

Islands of Beaufort Special Meeting Transcript of October 23, 2021 unedited.

[00:00:00.850] - Speaker 1

All right. Okay. Hello. I'll let you manage that. That's working.

[00:06:16.830] - Speaker 1

Check if we need registration on everyone. So maybe make sure that you register with Kathy Bundy at the gate. If you haven't already done so, I appreciate it.

[00:06:36.990] - Speaker 1

Top of the morning to you.

[00:06:41.110] - Speaker 1

Just to clarify, this morning we've got two meetings. Meetings. The first meeting will be the special meeting, which has a very narrow agenda, and I'll read the bylaw paragraph that defines what we do in a special meeting because we don't do this very often. In fact, I think the total membership is only done at one other time in our existence. After the special meeting and our vote is taken, we will then adjourn for a break and then reestablish ourselves for the annual meeting.

[00:07:25.050] - Speaker 1

Because the Social Committee has been working very hard to get ready for tonight, we've asked our presenters to be succinct and concise in their committee reports.

[00:07:42.070] - Speaker 1

I'm going to read the section before I do. Cathy Bundy, do we have a quorum for this special meeting? Yes, Cathy says that we have 119 either proxies or lots representation and attendance. We only needed 95 for a quorum. So that's really good.

[00:08:15.230] - Speaker 1

So section four of article three of the Bylaws Concerning Special Meetings, it shall be the duty of the Secretary to call a special meeting of the members as directed by either a resolution of the board of directors at the request by a majority of directors, or upon a petition signed by 5% of the members and presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice. And so for clarification, because, as you know, I O beavers can wander off in all kinds

of directions. So this special meeting at this time is just going to discuss the clubhouse design and then the method by which to fund the clubhouse design as far as its construction.

[00:09:25.850] - Speaker 1

And we've had many meetings concerning this, but some of you have not attended those meetings. So, of course, feel free to ask questions.

[00:09:42.510] - Speaker 1

If a member intends to raise a matter at a special meeting, said members shall submit such requests in writing to the secretary or President at least ten days before the date notice. So to be mailed to members in order for such matter. It'd.

[00:10:00.010] - Speaker 1

Be included in the notice of special meeting. We never received any special requests there. Before we start our opening comments, like to introduce project lead Alan Decobeitz, who will be taking us through the design. We also have at the back, Chris Epps is here to answer any questions and David Jessam is here as well, who was part of the design team. We have a lot of new people in IOB. There's a lot of new homes that have been built, a lot of homes that have changed hands and a lot of folks that have bought new lots. And so some of you may not know who I am, so my name is George Smudley. I'm your president of the Homeowners Association of the Islands of Buford. We're here this morning after many years of hard work to discuss the proposed clubhouse expansion design as well as the financial method to efficiently begin the design and bring it into fruition in a timely manner. It's been a long time coming to this point in time in our development. In fact, this is the only second meeting we have had like this in our 23 year history for the total membership.

[00:11:54.170] - Speaker 1

Deer island had to make some decisions a while back concerning getting a bridge loan to repair their bridge. However, this is the first time that the total membership has considered such a loan. The clubhouse was the center of attention for that meeting. That first meeting as well. We needed a major renovation in the clubhouse to repair a construction design flaw and remedy damage. The motion passed and the repair was made. Karen and I have been property owners and IOB members since January 2005, just shy of 17 years. We built on our lot in 2009 after eight months of building and began our IOB life and our journey. Our home was the built in IOB. I retired a few months after we built and lo and behold, was immediately recruited into the new marketing committee that was just starting up. And for those of you that know me well, I'm a manufacturing executive, not a marketing guy. But I learned real quick. After studying the situation and researching the market, our committee put a marketing plan together. The nation was just coming out of the Great Recession and really struggling. I remembered a well established realtor telling me IOB is a beautiful community, I really like it, but I hope you make it.

[00:13:50.970] - Speaker 1

That I hope you make it statement hit me really hard, but I soon learned what that meant. Communities all around us were failing and being taken over by predator developers. It was very scary times for the board and it motivated the marketing committee as well as the existing board led by Alan Dekovitz, to not let that happen. We were going to win this battle and we were not only going to survive, but we were going to grow into a premier community. We knew that we had to build homes to survive, not being taken over. Overlooked across the street is an example of what could have happened to us. After 23 years of hard work and our volunteer ranks, we were able to not only survive, but prosper. When I joined the board nine years ago, I began working with Bill Hansen, the previous president. His board created a strategic plan that has guided us over the years. One of the strategic items that came out of that process was that it was important that we expand the clubhouse to accommodate the expected growth. Well, as we sit here in 2021, houses built have almost doubled since that fifty th home built in 2009.

