted areas they would like to revise.

### VIII. New Business

- A. **Entrance Fountain Motor** – Deanna Anderson asked the Board if they were still interested in refurbishing the motor for the entrance fountain. The Board agreed they would like to have a standby motor and impeller. Deanna Anderson will contact Jackson Electric. **Joe Muenkel made a motion to take one standby motor and have Jackson Electric provide an estimate to repair this, as well as have a standby impeller available so that if/when there is a problem with the motor in the fountain, it can easily be replaced. Kate Holland seconded the motion. The motion passed without opposition.**
- B. **Building Lights** – Deanna Anderson mentioned she had spoken to Joel regarding the building lighting. Buildings 1 through 4, 7 through 9 and 29 through 32 needed only one timer in the riser room so Joel was able to get those on a timer. Building 18 was the trial building that required an electrician. That required 3 timers. Buildings 5 & 6 have a timer on building lights only and they need the three timers like building 18, as do buildings 5 and 6, 10 through 28 and 33 through 42. There are twenty lights per building. After a brief discussion, the Board elected not to pursue this due to the overall associated costs.
- C. **2021 Budget Approval** – Garrett Hamilton reviewed the first draft of the proposed 2021 budget with the Board, line item by line item, stating there will be no increase to the regime fees. The Board will remind owners what is covered under the regime fee payment at the annual meeting. **Joe Muenkel made a motion to approve the amended 2021 budget, as discussed. Kate Holland seconded the motion. The motion passed without opposition.**
- D. **2020 Annual Meeting Preparation** – The Board discussed meeting at some point the week of November 16<sup>th</sup> prior to the annual meeting. Exact date TBD at a later time.
- E. **Landscape Guidelines** – Tabled.
- IX. **Next Meeting Date** – TBD at a later time, but will be for the week of November 16<sup>th</sup>.
- X. **Adjournment** – With no further business to discuss, the meeting adjourned at 5:56pm.

*\*The minutes from this Board meeting will remain in DRAFT status until officially approved at the next quarterly Board meeting.*

Balance Sheet

Month End 09/30/2020

**Assets**

1. Operating Cash

10102	Operating AAB	118,571.02
10103	Office Account - South State	1,084.01

Total 1. Operating Cash 119,655.03

2. Replacement Reserves

10201	Replacement Reserve - AAB	1,047,181.93
10202	Construction/Refurbishment Reserve - AAB	8,229.48
10205	Construction / Refurbishment ICS Reserve	650,394.56

Total 2. Replacement Reserves 1,705,805.97

3. Insurance Reserves

10301	Insurance Reserve - AAB	212,801.10
10302	Insurance Reserve - ICS	209,695.04

Total 3. Insurance Reserves 422,496.14

Accounts Receivable

11100	A/R Association Fees	4,266.89
11101	A/R Late Fees	344.48
11104	A/R Owner Maintenance	849.58
11109	A/R Misc	4,002.25
11110	A/R Pet Fees	412.67
11111	A/R Atty Admin Fees	70.70

Total Accounts Receivable 9,946.57

Prepaid Insurance

12100	Prepaid Insurance	168,067.59
12200	Prepaid Flood Insurance	7,081.35

Total Prepaid Insurance 175,148.94

*Total Assets*

2,433,052.65

**Liabilities & Equity**

Liabilities

20100	A/P Trade	53,656.86
20201	Advance Payments	67,852.20
20202	Collection Fees	95.00
20300	W/C Liability	75.73

Total Liabilities 121,679.79

Equity

30100	Retained Earnings	2,359,911.54
	Out of Period Adjustment	
	Current Year Earnings	(48,538.68)

Total Equity 2,311,372.86

*Total Liabilities & Equity*

2,433,052.65