

Charleston National Community Associations, Inc.
2018 Annual Board Meeting
March 27, 2018
Cario Intermediate School in Park West

Members Present: Willie Charles, Jim Barr, John Desautels, Mark Wilson, Karol Queen, Michael Hagedorn, Bob Crawford and Chuck Cross

AGENDA

1. Call to order - Mr. Charles called the meeting to order at 7:05PM
2. Certification of Quorum- verified by Chris Barclay, SCS, of 154 proxies
3. Introduction of 2017 Board Members and our new property manager, Chris Barclay with Southern Community Services (SCS)
4. Mr. Charles introduced Sgt. Joe Zeitner (contact - jzeitner@tompsc.com) who oversees Charleston National from the Mt. Pleasant Police Department to discuss his responsibilities to oversee speeding, non-life threatening activities in our community and answer questions from members in attendance. Sgt. Zeitner introduced Officer Ramsey Walkers in charge of Crime Prevention.
5. Mr Charles asked Chris Barclay hand out index cards for attendees to write down questions that the Board would try to answer during the tabulation of the the vote which were done later. Any questions not answered at the meeting would be answered later on our website.
6. Mr. Charles asked each Committee Chair to give an overview of the past year.
 - a. Jim Barr (Lagoon Chair) addressed the 19 lagoons we manage, 7 were cleaned this year. He reminded members living on lagoons they are required to maintain the lagoons down to the edge of the water. They should not mow 18 inches from the water to allow plants to grow to protect the bank from erosion. Our responsibility is to maintain lagoons for Storm water management. Our lagoon structure is not built to handle hurricanes and major storms like the 1000 year storm a couple of years ago.
 - b. Jim Barr (Budget Chair) addressed that the Board had a successful year and operated within the project budget for 2017. The committee completely reviewed the Budget and established exactly what we thought should be done and the cost of those needs. The Board has run successfully within that 2017 budget as well as establishing a Contingent Fund for unexpected needs that we have not had by prior Boards. Mr. Barr stated a change in procedure this year

required a full vote of the Board to make any expenditure. While this was painful at times, it helps make everyone aware of expenditures and enabled us to work within our Budget. He deferred the successful financial report to John Desautels-Treasurer. Mr. Barr took questions from the floor.

- c. Bob Crawford (ARC Chair) explained the purpose and the scope of the committee to regulate changes to the exterior of our community's homes. Their committee had 131 reviews in 2017. Mr. Crawford reminded members that all exterior changes must be approved by the ARC in advance of the changes. Prior committees met once a month to review requests and were delayed in getting back to reviews. This year the committee was able to review all written reviews immediately and provide a response within 3-4 days.
- d. Mark Wilson (Landscape Chair) stated the big change this year was replacing Horizon Services with Forever Green Landscapers. We went from four different providers for landscaping services to one provider, being Forever Green. Mr. Wilson explained the purpose of the Landscape Committee. He stated we started the year with a pine straw deficiency due to budget restraints of the prior year. Pine straw and flowers should be put in the next couple of weeks. Mr. Wilson addressed a disappointment in the Winter flowers and has addressed the issue with Forever Green. In 2017 we found leaks in our irrigation system that led to a \$41,000 water bill in the prior year. After repairing the leaks and reviewing watering in spots not needed, we have the water bill down to \$18,000 this year. In the future we will consider reviewing our irrigation system to isolate watering zones so we can identify leaks quicker to minimize cost. Mr. Wilson addressed the community lighting and he thinks we should move to 100% LED while we are currently around 25-30% LED. We should have a quote soon on the cost to replace our system totally with LED lighting. We expect an electrical bill saving that is projected around 75% which would help offset installation cost. Christmas decorations are deteriorating and the Board is looking into replacing them as needed. Mr. Wilson thanked Jeff Toohey for his help and others on the Board for helping put up and take down the Christmas decorations this year to save money. The Light pole banners still look good and we will continue to use them. Mr. Wilson explained the Doggie Stations cost over \$7000 last year to maintain. We are addressing that issue to reduce cost without doing away with the stations. We have engaged Forever Green to maintain the Doggie Stations at a significant savings. The stations should be restocked every Friday.
- e. Michael Hagedorn (Communication Chair) explained that any, and all, communication from members on our CNCA Homeowners Forum (Facebook page) is provided to all members of the Board at each monthly meeting. Mr. Hagedorn said that the Board is aware of the need for more communication with the community and that is why the new CNCA website and Facebook page were established to make the members' experience better. Mr. Hagedorn explained the difference between our CNCA website site and CNCA Homeowners Forum (Facebook) compared to Charleston National Neighborhood (Facebook page NOT

