

MINUTES

THE PRESERVE at INDIGO RUN, HPR

Meeting of the Board of Directors

Wednesday, July 22, 2020

9:00 am | The Cabana

- I. **Roll Call/Call to Order** – Joe Muenkel called the meeting to order at 9:00am.
 - A. **Directors Present** – Joe Muenkel, President; Elizabeth Davis, Secretary; Chris Leibham, Treasurer
 - B. **Directors Absent** – Kate Holland, Member at Large
 - C. **IMC Representatives Present** – Deanna Anderson, Community Manager; Garrett Hamilton, Principal/VP Accounting & CFO; Lyndsey Dorshimer, Minutes
- II. **Approval of minutes**
 - A. **April 15, 2020** – Joe Muenkel made a motion to approve the minutes of the April 15, 2020 Board meeting, as presented. Chris Leibham seconded the motion. The motion passed without opposition.
- III. **Resignation of Mike Gregory** – Mike Gregory submitted an email stating his resignation effective June 5, 2020, which was announced to the community in the June 16, 2020 newsletter. The Board accepts and ratifies his resignation and thanks him for his services as a Board member and his continued help to the Preserve through his work at Ace Hardware.
- IV. **Ratifications**
 - A. **Board Appointment (Kate Holland)** – Joe Muenkel made a motion to appoint Kate Holland to Mike Gregory's vacant seat. Elizabeth Davis seconded the motion. The motion passed without opposition.
 - B. **Restructure Board Position** – The Board discussed the following positions: Joe Muenkel to remain as President, Elizabeth Davis to remain as Secretary and Chris Leibham to remain in the Treasurer position. As a longtime resident of the Preserve, and based upon her diverse background, the Board accepts Kate Holland as Vice President. **Joe Muenkel made a motion to accept these positions as stated. Elizabeth Davis seconded the motion. The motion passed without opposition.**
 - C. **Acceptance of 2019 Audit** – Garrett Hamilton indicated that the audit is done every two years by an independent out of state accounting firm and that the 2019 audit has been completed. Chris Leibham, upon reviewing the 2019 audit for the Board, stated that it was clean with no finding of any discrepancies or financials issues. **Joe Muenkel made a motion to accept the 2019 audit. Chris Leibham seconded the motion. The motion passed without opposition.**

In the interest of transparency, the audit opinion is listed as follows:

- a. **Opinion** – *“In our opinion, the financial statements referred to in this audit present fairly, in all material respects, the financial position of The Preserve at Indigo Run Owners Association as of December 31, 2019 and the results of its operations and its cash flows for the year are then ended in conformity with accounting principles generally accepted in the United States of America.”*

D. Approval of JS Services to Investigate the Retention Ponds and Drainage Issues – JS Construction Services, Inc. is a major construction company located in Ridgeland, SC that has done various types of skilled heavy equipment and drainage work for over twenty years. The Town of Hilton Head has used them frequently to resolve both drainage and construction issues. The Board decided to accept JS Service’s bid to investigate the retention ponds and drainage issues that have been causing flooding in areas of the Preserve. The Board also considered other companies from Georgia and North Carolina. The work on this project commenced Monday, July 20, 2020 and is continuing in stages, to date. The initial cost of this investigation is estimated to be about \$15-20K. This work is necessary and these areas should be reinvestigated and maintained every three to four years to prevent the issues we now have. A second phase of this work was discussed, which would include cleaning the ponds of algae, debris, silk, mud and rotten trees. If JS Services is engaged to do this second phase work, it would most likely occur sometime at the beginning of 2021. **Joe Muenkel made a motion to ratify and accept the estimate for roughly \$15-20K for JS Services to pump down the retentions ponds and perform drainage work. This will then be posted as a Capital Improvement. Chris Leibham seconded the motion. The motion passed without opposition.**

V. Financial Report – See attachment A. Garrett Hamilton reported on the cash position and budget variance as of June 30, 2020.

VI. Executive Session – The Board entered Executive Session at 9:44am. During this time, they discussed any outstanding accounts. The Board exited Executive Session at 9:48am. The Board took a quick recess and re-entered Executive Session at 9:52am. The Board exited Executive Session at 10:08am.

VII. Old Business

A. Report on Completed Projects – Between the April 15th meeting and now, there have been a number of good improvements made to the community, including painting the mail kiosk, drainage system work between the 36-38 buildings and between the 38-40 buildings, tree removal and repaved street in front of building 20, as well as paving at building 28. BrightView fixed the irrigation that was down and not operational for \$4K. The Board is looking in to a second phase of irrigation work. Repair work to the fountain damage was completed this week. The Board is attempting to recover the cost of the fountain repair, in the sum of \$580, from the individual who damaged the fountain and who, reportedly, is uninsured.

