

SH Master POA BOD Meeting 1/10/20  
South Harbour Master POA  
Board of Directors Meeting Minutes  
January 10, 2020; 1:00pm  
South Harbour Clubhouse  
Oak Island, NC

**CALL TO ORDER**

The meeting was called to order at 1:00 pm by George Bryant, 2019 President.

**IN ATTENDANCE**

George Bryant	Jean Brown	Jim Schweppe
Dale Mullarkey	John Winebar	Carson Lawrence, LRES
John McLendon	Leon Hicks	Nicole, LRES (taking notes for Natalie)

Owners from (aside from Board): Westport, Glen Cove, Golf Villas, Cambridge Crossings, South Harbour Station, Marina Club Condos, Navigation Point & Village Green.

**ADJUSTMENT/APPROVAL OF AGENDA**

The agenda was approved as presented.

**VENDOR/GUEST PRESENTATIONS**

There were no presentations at this time.

**MEMBER PRESENTATIONS & PROPERTY OWNER COMMENTS**

*Limited to 3 minutes per member/owner with a 15 minute total, unless approved by Board.*

- **Glen Cove Board – Chuck Pollock, Board President.** Chuck summarized all that South Harbour has to offer from proximity to Par 3 & other local golf courses, beach and parks. He discussed the Property Proposal for the Master to purchase the Montessori School and noted that many in Glen Cove felt that a larger space was needed for meetings and a larger pool would be beneficial to the Community. Glen Cove sent out information on the Property Proposal and received 37 votes of which 29 were in favor and 8 were opposed.
- **Golf Villas Board – Jean Smith Hall, Board Member.** Jean noted that she purchased the first home in South Harbour and is in her 3<sup>rd</sup> residence. She raised the following concerns regarding the Property Proposal: depleting reserves in an area subject to hurricanes, increased liability related to a gym/fitness center and concerns with the building. She has been told that there is mold in the facility and plumbing issues. She stressed that more time is needed to evaluate these concerns.
- **Westport Board - Adam Berkowitz, Board President.** Adam thanked the Master Board for their time and energy devoted to developing the Property Proposal. He noted that Westport held 2 meetings with owners and the majority of those in attendance were strongly in favor of/supportive of the Proposal. He noted that land within South Harbour is limited the cost of construction for a commercial facility would far exceed the cost of the property. Adam noted that his opinion on recent Facebook posts against the proposal is that the authors are unaware of all the facts or have received misinformation.
- **Other Owners**
  - **Horace Whitaker (Village Green)** – Horace thanked the Master for their efforts and complimented the proposal. He noted that he has a professional history in recreational management and believes the facility would be an asset to the community.
  - **Barbara Duquette (Golf Villas)** – Barbara noted that she is concerned about the Proposal and requested more transparency regarding the manner in which Member Association Boards determined their position on the Proposal.

**CONSENT AGENDA**

- Approval of Minutes of Board Meeting of November 15, 2019. Approved the minutes as a consent agenda item.
- Decisions made via email or work session:
  - Board approval of newsletter to be sent via email.
  - Board approval to hold informal informational meeting on 12/6 regarding property proposal.
  - Board approval to release payment to Coastal for stormwater work to retaining wall and drainage ditch adjacent to common area on Minnesota.
  - Board approval to appoint Tom Boone to Safety & Security Committee as new chair.

## **OLD BUSINESS**

### **• Reports**

**a. Committee Reports & Reporting Practices.** Below are the reports provided by the Liaisons and the requests & recommendations made to the Board.

**1. Finance & Treasurer's Report.** LRES & John reviewed December Financials with the Board.

- Budget - LRES sent revised budget to Finance Committee for review and attached a copy to the Board's pre-meeting package. LRES noted that the budget was prepared with a line item for the Property Acquisition & Offsetting Use of Retained Earnings. The Budget show a \$7.50/mth increase for Full Service Members (\$46 to \$53.50) & \$10/mth increase for Partial Service Members (\$28 to \$38). If Property Acquisition vote does not pass, those line items can simply be removed and dues would decrease \$2.50 to \$43.50 for Full Service Members & remain the same \$28 for Partial Service Members. The Board voiced no objections to the format.