[00:15:19.520] - Speaker 1

And the top population is here. And then some younger folks with children have come who have expanded our ranks even further than we expected. And as I o beers, we love the demographic diversity that younger folks and children bring into the community. In 2021, it cost over \$300 a square foot to build a house in IOB. A 3000 square foot home cost \$900,000 to build these days. Plus, the land our homes built continued to be more and more beautiful with new concepts and new building materials, all within strict ARB guidelines who ensure the low country style. As an ILB marketing guy, I can tell you that the decision to buy land and buy or build an existing home starts at the entryway to the clubhouse and then extends to your home. The prospective buyer makes a decision to buy your home or build based on what they have witnessed at the clubhouse. It is in everyone's best interest to make sure that it's the right size and that it looks great. Unless you don't care what your house sells for, which I guess there's one or two in every crowd. A beautiful clubhouse should complement your beautiful home because at the end of the day, it is an extension of your home and it is your home also.

[00:17:02.350] - Speaker 1

The proposed design can be the heart of the community. It gives us opportunities on a social and membership club level that we have not experienced as yet. I asked the membership to consider this history and enable IOB to grow up to what it was intended to be the premier community in northern Buford County. Thanks for listening. So with that, I would like for Allen to come up and go through the design so that everyone has an understanding of the design. We also have the design costed out, and we passed out some sheets. Eric, can you or Jimmy, can you pass out some of the cost of the design? Go ahead, Allen.

[00:18:05.180] - Speaker 2

So George introduced Chris Epps of in circle architecture. I'm going to introduce him again since you might not have known, but he was our project architect. He's done some terrific work. He's actually gone way beyond anything that we expected. We very much appreciate it. One surprise he had for us a little bit earlier in the week. And which is up here is a three dimensional model. He was experimenting with his 3D printing machine. And if you have trouble looking at the documents, you can actually kind of come up and get a feel for what it would look like on the site. So the picture frame has got the elevations of the property and the 3D dimensions give you a few deal for what we're proposing to build. The other thing I'd say before I get started is David Stewart's up here taking notes on the meeting for the minutes. And it would be really helpful that if you have questions as we go along and I'm happy to have any questions you have to offer and I'll try and answer them if you could say who you are so that David can get that down in the minutes.

[00:19:24.430] - Speaker 2

About four years ago, I was pleasantly not involved in the board. And George came to me and said he wanted to take on some of the large outstanding issues that we had in the association, including what to do about the clubhouse and how to get some green space. And I thought, well, George spent most of his career making alcoholic beverage and I spent a good part of my career making toilet paper and indigestion medicine. So what could go wrong? We've had a good time working on this project. This thing is going to be in the wrong place for me to talk. Can I just pop it out of here?

[00:20:10.810] - Speaker 3

Yes.

[00:20:14.750] - Speaker 2

Okay, so if that's wireless yeah, I got it. Thank you.

[00:20:27.250] - Speaker 4

Great.

[00:20:27.750] - Speaker 2

So in your package you will have received about five or six pictures of the development. I'm going to kind of walk you through them. Ask me questions as we go along. The existing clubhouse today in this diagram is from where the chimney is over here to the area where the gym and the bathrooms are. And what we're proposing to do is add an addition on the south side that mirrors and is the same size as the one that we have on the north side. And we'll talk more about what the interiors would be like. Relocate the handicap ramp, and in this area that leaves over here, we would have a small parking area for handicapped parking, golf carts or a few cars and caterer truck. And then on the north side. We would remove the gym from the existing building and create a slab on grade carriage house that replicates the

architecture of the existing building and would have space in it for gym equipment and also enough source space so that if there was a desire to have yoga classes or other types of floor exercises. Which many of the ladies in the neighborhood had told us.

[00:22:03.600] - Speaker 2

They prefer that we make that possible. So this document is the site plan. We are sitting over here on these tennis courts. This is the primary building with the gym up here. The addition would be built on the south end. We would propose to remodel the pool deck and the curbing on the pool deck to a more presentable level. It needs to be restored, and that's already in the reserves to do this work. At some point. The perfect time to do it is before this addition gets built on the south because it's open for large equipment to get in there. This was the location of the gym with a breezeway that comes into a new area that is the existing gym. We would add a shed roof.

