

South Harbour Master Association

2022 Year End Summary (since January 2022 Annual)

Lawrence Real Estate Services would once again like to give you a summary of all that the Master Association Board of Directors has accomplished and all that they are in the process of resolving. Since the last Annual Meeting in January of 2022, the Master Board under the leadership of Board President Adam Berkowitz has worked hard, volunteered countless hours and made concerted efforts to make South Harbour Village a wonderful place to live. LRES has enjoyed working with the entire Board and would like to thank all the directors past and present.

Committees & Volunteers

LRES would like to extend a thank you to all of the many South Harbour Owners and Residents who have helped make 2022 a successful year! There are numerous Committee Members that have devoted time and energy to improving the quality of life at South Harbour.

The Property/Grounds & Maintenance Committee has been extremely busy with Jim Cross as the Board Liaison; this group has put in countless hours helping to supervise the clubhouse painting project, monitoring the never-ending summer pool problems and overseeing & often performing pickleball & tennis court maintenance, etc. Warren Vassar even installed an irrigation system for the pool planters and Jim Cross personally replaced a number of the street signs, both at cost. They have been very helpful in addressing landscaping concerns, evaluating maintenance needs and meeting with potential vendors. Additionally, volunteers have re-organized and re-designed the library. Petra Fey & Beth Cross are owed a huge thank you --- It looks great!

The Finance Committee with John McLendon as the Board Liaison and Maureen Stombaugh as the Committee Chair were involved in preparation of the budget and analysis of financials. The Safety & Security Committee with Leon Hicks as the Board Liaison and Tom Boone as the Committee Chair monitored the security cameras at the Clubhouse and helped LRES to research & address a number of safety concerns. The Communications Committee has been very busy with quarterly newsletters produced & distributed under the guidance of Roberta Guendelsberger as the Board Liaison & John Cardillo as the Newsletter Editor. This committee also oversees a welcoming ad hoc committee in an effort to improve communications with our new members. Thank you to all past members & new volunteers are always needed!

Additionally, the Community Activities Committee with Mary Jane LeKanides as the Board Liaison worked hard in 2022 to continue popular past activities and develop new ideas. Water and indoor chair aerobics have resumed, & yard sales were held in June & October. A number of activities were also held around the holidays & 2nd Saturday Socials resumed.

The Master Board Rep (Jim Cross) via his attendance at the Town's Par 3 Committee Meetings and ongoing communications with the Groundskeeper, have continued with open communications while pushing for improvements to the maintenance of the course. Please consider financially supporting the course through play and gift card(s) while continuing to voice support for the course to Town Officials!

Additionally, the Board has formed three Ad Hoc Committees in 2022. The Marina Parking Lot Committee under the leadership of Bill Martin & then Adam Berkowitz as Board Liaisons and Chris Hildreth & John McLendon as Committee Co-Chairs has met numerous times to discuss maintenance, funding and regulations resulting from the transfer of the parking lot to the Master. The Fish Factory Road Development Committee headed by Leon Hicks as Board Liaison has focused on rallying support for the future pathway proposed by the County and has worked to identify other short term modifications that can be requested of the Town & County to improve safety along Fish Factory Road, especially for pedestrians. The Racket Committee with Jim Cross as the Board Liaison has been newly formed to address needs and regulations pertaining to the tennis & pickleball courts.

Committee members will be re-appointed in early 2023. Any owners interested in joining a Committee or interested in continuing to serve on a Committee are encouraged to contact the Board or LRES!

Below is an overview of the accomplishments, site improvements, common area maintenance and associated costs.

Accomplishments

• Owner & Member Communications

- Following the March Worksession, the Board held **6 Standard Open Board Meetings** with attendance in-person and via Zoom. Additionally, the Board held a **Special Meeting** in June to address Marina Parking Lot Concerns and a **Community Open Meeting** in July to provide owners updates and allow an opportunity for general questions.
- **Round Table Meeting with Class A Member Associations** The Master Board & LRES organized 2 meetings with Class A Member Boards in May & December. Both were well attended & productive meetings. The group discussed

speeding concerns, parking regulations, the Master's purchase of the vacant land on Glen Cove Drive, etc. Following the May meeting, revised **Parking Regulations** were adopted by the Board.