**2. Safety/Security.** Jean Brown gave a brief report on the part of the Committee.

- Thank you to Dan Russo for many years of service to South Harbour. Dan was instrumental in the set up of the security camera system and the monitoring.
- Tom Boone, the newly appointed Committee Chair, was introduced. It was noted that new Committee Members will be sought as part of the Annual Package & at Annual Meeting.

**3. Property/Grounds & Maintenance.** John Winebar & LRES reported on behalf of the Committee.

**i. Pickleball -**

- a. Movement of Permanent Nets – LRES explained that this project was delayed until spring based on vendor recommendation. \$1,870 proposal to relocate nets was previously approved by the Board and relayed to the vendor. Corey with Southeast Sport Surfaces/Pender County Tennis Court advised that the Association should really hold off doing this until spring. Apparently, the surface needs several consecutive days where the temp does not go below 60 degrees or it will create a lot of problems. He said one of his guys just did a court in which the client did not want to wait and they are having a number of issues. P/G&M Committee is aware of this concern and agreed to wait until spring.
- b. Drainage Around Courts – Quotes noted below are being considered by P/G&M.
  - Coastal presented \$3K quote for 2ft apron on rock but suggested some drains be considered.
  - Seaside presented: To excavate existing pine straw and debris 16" from perimeter chain link fence. Install metal edging up against existing fence as on the entrance side. Tie in corners. Install weed block to perimeter that would be cleaned out. Distribute White Rock to perimeter on top of weed block. Distribute same rock to entrance side to replenish existing and repair edging as needed. Total: Materials \$3,592.13 & Labor \$1,725.00 = \$5,317.13
- c. Damage from Dorian – Insurance Claim Update – LRES met onsite with adjuster and members of P/G&M. Adjuster indicated that an engineer would have to be consulted. Since then, LRES has been reaching out to the adjuster for updates but we don't have a final report at this time. It seems the adjuster was in an accident and his manager has taken over the claim. The manager did not understand the fencing concerns and originally thought all damage was related to soil erosion, but after a conversation this week, progress seems to be in the works. LRES will follow up regularly with the managing adjuster. \_\_\_\_\_

**ii. Pool Concrete Deck Concerns –** Quotes noted below are being considered by P/G&M.

- a. Quote from Pool Professionals - New Pool Vendor – Quoted \$10,360 to remove, regrade & repour ~425 sq ft of pool deck. This covers the 4 sections with large settling cracks (SE steps & SW deep end). New handrail anchor cups would be installed along with existing handrail. LRES is still waiting on a quote for a temporary/short term fix.
- b. Quote from Carolina Creations – Pool Construction Division – Quoted \$6K NTE for the same specs noted above. CC noted that this could be done in the next month and would take less than 4 days onsite. They would ask that Pool Professionals take responsibility for lowering water 2 inches below tile and cutting off skimmers. CC noted that this repair would not be temporary in nature. If quote is approved by 1/15/20, they have committed to having work completed by 2/15/20.
- c. Quote from Brunswick Asphalt - Concrete Vendor – LRES has been promised quote by Friday.

**4. Community Activities.** Lynn Mauro gave an update on behalf of the Committee.

- i. **Recent & Upcoming Events.** Lynn noted that the Holiday party was a success and there are three upcoming events in the works in January (Chinese New Year), February (TBD) and March (Spring Fling).