[00:23:16.110] - Speaker 1

Over.

[00:23:16.460] - Speaker 2

The back that would include a passageway that would have access to the bathrooms. We reverse the bathrooms so that the lady's room today would be where the men's room is located and would be larger space and have enough space for a vanity and more facility. And then the men's room would be located where the lady's room is, which would be more appropriate for the space necessary for that use. And the entrance would be from this side out of this hallway, this enclosed hallway, as opposed to coming in to the building this way. Then there will be a porch with steps down to the pool deck, a passageway, and the addition that will have a food service area in it. I'll get it to that a little bit. In a little bit. There's a porch here with a step down to the pool deck. And this parking lot that I mentioned. Other things that we have in the mix that are not included in the funding proposal that we're talking about today is an auxiliary parking lot in Bellgrove Park that would be basically, we call it Plantation Mix with a sidewalk and brick curbing that would allow for near end parking so that we wouldn't block the street when we have large events.

[00:24:52.790] - Speaker 2

And the engineering for that work is already underway. And other things that are not in the proposal today are the dog park, which I know is a very popular amenity that people want in the location of the old children's playground and a fire pit area with a Botchy court and some picnic tables that would be sitting where the basketball court is today. These projects will come out of reserve spending as the money becomes available. The landscape planner, Kathleen Duncan, who some of you may have met from JK. Tiller Associates. I don't really like sticking this thing in my face.

[00:25:44.390] - Speaker 3

Can you guys hear me if I speak like this?

[00:25:47.630] - Speaker 2

Okay. I'll keep sticking on my face. It's like having an ice cream cone you can't eat. So we had to ask her to look at some other things. There was feedback in the focus groups that we ran that we would really like to have bathrooms at poolside. So she created the idea of a cabana building here. We'd actually do away with the existing pump house and make a cabana building with a couple of bathrooms in it, storage space and pumps that's not included in this plan. It's something that's available for the future. We just decided that was a little bit more than we could do. But we'll make accommodation for it when we do the pool deck by running the pipes over there. Just so if it's some future data board wants to do that, they can also. During the coveted summer of 2020, the pool was really hammered, and many adults said they'd really like to have an adult area pool. I think somebody was sitting with a nice glass of bourbon and a child dropped an action figure in it, and that was kind of the end of that. So we said, Where would you do that?

[00:27:10.500] - Speaker 2

And again, not included in this proposal. Something that the landscape architect thought about would be to take one of the tennis courts that's this one here and put the pool on it, and the cabana would be two sided, and this would be more of an adult area and the other would be more of a children's area. Again, we're not proposing to do that. We're proposing to upgrade the existing pool. And this idea just happened to be on the diagram because I didn't think it was cost effective to have her redraw it another time just to remove that since it's easily explained. Okay, so that's kind of the layout. Assuming we're approved, many of the things that need a lot of maintenance are going to be maintained on the site, such as the fencing, the roof on the building, the handicapped ramp that's rotted, the steps down from the porch that are not to code or sort of not to code and so on. These things would be addressed in the process of doing the project, and we'll talk about that a little bit more as we go along. Okay, give me the interior there. Let's talk about what the interior would be.

[00:28:44.910] - Speaker 2

This is an artist's conception or an architect's conception of the east end of the new edition, which this is the south edition. It would have a serving area for food prep and food presentation for smaller meetings or events or larger events that are flowing through the whole building. But the caterers would come in from the parking lot, would operate in this area, and they would serve members who would then be able to flow through the rest of the building. The area here is notionally a kitchen or a food prep area. It will be improved over what we have today, but it won't be a kitchen. So we're not going to have an oven. We're not going to have a stove. We're not going to have a hood that requires makeup, air, and special air conditioning. We're not going to have the necessary fire protection. If you have a commercial kitchen, it's going to be more of an upgrade of the concept that we have today, which is there'll be a couple of dishwashers, a couple of ice makers. There'll be warming drawers and microwaves and sink. So kind of

the basics of a kitchen without all the more expensive and harder to manage elements of a food preparation area.

[00:30:27.880] - Speaker 2

The thinking is that most caterers have trucks. They'll come, they park in the parking lot, they'll have a place for them to plug their truck in so they don't have to use a generator. They'll produce the food in the truck and bring it in. And if they need to have the warming drawers, if they need microwaves to prepare the stuff, whatever, and then they can display it on the island that's in here. This area then has its own bathroom, which is handicap accessible, and small storage closet, and it can be sealed off so that events could happen in both ends of the building if somebody's having a private party down here. This area is the existing building. Today we would propose to take out the doors on this wall and all the windows and doors on this wall and this bay window, all that's gone. This would be bridged. And so this whole area will be open. We'll have a couple of three places where we have to have supports for the structural beams, but basically it's an open concept. And so we immediately get more space for people to move around in and enjoy each other's company in a larger setting.