managed by the Board). Mr. Hagedorn asked everyone to reach out to him with any questions or suggestions that he could pass along to the Board.

- f. John Desautels (Treasurer) provided the good news of a financially positive year for the community. Objectives for 2017 was to (1) increase our reserves (2) NOT raise the Homeowners' dues and (3) maintain/improve landscaping of the community. Mr. Desautels restated that all expenses were reviewed and voted on by the full Board. He credited the Board volunteerism with helping minimize expenses. Mr. Desautels proceeded to explain the difference between accrual and cash basis for accounting purposes of financial reports. His report was based on a Cash Basis since that reflects the actual income and expenses for each calendar year. Final analysis reflects that the Board came in approximately \$37,600 under Budget. Mr. Desautels stated that the Board was able to deposit over \$45,700 into the Reserve account. He also discussed how past Boards reflected HOA dues billed and collected in December for the next calendar year were reflected as income in current year. He explained those dues paid early should be part of the next year budgeted income and not the prior year. Mr. Desautels stated the \$45,700 put into reserves this year combined with our approximately \$37,600 coming in under budget, our actual financial position was \$84,000+/- better than 2016. He also stated the 2018 budget looks solid as long as we do not have any major hurricanes or disasters.
 - g. Willie Charles (President Report) recapped last year as a year of change and transition but it was a success. The Board recognized we must be more financially prudent than the past Boards and work within the set budget. He expects to get the results we want with the money we are spending. He was happy with the transition to Forever Green over the whole year. Mr. Charles addressed the challenge of a situation where former Board members transferred property under a Quit Deed that was not permitted under our rules and covenants. Mr. Charles read from a statement provided by the Board attorney to describe the legal situation without compromising our lawsuit. Mr. Charles stated that the Board has a fiduciary responsibility to all homeowners to insure all rules and covenants are legally followed. Unfortunately legal fees are an additional cost of protecting homeowners' rights and property against illegal actions of others. After some questions from the floor, Mr. Charles moved the discussion to the election of the three new Board members.
7. Mr. Charles introduced members of the Nominating Committee (Chair Mark Wilson, Jayne Nendorf & W Chuck Cross). Mr Charles recognized and thanked members Bob Crawford, John Desautels, and Mark Wilson who are going off the Board this year for their service.

Mr. Wilson recognized the 2018 Nominating Committee - Chair W. Chuck Cross, Jayne Nendorf & John Desautels.

Mr. Wilson introduced the five Board Candidates that submitted applications. They were interviewed by the Nomination Committee and were found to be qualified as candidates and in good standing. He introduced each candidate alphabetically and asked each to give a brief insight into themselves and why they wanted to be on the Board.

Bruce Bingham
Scarlette Bostick
John Desautels
Bill Harkness
Louis Witzleb

8. Mr. Charles requested everyone to submit their proxies for the vote to determine the three new Board members for a three (3) year term. During the counting of proxies, Mr. Charles took questions that were submitted earlier on index cards.
9. Mr. Charles presented the summary of the votes and the new Board members elected were alphabetically :

Scarlette Bostick
John Desautels
Bill Harkness

Mr. Charles congratulated them all and thanked the other candidates.

10. Adjourn
 - a. With no further business to be discussed, a Motion was made by Mr. Crawford to adjourn
 - b. Seconded by Mr. Barr
 - c. Carried

Minutes Submitted by: W. Chuck Cross, Secretary