- ii. **Funding Update.** LRES provided the following report. In 2019, Committee spent \$1,831 and collected \$1,116 in income against a \$1500 Budget. \$15.74 of the Clubhouse Consumables \$500 budget was spent. \$311 of the Committee Expenses/Holiday Decorating has been spent against the \$300 budget.
5. **Communications.** Leon gave an update on behalf of the Committee.
  - i. Next Newsletter – Committee is working on content and has asked for articles/info to be provided by February 7<sup>th</sup>.
6. **OI Golf Advisory Committee Update.**
  - i. Thank you to Jim Cross for all his hard work in his position with the Town.
  - ii. Jim Cross, Committee Chair & Course Super Intendant gave an update on behalf of the Committee. He noted that he will remain on the committee despite his recent retirement and that the Town is interviewing for a full time position to replace him. Jim noted that overseeding has come in fairly well. There are no major projects planned for this month, but they are still working on the ponds as they need to be dredged.
  - iii. Dale noted that the Association needs to remain in communication with the Town. She noted that the financials looks fairly solid/good. She encouraged owners/residents to support course through purchase of memberships and noted that the ladies group has become very popular.
- b. **Management Report:** This report was e-mailed to the Board in advance of the meeting. LRES presented a brief summary of the open items; all closed/inactive items will be removed. The following is a summary of the discussion and the subsequent resolutions. Some of the items were discussed under other sections of the Agenda. Some items were not discussed, but the report was accepted and those items have been noted below for documentation purposes.
  1. **Hurricane -Outstanding Items.** LRES noted the following.
    - a. Trees in Ditch between Glen Cove & Cambridge – Carolina Creations – \$9,585 approved at fall work session – - CC met onsite recently with LRES and showed where trees had been addressed. LRES noted 1 tree that was missed. Additionally, LRES asked CC guys to re-walk the ditch/swale to make sure there is a clear path for water flow. This was completed. LRES has received the invoice but has since been notified of concerns regarding some ruts on Fish Factory r-o-w and trash in the ditch. The Board approved payment of the original quoted amount provided the concerns are addressed prior to issuing.
  2. **Stormwater Updates**
    - a. Glen Cove –
      - i. Approved ROW Areas – April 2019 Project - Carolina Creations - \$24,600 previously approved –No payment has been issued to date. CC has completed the work in original scope. Areas have been observed and water does not appear to be standing. LRES has received the invoice. Board approved release of payment per quoted amount.
      - ii. Additional Quote – Being Evaluated – At the last meeting, LRES presented a quote of \$18,550. Scope includes re-grading the rest of the 4 houses to get water off the two homes with standing water, add new culvert pipe, alter 3 driveways, remove landscape debris & beds that are restricting flow and re-sod disturbed areas. This work is being requested by 1 owner. Other owners are opposed. LRES has not observed significant standing water in the area. LRES has asked Glen Cove Board Members to help monitor as well. Board agreed that area will be monitored throughout the winter and reconsidered in the spring to see if work is necessary.
    - b. Retaining Wall next to Minnesota Common Area – There is a wooden barrier wall between 5186 Minnesota and where old tennis courts were located. It was deteriorating and Coastal quote of \$825 to replace this wall. LRES noted that work has been completed and paid per quote.
    - c. Drainage Ditch next to Minnesota Common Area – 2 large pine tree stumps need to be removed and undergrowth/debris cleaned out to allow for proper drainage. LRES noted that Coastal’s quote of \$1,450 has been completed and paid per quote.
    - d. Drainage Ditch Behind Minnesota Homes – LRES noted that Coastal’s \$2K quote is about 90% completed.
  3. Relocation of Irrigation Pump – LRES noted that BEMC has a work order to relocate the meter and payment has been made per BEMC requirement.
  4. Clubhouse Maintenance. LRES provided the following updates.
    - a. Emergency water line split & leak repair – Mr. Rooter – Completed - \$536 repair approved by George.
    - b. Door Repairs – Truett – Completed - \$200 paid to repair rotted wood on door frame. Eventually door will need to be replaced, but according to contractor it should be a few more years before that is necessary.
    - c. Lighting Repairs & Replacement – Electrician Mark Blevins – Completed – \$222.92 paid to replace 2

ballasts and 8 lamps in the kitchen.

- d. All HVAC Units – Fulford - Serviced & Filters Changed
5. Sanitary District Update on Glen Cove – Based on ongoing concern about the section of Glen Cove Drive previously disturbed by the Sanitary District that holds water, LRES spoke to Brian McCabe at the Sanitary District. Previously LRES had been told that the area did not rise to the level at which they would address the issue (i.e. it was not bad enough). Now, Brian shared a different position. Brian advised that the repair they did years ago was to fix the incorrect infrastructure that was put in by the Developers, therefore the Sanitary District feels they should not be responsible for any issues with the road. The Board unanimously passed a motion to have LRES discuss with Phil Norris and determine a solution.
6. Woodline Cutback at Minnesota Common Area Being Paid for by Declarant – Seaside – LRES explained that project is scheduled to be completed towards end of January and billed to the Declarant.
7. County Work by Tennis Courts – LRES agreed to follow up with public works to have area they dug up recently restored, as this is a drainage concern.