[00:31:59.410] - Speaker 2

This area has a door to a hallway. This is an interior hallway that has access to the women's restroom here and the men's restroom on the north end of the building. A small stage and steps down to the pool deck here. The existing screen porch will be a wall of windows. And you'll see that illustrated in a moment. So all this is interior space for entertaining. The last area is what is today the gym. It's adequate right now due to the fact that only one family group or one person at a time can use it. But once the covered restrictions are released, and the fact that we have a more active community with a lot of younger families, younger people that want to use the gym, a gym is an expected amenity in the marketplace. So we thought, well, the interior floor space here is half the interior floor space of that. So if we leave the gym there, it almost doesn't make sense to build this building because you only get half what you spend all the money for. So we wanted to get the gym out of the building. If you remember some of the focus groups we had, the architect had a Y shaped building that was kind of cool, modern, slick that was back on the basketball court.

[00:33:30.620] - Speaker 2

We got a lot of feedback on that. People kind of like the idea, but we're frightened by the cost. Frankly, George and I didn't much care for the cost either. So we started thinking what could we do? And it occurred to us to put the gym in an exterior building. That's an inexpensive building you'll see in a little bit. It's basically a slab on gray building with open trust work and a bathroom. It's very simple building and that gives us back this area which would meet the needs that came up in the focus groups very frequently, which was a place where clubs could meet and not be disturbed. So the women's sewing group, Stitching Bitch and the bunko club, the various other clubs that are there, they can go in here, shut the door. They've got that private area. We'll have a television on the wall. If there's a football game or the

masters, people can sit in there and enjoy it. And so this becomes usable space. You open it up during a party and you've got additional space for people who may want to get out of the flow. Sometimes I will be parties get a little loud so if they want to get out of the flow of things, this is a place for them to do it.

[00:35:00.390] - Speaker 2

And the last was this area which we're calling the library which is today the conference room. We'd extend the wall here so that what is now a small serving area would be gone and we'd have a larger conference room with the door in both directions. And this be would a quiet place during the week. So if somebody wanted to work from home but they got the kids at home or they had a phone conference that they'd like to have private and not disturbed, they can go in there. Or if they just want to be out of the house but working from home or remote working, they could do it in that building. The board meetings and other private meetings, meetings with realtors, et cetera where you want privacy that would be used and of course you'd be able to open it up when we have a party. So it's more usable space. That's kind of the floor plan that we propose. What's up next? There Eric. Let's look at the gym. So we talked about the gym on the north end. You guys are mighty reserved for an ILB group. Nobody's had a question yet, the new gym or the old gym.

[00:36:32.420] - Speaker 2

So as drawn, this is 1500 sqft on the inside. The existing gym is 450 sqft on a couple of days before the recent meetings with the community, I asked Chris what else could we do if the gym scares people because it's kind of large. And Chris came back with an interesting idea. So this building is 50ft long and 30ft wide. He came back with an interesting alternative which is 40ft long and 24ft wide. And it'll save \$80 to \$100,000. We don't know exactly but it would reduce the size of it by taking out basically a bay. But what we would lose is the floor space which many women in the focus groups told us they wanted to have pull up for like yoga and floor exercise and if you've recovered from an orthopedic injury of any sort. Which almost everybody in this room has at this point having a mat on the floor where you can stretch and not have it spread between a couple of machines. It's very desirable. So that's another possibility. But this area could be relocated in the other building if that was necessary. Let's talk about the plan that's in the proposal.

[00:38:19.060] - Speaker 2

So this is a slab on grade building. These doors open up to the outside with a fixed window on the inside so that if you're using one of the aerobic pieces of equipment you're looking outside but you're running or you're doing your bike or whatever. So you have the pleasure of being in an air conditioned space but you also have the sense that you're on the outside. This is our mats. The mats would store on the wall here. This is a weight bench with our existing barbells probably cut down in size. We have bar bills that go to dumbbells, they go to 55 £60. There are not a lot of people here working out with 55 60 pound dumbbells so we probably cut that down in order to save some space. Then we've got this is a cable machine that has a lot of functional exercises and the ability to improve joint flexibility. A little rack for kettle balls and

other types of bands and that sort of thing and then a weight machine, bicycles and treadmills. So you'd come in in the 1500 sqft. You lose space because you have an entry space because you have to have doors to get in.