- **Emails** are sent to owners and residents on the LRES distribution list via Constant Contact regarding community events, newsletters and other items of interest to owners and. Owners and residents are asked to sign up a current email address for distribution of Association announcements via the www.shvassociation.com website.
- LRES continues to maintain the **Website** (www.shvassociation.com) with information on the Master as well as each Member Associations. The site had to be re-built in 2022, but is now fully restored with a Clubhouse Calendar. The Associations & Documents Section contains Master & Member Association Documents. Contact LRES for password for Member Association docs. Access all Master Association documents using **shmowner** as the password. Contact LRES for information on the site and any suggested additions.
- **Meeting with Marina Area Entities** Following meetings with the Marina Areas Members, the Master Board formed the Marina Parking Lot Ad Hoc Committee to discuss the future of the parking lot in the form of maintenance & regulations. LRES has also worked with the Developers to finalize plans for repairs, re-sealing & re-striping of the lot at the Developers expenses. The repair work began this week and re-sealing and re-striping will be completed as soon as the weather permits. Aside from the Developer's project, all other costs of maintenance and administration of the parking lot are being charged to the benefitted Class B members per 2021 Amendments.
- **Newsletter.** The new Communications Committee has been busy. Quarterly digital newsletters were sent via email. The members worked diligently with LRES & the Board to make sure all relevant information was included. The Board, Committees and LRES all contribute to the newsletters, but owners and residents are encouraged to submit ideas, articles and other items of interest. Input for the newsletter is always welcomed! Be on the lookout for newsletters scheduled for the last month of each quarter in 2023.
- **Financial, Liability & Legal Aspects Addressed**
 - The Association filed an 1120-H **Tax Return** via Barbara Williams (\$185). No payment of taxes was required.
 - In 2022, a **Financial Audit** was completed by Malvin Riggins as of cost of \$6,600. No items of concern were noted.
 - In an effort to maximize earnings and diversify holdings, the Finance Committee & Board worked together to maintain a **ladder of CDs for the Reserve Funds**. Based on the property purchase & delays in closing, the Committee was not as aggressive in 2022, but has researched investment options which remain FDIC insured. Currently there are 3 CDs & 3 Money Markets; Association funds are spread between three different FDIC Insured Banks.
 - The Finance Committee and LRES have worked diligently to develop the **2023 Budget** based on the March 2021 Covenant Amendments (with three dues structures and benefitted expenses section for the marina area parking lot).
 - The Board has worked with Attorney Ellen Wortman of Marshall, Williams & Gorham to address all **legal** concerns aside from the property closing that was handled by David Wortman. Ellen's office has addressed questions regarding the property purchase, dues structures, benefitted expenses and stormwater.
 - In 2023, the Board intends to update the professional **Reserve Study** of the Association's physical assets. The 2018 study (available online under the Master Downloads section of the website) supported the current Reserve Funding level and indicated that the Association is financially sound.
- **Purchase of the Property on Glen Cove.** Based on ongoing need to expand the amenities, lack of other viable/affordable alternatives and the desire to control the use of the vacant land on Glen Cove (adjacent to the former Montessori school), in 2021 the Master Board began negotiations with the owner, submitted a proposal to the Class A Member Associations and was approved by the Class A Members to purchase this vacant land for \$325K. Since obtaining this approval and following the receipt of a recorded survey, the Master Board worked with its attorney to purchase the property. To complete the purchase, \$171,788.63 was pulled from the Capital Improvements Fund and the remaining \$155K was borrowed from Reserves. The Board adopted a repayment plan of \$5,416/month for approximately 29 months to replenish Reserves. Following closing, notice was sent to all Class A Members.
- **Survey Regarding Amenities.** The Master Board & LRES developed a survey sent to Class A Members via email. Like any survey, it was meant to provide insight and general information. It was not perfect, but it gave the Board some general guidance and input from the owners. There were 201 Responses of ~500 Class A Properties. Pool, Larger Clubhouse/Fitness were the Top Priorities of respondents. Additionally, 54% willing to pay at least \$10/mth more for additional and/or improved amenities. The Master Board subsequently approved including \$35K in the 2023 Budget for Capital Improvements (~\$5.41/unit/month for Class A Members). In accordance with 2021 Motion, prior to implementing a proposal for Capital Improvements involving the use of the Capital Improvements Funds, a vote will be taken of Class A Member Boards.

Site Improvements/Repairs

- **Clubhouse Building & General Maintenance** After Croom Painting completed the painting of the Clubhouse exterior at a cost of \$6,500, a number of maintenance projects were completed including repairing of columns at the front & pool area and threshold repairs. Following Hurricane Ian, the Clubhouse roof (\$950) was promptly repaired. Recently, an electrician has been working to install motion sensors to the bathroom lights.