### **NEW BUSINESS**

- **Annual Meeting Preparation.**
  - **Draft Standard Package.** LRES provided a draft package and noted that several of the items are still in the works, especially the Annual/Year End Report and the Cover Letter. The following items will be included.
    - **Cover Letter, Agenda, Budget Pkg, Annual Report & Bios**
  - **Draft Voting Package.** As noted above, LRES provided a draft package and noted that several of the items are still in the works, especially the Annual/Year End Report and the Cover Letter. The following items will be included.
    - **Cover Letter, Standard Package Items, Proxy & Ballot**

### **MEETING ADJOURNMENT**

A MOTION was made to adjourn the formal meeting. The motion PASSED unanimously. The meeting adjourned at 1:52 pm. Board noted that they would have an owner comment period but as they normally do, they aimed to limit it to ~20 minutes to allow time for Executive Session.

### **PROPERTY OWNER COMMENT PERIOD**

- **Open Forum Regarding Property Proposal.** The following comments/questions were made by various owners about the Master Board's Property Proposal. Board responses are noted below.
  - Q: The exterior appearance of the property will be an embarrassment and less attractive than current clubhouse.
    - R: The Board assured owners that the P/G&M Committee is already considering this concern and will be asked to develop both short and long term plans to improve the appearance.
  - Q: What if there are issues found with the building (i.e. mold, repairs needed, etc.)?
    - R: If a contract is entered into, it will contain typical due diligence items including full inspections. If problems are found during inspections, those items will be negotiated with seller.
  - Q: What will happen to the current clubhouse?
    - R: The Board has numerous ideas but has not been able to fully explore these ideas until it is known if the project will proceed.
  - Q: Was LRES behind this project? Was it LRES' idea? Is LRES financially benefitting from the proposal?
    - R: Leon noted that he was the original source of the idea and brought it to the full Board. He noted that LRES was acting at the request of the Board to investigate and help develop a proposal. George noted that Carson Lawrence is a licensed broker but has volunteered to turn over any commission to the Association and is acting at the direction of the Board.
  - Q: Could the old pool be used for adult only swim?
    - R: Board can consider keeping both pools for different uses if the project proceeds.
  - Q: Did LRES distribute letters to Golf Villas?
    - R: LRES noted that requested information was emailed and will have to check records to see what was mailed.
  - Q: Can additional meetings be held?
    - R: The Board will consider holding additional meetings and/or tours. It was noted that the meetings held that included tours seemed to be very beneficial to participants.
  - Q: Has formal vote been taken?

- R: No. This is still in the works. The Member Associations were asked to give initial feedback; the majority of which was positive. Based on positive feedback, the Board contacted the POA's attorney to help prepare for a formal vote and all the steps involved in that process.
- Q: Can an informational package be mailed to all owners?
  - R: The Board and LRES will work on this. It may be incorporated into the annual package, if space allows. Links may also be included in package to additional information posted on POA website. Board will discuss and see what works best logistically.
- Q: Will the Board work to improve communications with owners?
  - R: The Board and LRES are already working with the Communications Committee to increase the distribution of information. All owners were encouraged to sign up for LRES' email distribution list and provide all updated contact information to their Member Associations. It was noted that there is a sign up link for the email list on the [www.SHVassociation.com](http://www.SHVassociation.com) website's home page.

### **EXECUTIVE SESSION**

1. **Ongoing Town Relations.** The Board noted that the Town is still adjusting to the new Mayor. The Board will stay in close communication and continue to have representatives attend Town meetings to hopefully avoid any issues.
2. **Committee Structures, Chairs & New Members.** LRES will bring sign up lists to the Annual. It was noted that the newsletter is supposed to be sent in early February.
3. **Developer Communications.** The Board agreed to have LRES communicate with the new marina owners to see if they are open to the idea of a reduction in weighted votes. LRES hopes to discuss with them at 4pm via a conference call and will report back to the Board.
4. **Neighborhood Assets.** It was noted that the property proposal is on hold until some legal items are clarified with regards to weighted votes.

### **EXECUTIVE SESSION ADJOURNMENT**

A MOTION was made to adjourn the Executive Session. The motion PASSED unanimously. The meeting adjourned at 3:52 pm.

Respectfully submitted,  
 Carson Lawrence, Secretary  
 Lawrence Real Estate Services