[00:39:49.470] - Speaker 2

And then we have a bathroom with a storage and we added a shower, a couple of fountains. Absolutely. I'm sorry. Mitch asks whether it was ellipticals. We have two ellipticals today. One of them is brand new because an old one died after 20 years and we have one that's still waiting to die. It would be replaced and that's included in our equipment budget.

[00:41:04.050] - Speaker 2

In the interests of cost we'll put the plugs along the wall rather than in the concrete but we'll have adequate electrical in the building so that if we need to change the configuration over time based on people's interests, we do that. For instance, today we have a brand new treadmill and I think Jimmy is the only guy that uses it and maybe one other person. Okay, so there are three we have to see whether there's demand for a second one or not. Treadmill sometimes real popular but I used to use a treadmill, I can't run on one anymore.

[00:41:42.930] - Speaker 4

Will there be access to the building from the outside?

[00:41:46.710] - Speaker 2

Yes.

[00:41:47.300] - Speaker 4

Okay, so you don't have to use that.

[00:41:51.210] - Speaker 2

That's correct. So the interest from the outside is this way and through these doors right here that will be pointing south and then the entrance to if you want to go into the clubhouse would be to come out those doors, go through an open breezeway, up a few steps, and come into the coffee, cocktails, and clubs this way. Okay. These doors basically swing open. They're like garage doors, and then they have fixed glass just so that we thought that was nicer than having a window. They won't be open. It's fixed glass like a storefront.

[00:43:29.410] - Speaker 1

So for hurricane code, so we're just using plywood or kevlar. We have the doors acting as our shutters that we can close to secure the area and then have them open so we can have a really nice sunny area. It's going to be all perk. So if you want to go over the gym, I believe you have a consultant that will help you.

[00:43:59.990] - Speaker 2

So the equipment here, that's drawn as notional. So it would depend on where we were on our budget, exactly what we put in there, and what we would retain from the existing. And then we might have to retain some of our existing and turn it over as it wears out. But the plan is to put mostly new equipment in there, and we're working with a consultant from precore, who's our current supplier. They've recently been bought by peloton, so the equipment will be very high quality, and most of the new equipment that we purchase will be connected to the internet. So that if you wanted to have a training arrangement with someone on the internet, you would be able to do that. Sure. Scott. Scott whitehead, would you tell us what the projected cost of this free standing.

[00:45:01.880] - Speaker 3

Building and equipment would be that we're focusing on today?

[00:45:07.280] - Speaker 2

Right. What's the number on the building? Three. We're going to let George get into the numbers, but since you asked, the building is \$342,000. The numbers that we have in every instance, we estimated at the high end, so that we didn't want I mean, we could have estimated at the low end and had a cost overrun. I don't like to manage my projects that way. I manage at the high end. If I would expect that we will have less than \$90,000 worth of equipment in the building, that was just a notional number as well. So the building cost is probably kind of close to what we would expect. The \$348,000 does not include the equipment. Probably have \$60,000 worth of equipment. Joan Colin, give me the hand out. Yeah. So exercise, yoga, and rehab equipment. It's about halfway down the page. It's 6% of the cost. It's on there for \$90,000. I think it'll be less. But obviously if you expect to ask a sales guy to give you a quality outline, he's going to give you all new equipment. So he does that. One of the things to remember in all of this stuff is we have reserve money where we're going to do many of these things.

[00:47:19.170] - Speaker 2

Perhaps \$200,000 worth of spending is going to happen on the building anyway, including replacing some of this equipment. We think at least a portion of the total expense will be offset by reserve spending over the next couple of years if the project is approved. Okay. Heather, could you speak up? Sorry. Okay, sure. So Georgia is going to talk.

[00:48:35.070] - Speaker 4

None of these renovations that are going to cost us more money really are going to benefit. So I think the reality of what's going to happen is that maybe most people want this to be more of a retirement community, but that's what it will be. Families won't really take away the basketball court. That's one of the few things that's here. The clubhouse renovation doesn't really include any kind of space for games or anything like that. Yeah.