- **Pool Repairs** Several small repairs were completed this year including, replacement of several broken tiles, repairs to the outside shower & the pool fence was pressure washed.
- **Tennis & Pickleball** After completing a drainage project around the courts, power washing occurred prior to the pickleball lines being repainted by volunteers. Additionally, several repairs have been made to the posts and gate.
- **Signage, Roads & Parking Areas**
 - **Entrance Statements** Based on vandalism of several letters at the Fish Factory entrance, the Board expanded the clubhouse security system to allow for additional monitoring along Vanessa Drive and began to discuss alternative signage. Following discussions at the December Round Table with Member Boards, the Master approved a not to exceed amount of \$1,650 to have a new style of sign developed which will contain placards for various South Harbour amenities, attractions and commercial entities. Commercial entities will be charged a fee for the initial cost of their sign and ongoing maintenance. Look for this sign to be installed at the corner of Vanessa & Fish Factory.
 - **Speed Signs** Based on requests for speed signs to be installed on the Master (Full Service) streets, signs were installed in coordination with the Member Associations.
 - **Street Signs** Stop signs and brackets were replaced as needed along with painting of the posts.
- **Parks & Grounds**
 - **Clean Up of Common Area Between Anderson & Elton** At the request of the Village Green Board, the Master had this area cleaned out by Big Mike's Tree Service (\$5,200) so that it could be better maintained by the landscaper.
 - **Storm Clean Up** Following Hurricane Ian, \$1,112 was paid for removal of debris and additional clean up.
 - **Mowing of Right-of-Way on Vanessa** Based on the Town of Oak Island's sporadic mowing of the right-of-way, the Master has continued mowing the right-of-way and added this into the contract.
 - **Annual Color Beds** were maintained at both entrance statements. The Fish Factory monument was added based on 2020/early 2021 improvements and was incorporated into the landscape contract.

Stormwater & Road Maintenance *(Funded Only By Full Service Class A Members)*

- **Reserve Funding:** A total of \$43,472 was transferred to SW & Road Reserves. However, \$33,600 was pulled from Reserves for the below Glen Cove projects resulting in a net increase of \$9,872 in these Reserve Funds.
- **Stormwater Drainage Ditch behind Minnesota** (\$3,000) This amount reflects the costs associated with annual maintenance of the stormwater drainage ditch which runs behind Minnesota.
- **Glen Cove Stormwater Repairs** (\$11,750) Based on continued complaints of pooling water and damage from water running to the back of one property, the Board proceeding with repairs along Glen Cove from 4977 to Vanessa. The swales were regraded within the right of-way in front of these homes & any necessary driveway repairs were completed.
- **Glen Cove Road Repairs** (\$21,850) The Board addressed the ponding water resulting from a past Sanitary District repair per engineering recommendations. The project involved repairs to the roadway & repaving of a section between 5069-5073 Glen Cove. Additionally, modifications were made within right-of-way to reduce standing water.
- **Transfer of Stormwater (SW) Permits.** The Board (especially John McLendon) & LRES continued to devote significant time in 2022 to working with Developers & their engineers to get permits transferred correctly to the Master Association. Thankfully, the Developers engaged a new and very responsive engineering firm that has been onsite throughout the year and has been working diligently to get all permits transferred. The Developers have been in regular communication with LRES and have covered all engineering costs. Below are updates on each of the three permits that will eventually be transferred to South Harbour Master POA.
 - **Westport/Village Green:** The Board and LRES meet several times with Developers & their engineers to discuss concerns within Village Green along Elton Drive. The engineers have designed a modification of the swale behind the first stretch of Elton to address some flooding concerns and move the water towards Vanessa. They then met with the NC SW agency. The State requested 2 changes to SW system modification as currently designed. Basically, they want a little larger retention area behind the building closest to Vanessa. Engineers will develop an updated design and resubmit. Once changes are approved, the Developers will have to implement the changes and then apply to transfer the permit.
 - **Glen Cove/Golf Villas:** After reviewing the onsite conditions and monitoring an existing piping system (with the help of Glen Cove Board Members), the engineers plan to submit to the State that the pipe has been abandoned and should be allowed to remain undisturbed. If this is approved, then the Developer will be able to apply to transfer the permit. A HUGE THANK YOU TO GLEN COVE BOARD MEMBERS THAT HELPED TO MONITOR RAINFALL!
 - **Marina Area:** On January 19, 2023, the Developer submitted an application to renew their permit expiring 2/22/23. After the permit is renewed, they will complete a permit transfer application.
- **Additional/Future Stormwater Repairs & Improvements.** Stormwater issues are a constant and ongoing issue being dealt with by the Board. Should you have any Stormwater concerns, please notify LRES and your issue will be placed on the list for consideration.