

# Spicebush at Sea Pines

## Board of Director's Meeting

### April 23, 2023

The Board met at the Spicebush pool at 1pm. Present from the Board were: Peter McElroy, Terry Moore Paul Anderson, and Ron Bennett. Present from The Club Group, Ltd were Andy Sutton and Sharon Olive.

Sharon led the tour of the grounds discussing first the upgrades at the pool area. The pool house floor was replaced to match the stalls and countertops, walls were painted white, and artwork was added. Pickleball continues to grow in popularity among our owners and February-March it was used for hours every day. The entire property got a much needed pruning this winter, mother nature helped facilitate that with the Christmas freeze where we lost numerous tropical plants and 6 outdoor faucets burst in the Christmas cold snap. We have repaired and insulated the outdoor faucets. Luckily no pipes burst inside the units. All house number light boxes have been replaced. Entering unit 571, built-in benches were added this winter. Hooks will be changed out to fit where applicable. The other upgrade inside the unit was the pair of nightstand lamps in the master bedroom. The lamps have a plug for cell phone charging and dimmable mode. The model unit is an example of a floor developing soft spots. The tour continued to the crawl space to see the size and scope of the area. Terry made a motion to change the pool code twice a year, all approved.

The tour concluded and reconvened at the Harbour Town Yacht Club. The meeting was called to order at 2:00pm by President Peter McElroy. Scott Simpson joined via zoom.

First order of Business: LPV Discussion. Sharon led the power point presentation recapping the timeline from April 2020 installation to April 2023. Pictures included a visible difference between the carpeted living room subfloor which is clean and kitchen LPV subfloor which is moldy and black streaked. Demolition pictures of units replaced showed splintering, disintegration of subfloors, and moldy leveler. Scott made the recommendation we must remove LPV in all kitchens. The product simply will not work in the humid climate of Hilton Head with our crawl spaces. The Board approved the recommendation. The priority is to address any safety issues in floors identified as soft and switch those to tile first. Based on occupancy, The Club Group will develop a plan for moving forward with tile. Much of the replacement will be planned during Deep Maintenance weeks this winter.

Discussion was had regarding estimated costs of replacement, possible third party recovery/contributions, and cash flow considerations and budgeting concerns. Club Group will request contractor bids for the work of removing the LPV flooring and replacing it with tile and prepare a recommendation for Board approval, including resolution of payment for replacement work already performed.

At Terry's request, The Club Group was excused from the room for an Executive Session for 15 minutes.

Second order of Business: Review meeting minutes. Three items reviewed included darkening the pickleball lines, Siteminder update, and revisit the ability to have shorter rentals less than one week.

Motion to approve the minutes of October 16, 2022, was made by Paul, seconded by Terry, and approved unanimously. Dates for the October meeting and annual meeting were confirmed for October 22-23, 2023.

Third order of Business: Sharon reviewed the comment cards. The number of owner responses decreased 2 from 23 to 21 over Spring of last year. 94 % were Excellent and Good, 4% Average, 1% Fair, and 3% Poor. Improvements were shown in each category. With 0/6 RCI responses in the last 3 months, a total of 7 for the year- we did not meet the required 15. We will remain Silver Crown. Interval International included reports from November-2, December-2 and February-2 for a total of 6 responses.

Fourth order of Business: Andy reviewed the March 31, 2023 Financials. The Association pre-paid the lines of insurance that renewed in December which will save on the finance costs. Unfortunately, the pending renewal for Property coverage which renews May 31, 2023 will see a steep increase, possibly around 100% increase due to the very tight insurance market. Rental income is at \$34, 000 over a YTD budget of \$23, 500. We are on track to meet or exceed the \$70,000 budget.

Ron revisited a previous meeting proposal of offering HOA weeks, to current HOA owners, for RCI or II exchange deposit only as a way of creating additional income. The Board voted 4-1 to not pursue.

The Fifth order of Business, Andy reported on the HOA owned and Delinquency Reports. There are currently 272 HOA owned weeks and 107 delinquent accounts. Non-performing units total 379. Delinquent accounts cannot vote. There were 29 new delinquent accounts for 2023 which is about what was anticipated.

Final order of Business: review of the Reserve Expenditures.

New Business: Andy updated the Board with Swallowtail's SiteMinder program. The process took longer to implement, and no new data is available as the system just went live in April. This program allows real time booking rentals from the Swallowtail website. The Board agreed to revisit in October with an update on Swallowtail's progress.

The board discussed the non-performing unit issue and the general trend of timesharing on Hilton Head. The board also had conversation about 2040.

With no further business, Scott moved to adjourn, seconded by Paul. Meeting was adjourned at 5:10pm