[00:49:22.370] - Speaker 2

Consider the clubhouse is mostly open space, so it's a matter of how it's programmed. The basketball court hoop would be relocated to this court in the back corner, and we would rearrange things so that it wouldn't interfere with anybody who plays tennis. Although we have very few tennis players. In fact, none recently, although I know some people who've moved in who want to play tennis and would have no impact on pickleball, which is very popular and done on these courts. We created the park to produce a better result for children. And, I mean, we had a really bad situation down there which was basically unusable. And as you know, because Robbie participated in taking it apart, the wood was rotten, and it was really basically a dangerous situation. We created a terrific immunity over here, and over time, the park would be reprogrammed to do a lot of other things for children if we're not servicing them. The intent of the boards. I wasn't on the board with Bill very long, but I know when I was board chair and Georgia board chair, I believe during Bill's time as well, we wanted to have a diverse community and welcoming the families because that's who buys our resales.

[00:51:07.030] - Speaker 2

So if you're just community for old farts, you have trouble sometimes selling the resale. So what's more is we didn't want to live in a I think most people would prefer to live in a more diverse, age wise community. So that's what we've tried to do, I guess, to answer your comment, there's no reason why the kids can't play games in the club room. There's no reason why we've had birthday parties in the existing room. I think it's all a matter of what you see. Moving on. This is just really quickly. This is the back of the building. Look, it's her.

[00:52:08.870] - Speaker 4

Only question. The question came up earlier about the cost of the equipment for the gym. You haven't broken out the cost of equipment for the south wing edition. So my question is, does that include the kitchen equipment as well?

[00:52:20.600] - Speaker 2

Yes.

[00:52:21.150] - Speaker 4

Okay. That's it.

[00:52:24.050] - Speaker 2

Okay.

[00:52:27.330] - Speaker 1

\$150,000 of furniture. Furniture and decor. That's in. There. Right. And the 150 covers the entire complex. Yeah.

[00:52:42.920] - Speaker 2

And after we buy a refrigerator for that extension, we should be able to buy \$10,000 worth of furniture. Okay, so this is the back of the building, which would have this extension on it stage stepped down. This is where the TV room is today. A line of windows that includes that brings the existing screen porch into heated and cooled space, the walkway to the two bathrooms and steps down to the pool deck. So this is a new back of the building. And what else we got here? And just throw this last one up here. So here's the new front of the building. Here's the south edition with the new ramp. This is the existing building all in white. And the gym building here you can see the doors are open with a fixed glass and the equipment behind it. We had a concept of the inside of the gym. I guess it's not here. Okay, so that's kind of what we've got for you. Any questions before we get into the money, which I know everybody's burning to talk about. Okay. Yeah, there we go. I forgot that I showed that already. But there's a question about the doors.

[00:54:21.070] - Speaker 2

So the garage door opens up and you've got a fixed window here, so you're not on the outside, but your equipment isn't in front of it. So you can either look at the TV screen or you can enjoy the outside. Okay, so any questions about the design of the building? Mike Basil one person with disability.

[00:54:53.390] - Speaker 3

Is that being considered?

[00:54:55.020] - Speaker 2

So there's plenty of room for accessibility. Now the ramp, instead of the existing ramp, which is sort of on its last legs and rotting, this ramp is more to the existing standards and an easier slope. We have a full handicapped bathroom on the inside, and because the building is open, it would be very easy for someone in a wheelchair to get around.

[00:55:20.090] - Speaker 1

Thank you.

[00:55:20.900] - Speaker 2

Right, I'm looking at the architect. Yeah. Okay. Any other questions about the design? Nancy?

[00:55:31.140] - Speaker 4

Yes. Having recently used the accessible ramp, the turns are very hard to make. Is there any way that can be stretched out to make it straight?

[00:55:43.830] - Speaker 2

Chris so she was asking whether the handicap ramp could exist without any turns in it.

[00:55:53.550] - Speaker 1

We can only have 30ft of ramp before we have to have resting area and we have to have a foot of ramp per inch of rise. We can look at it and look at different ways.

[00:56:17.390] - Speaker 2

Okay.

[00:56:17.940] - Speaker 1

It is six foot wide, so you will be able to do it. That's the new Ada code. It's for the electric scooters. And we're actually celebrating instead of hiding the Ada grant back here, we can use it for catering.

