

Spicebush at Sea Pines Board Meeting

4/24/22

Present in person include Terry Moore and from The Club Group, Ltd were Andy Sutton, Mark King, and Sharon Olive. Participating via Zoom were Peter McElroy, Scott Simpson, Paul Anderson, and Ron Bennett.

Peter McElroy called the meeting to order at 2:00pm. The first order of business was to review the Meeting minutes from October 17, 2021. Ron requested an update on the topic of selling units for deposit only. Andy responded Mindy Burrough's opinion included while it would be a program relatively simple to roll out, it would be very complex for owners to utilize within a short period of time. The Board discussed the topic and decided to not move forward.

Ron requested an update on the use of The Little Free Library. Sharon answered the Spicebush owners have kept the box very well stocked with changes in inventory every week, we know it is very well received and comments have all been positive.

Meeting minutes from the November Marketing meeting will be distributed for the Board's approval.

Any changes in services or amenities should be included in the future newsletters. The Club Group will research the possibility of a digital comment card that can be sent out via the current reservation system as a follow up after their stay.

Sharon reviewed the comment cards. Responses increased this season 23 over 16 in the same timeframe last year. Of those reporting 90% were Excellent/Good, 4% were average and 6% were Fair/Poor. Most pleasing to see was that Handling of Maintenance requests improved to 91%. Condition of appliances is another noticeable improvement. We have replaced some of the worst dishwashers for example. RCI scores are still Gold Crown eligible, but we are still Silver Crown by choice. We receive more exchangers from Interval than RCI. Interval comments were positive with a good suggestion of adding additional Beach information into the Information binder.

Andy reviewed the Financials. 2021 and 2022 have focused on rebuilding the cash balance. There were no questions regarding the Balance Sheet.

Rental income is the highest we have ever had YTD. As a reminder, rental income is credited after the guest checks out. The beginning of the year is always a stronger rental market based on more availability. Bad Debt is currently at \$71,000 versus a budget of \$66,000. Historically we receive late payments throughout the year from people who want to use their week so we expect this number will be under budget. Property insurance renews May 31 and we project a 20-25% increase. Policies get shopped with different carriers every year and the Club Group will let the board know what the increase will be.

Paul inquired about the line item POA-CSA. Mark explained the CSA special assessment referendum that was passed last year and shown in our budget is under litigation and the additional \$600 per unit has

not been billed out. If litigation is not resolved by year end, there is a possibility we will have a temporary budget savings.

Looking at the Reserve Budget, a decision was made not to spend the money and mount the Master TVs. The \$15,000 in the budget for Landscaping included the possibility of adding a fence around the grill and play area. The current cost of lumber and supply issues make the project overbudget. The project was put on hold and will be discussed in the fall meeting. In the meantime, Sharon will look into relocating corn hole by the tennis court.

Andy discussed Non-Paying units: 2021 saw a reduction in nonpaying units and he does not anticipate a large increase like experienced in 2019. Sales are starting strong with 3 this year through April. Currently there are 108 delinquent owners and 263 HOA units.

Scott suggested we need to be cautious with current numbers as inflation will affect future costs. Spicebush HOA rentals are estimated to bring in \$60,000 and owner rentals are projected at \$65,000 in 2022.

Sharon reviewed the photographs of the 2021 and 2022 capital improvements. Improvements included: 6 new Trex Adirondack chairs with 3 side tables for the firepit, new pool house stalls, decorator sofa pillows, dining room chandelier, and guest bathroom vanity light fixture. The guest room chair sample is still under review. The Board discussed the addition of Pickleball courts. Pickleball has gained popularity and the Board is open to the idea of adding pickleball court lines if it does not affect the integrity of the tennis lines. The board would like to see a picture of the proposed lines before moving ahead with adding 1 court over the existing court, 1 bench but maintaining the original net for both tennis and pickleball.

Andy updated the board on the Leadworks Marketing Campaign. The eblasts began going out in mid-January. Analytics were not included since this is the first year there is no comparison yet. The Board agreed the budget is capped at \$9,000. So far, we see a positive trend in rentals. Terry asked what Mindy's impression of the program is. Mindy has shared in her experience she knows when an eblast drops because she immediately starts getting phone calls.

Peter asked about Covid make up weeks. The deadline to use them is 12/31/2022. Andy estimated that less than 50% were rebooked but the positive PR the program received was very valuable in retaining owners.

Fall Board meeting was set for Oct 16 with the Annual Meeting October 17, 2022. Andy will send out the financials and draft budget on August 17th. There will be a Zoom meeting on Aug 24, at 2pm.

With no further business, the meeting was adjourned at 4:22pm.