VIII. New Business

A. Repair of Retention Wall by Entrance of 23-24 Buildings – MAJ was on property and indicated no problem with being able to fix the wall without having to replace it. At this time, the Board is waiting on a quote. This work is estimated to only take a day. The trucking company that caused this damage was contacted, however, at this time we have not received a response.

B. Repair of Lattice Block and Gravel Parking Lots at 36, 38 and 39 – Joe Muenkel mentioned the lattice block near building 36 is in the worst condition out of the three areas. A verbal quote was received from MAJ for approximately \$1500 to replace the broken lattice block with new block and level the area so that it is not a trip factor. The 38 and 39 buildings have less significant issues. The repair work will take place at the same time as building 36, however, the Board is still waiting on a quote to be obtained.

C. Approval of Proposal to Replace Filter Tanks and Sand for Pool – The failing filtration system for the pool has made it more difficult to clean and maintain. This has been a longstanding problem and it is now to the point where sand is getting in to the pool. New tanks have been brought in, as well as a new sand, and the filter system is being corrected at a cost of \$4030. At the time of publication of these minutes, the repair work at the pool will have been completed. **Joe Muenkel made a motion to approve the quote provided by Aquarius Pool to replace the filter tanks and sand filter for \$4030. Chris Leibham seconded the motion. The motion passed without opposition.**

D. Website – The Board discussed the website.

E. Reserve Study Proposals – The last Reserve Study was performed in 2013 by Miller Dodson out of Maryland. As a result of that study, roofs were addressed and repaired by Southern Roofing throughout the 42 buildings. Since then, no additional evaluations have been made as to what the property needs as far as painting, cleaning, repairs, etc. The Board chose to get an updated Reserve Study done for the purposes of examining the structures to see how it fits in with the current Reserve funding. A quote was obtained from Miller Dodson, in the amount of \$4494 to do a “Second Phase Study,” as well as a quote from Reserve Advisors for \$5900. Since Miller Dodson is already familiar with the property, **Joe Muenkel made a motion to accept the quote from Miller Dodson to do the engineering update and reserve review of the property for a quoted price of \$4494, which is to be tied in to the year-end 2020 budget and completed January 1, 2021.**

F. Keyless Entry for Main Office – The Board approved Deanna Anderson to purchase a keyless entry door lock for the door to the main office, as well as changing the locks to the second door for, a cost of \$525.

IX. Adjournment – With no further business to discuss, the meeting adjourned at 10:51am.

Preserve at Indigo Run, HPR

Balance Sheet

Posted 06/30/2020

Assets1. Operating Cash

10102	Operating AAB	95,692.68
10103	Office Account - South State	125.26

<u>Total 1. Operating Cash</u>		<u>95,817.94</u>
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2. Replacement Reserves

10201	Replacement Reserve - AAB	1,041,025.35
10202	Construction/Refurbishment Reserve - AAB	27,353.21
10205	Construction / Refurbishment ICS Reserve	650,066.88

<u>Total 2. Replacement Reserves</u>		<u>1,718,445.44</u>
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3. Insurance Reserves

10301	Insurance Reserve - AAB	139,908.41
10302	Insurance Reserve - ICS	209,589.41

<u>Total 3. Insurance Reserves</u>		<u>349,497.82</u>
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Accounts Receivable

11100	A/R Association Fees	10,129.82
11101	A/R Late Fees	341.40
11110	A/R Pet Fees	412.67

<u>Total Accounts Receivable</u>		<u>10,883.89</u>
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Prepaid Insurance

12100	Prepaid Insurance	238,671.32
12200	Prepaid Flood Insurance	1,449.00

<u>Total Prepaid Insurance</u>		<u>240,120.32</u>
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*Total Assets*2,414,765.41**Liabilities & Equity**Liabilities

20100	A/P Trade	3,024.08
20102	A/P Other	6,013.94
20201	Advance Payments	79,605.28
20300	W/C Liability	75.73

<u>Total Liabilities</u>		<u>88,719.03</u>
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Equity

30100	Retained Earnings	2,359,911.54
	Current Year Earnings	(33,865.16)

<u>Total Equity</u>		<u>2,326,046.38</u>
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*Total Liabilities & Equity*2,414,765.41