[00:56:37.410] - Speaker 2

I think that's got it. So the last thing, I got a lot of questions in previous couple of three presentations on this from the smaller groups about how the project would proceed. Our intent would be to try and schedule it so that the pool would be back in operation. So if we started for the summer so what we try and do is start early enough next. Assuming you approve it today. We try and start early enough so that the pool deck work could get done and the pool be ready to go back into operation with some cautions for safety around the construction and then move on to the south end of the building and the interior of the building and try and get the building back in production. It's a little bit different than when I got caught off guard by that question before. I was thinking totally about when I would want to pour concrete. I've kind of rethought it. So pool deck, go to work on the south end, put the pool back in operation, leave the gym towards the end. This might be popular with some people and unpopular with other people.

[00:57:50.720] - Speaker 2

But from my perspective. If I have the choice to manage the project. I'd like to leave the gym building towards the end. Because it's one of the places where if we have to make a choice in order to do a really quality job on the first two chunks or the first three chunks. The pool deck. The south edition. And the interior of the building. We can back off and we can save money on the gym if we don't get it started until the end and we don't. And then the pool or the gym is a very simple building, so it should go up fairly quickly, but it would be the last part of the project. And we put in landscaping. We've got 4% of the project for landscaping. We have not designed the landscaping as yet, but the landscape, because we didn't think it was a good value to design landscaping until we knew whether we had a project or not. So that's kind of the pitch on what we intend to do. If there are no other questions, I'll turn over to George and he can talk the money if he can survive that conversation.

[00:59:00.490] - Speaker 2

The.

[00:59:05.050] - Speaker 3

Question now just concerning the due diligence that we got on this project with a survey as far as the usage level instead of this clubhouse now, how many people use it on a daily basis? How many people use the gym on a daily basis? When I go by several times a week, I see anybody here using the facility. And at the rate we're being built out, this community won't be built out for another 17 years. But you're building four to five homes a year now, correct?

[00:59:47.760] - Speaker 2

Approximately, that's correct.

[00:59:49.610] - Speaker 3

And the number of people that are here, it doesn't seem like it's getting the usage to go ahead and make this expansion now.

[01:00:01.960] - Speaker 2

Yeah, I'm sorry I haven't met you, sir, but that I can recall. Although I met a lot of new people recently, but we've been here quite a while. And over time, generally during a normal year when there aren't covet restrictions and whatever, there are birthday parties, club events, the ladies sewing group, the bunko group, the book club, the clubhouse gets used quite a bit. Now, it doesn't get full. Okay, it gets full for how many people in those groups? So 25 people meet in the book club, maybe 40 in bunko, and those are pretty active meetings we're going to have. And how many people come in tonight? 137. For the annual party. It's going to be out here because we can do it in the building. We regularly exceed that which we

shouldn't, and when we can't really build a building on the site to accommodate all the people we have for a single event. But again, it's in the eye of the beholder, but in general, it gets used pretty much.

[01:02:01.490] - Speaker 4

Okay, my point was that he doesn't see cars, but a lot of us don't drive our cars here because there is such limited parking. I hardly ever drive my car here unless I'm bringing a lot of stuff. Well, most of the events don't happen most of the events don't happen during the middle of the day except for people using the gym. There are a few afternoons. Most of the events happen in the evening. Book club, bunker, group events at least once a month. Once a month, we use them once a month. And again, we've had to limit the number of people who can come because just the space in the clubhouse, the fire code for the clubhouse.

[01:03:06.770] - Speaker 2

Man, you got off that light. So there are no facts that I can share with you today that will make you feel comfortable one way or the other. You just have to kind of your gut feel. But I guarantee you, I'll get you in a SEC. This is not George and me self actualizing. I mean, people have been talking about this a long time. We just decided to take on the issue because almost everything else that is of concern has been addressed by some terrific leadership over the last 15 years. So stormwater roads, the park, the buildings, the kitty lot, many of the things that would normally have been an issue that we would be on the bridges, we've kind of put the bridges on an annual maintenance process versus a quarter million dollars every eight year kind of process. So this building is the next one to get managed into a reasonable situation. All right, Jim.

[01:04:23.070] - Speaker 1

Sorry we didn't answer your initial question that there are eight or nine regular users of the gym. The sheets confirmed that over the last six, seven, almost twelve months, period. And people choose not to use the gym because of Corbid. So that's why there's a timed a 1 hour period where a single family can use the gym. And I think people are recognizing now, it seems, as if most people like that format. So you're probably going to have a challenge to increase the number of people using a gym.

[01:05:10.330] - Speaker 2

Yeah, so again, that's arguable. But if you look at the sign up sheets now during restricted use, it's from about 07:00 A.m. To noon five days a week, and a few people on Saturday, not much on Sunday, but it is a popular amenity. You'd find it hard to go to a three star hotel that doesn't have some kind of a gym. So maybe this gym is too large. But at some point, at some point in the design process, we had to call it quits. But we do believe that a Gemini is an important immunity for the association with that, I'll turn it over to George and let him talk about the money. I'm sorry, David.

[01:06:03.130] - Speaker 3

Yes.

[01:06:09.110] - Speaker 2

Only once or twice a year for the maximum capacity.

[01:06:31.290] - Speaker 4

We don't see much usage now is because we can't people don't want to be here because of covet ordinarily during the year there would be five, six, seven big events, including the entire neighborhood, not just the annual meetings. That's what people who have just moved in don't understand. The last two years have been an aberration. We usually have an event at the clubhouse for the entire neighborhood four, five, six times a year. So that's it for now.

[01:07:14.170] - Speaker 2

So my passionate wife has been the unbelievably, dedicated and conscientious operator of the clubhouse when nobody else would for the better part of 15 years. And I appreciate it and I'm sure everybody else does.

[01:07:34.250] - Speaker 3

Jay Lloyd I think what needs to be discussed is what some of the opinions we're hearing from various factions and it seems like we're kind of dancing around the subject. I've been here 21 years. I think that's probably as long it's not longer than anybody else. I know what goes on. And what we have is we all need to understand we do have a good amount of community participation in the groups that Joe is talking about and the other groups are talking about. It's the same 25 to 30 ladies that are involved in the different groups. So it's limited to those families. What we're discussing is we're discussing spending almost a million and a half dollars to expand the clubhouse, to have meeting space for that group of people, the three or four times a year, not the seven or eight times a year coping no code. It wasn't coveted five years ago. You can go back and you can look on the minutes on the Internet, on the minutes of when you have reserved clubhouse, who was reserved for? There was a wedding a year, there was a couple of other meetings and the outside pool area was used most of the time.

[01:08:50.860] - Speaker 3

Very few times that place is maxed out. So it's a tough house. Need repairs and renovations. You have to do like anything. But I think what is not understood by a lot of people is all the stuff that got everybody excited about it. The family is excited about it. The dog park, the fireflies, the body ball. The stuff is outside. The three things about that, it's the least expensive. It would get the most use from the most diverse part of the population in our development right now. It's less expensive than knocking out walls

and getting more meeting spaces for the book club and the Stitching bitch and that type of thing. I mean, I don't ever go by and see to your comment, ladies, sit down on the porch. Was Stitching a bitch because there's so.

[01:09:42.460] - Speaker 1

People inside.

[01:09:47.330] - Speaker 3

A million and a half dollars when you got a family coming in here and they're having this even more so. And I think that the board has done a great job in doing the research and pricing it out and following and doing that type of thing. But I think that where we've been at a deficit is I'm sorry, sir, I don't remember your name, but no, there wasn't a survey taken to answer your question. There was not a survey taken as to what it was. The survey that was taken was with the people who go to the groups and use the callpower. They listen to those people, what they had to say. The 95 people that have home sites here that don't live here, that aren't here, they don't know what's going on. They don't know how many people are doing that. So they get some proposal. How are they going to make an educated decision? I think that's where the discussion needs to go is how do we bring these two groups together so that we get the golf car, we get the firefighters. There's a better way to do it that we can keep both sanctions happy.

[01:11:05.560] - Speaker 3

We can span a pupil without having to knock out the whole food and then put in a kitchen. We keep saying it's not a kitchen. It's another big room next to the gym for yoga mats. I just think that it's something that I know we're farther down the road, but I think it's something we all need to talk to branch on and think about. Is that really the way we want to spend our money? And there's a better plan available. We can get everybody together to discuss that. And once again, in the Ford's defense, they put out notices for meetings and they've asked for the input. So a lot of it is on us and on the other members that aren't here that aren't aware of it. But we all know life happens. Things are going on. You get a letter in the mail from that lot that you bought eight years ago that you paid \$85,000 for, and now you're hoping you can get 45 for it because it's an interior lot and all you see is a notice about a meeting and more money. What do you think?

[01:12:16.630] - Speaker 1

Okay, thank you. David, come on up to the mic right here.

[01:12:25.190] - Speaker 5

My name is Dave Justin, and I've been working with Allan and George and a couple of others, the architect, watching this whole process evolve over time. And what has happened is that the board has

asked for input. They've had zoom meetings, they've had in person meetings multiple times over the last year. And what they have done in terms of surveys is just that. They have taken all of that input.

[01:12:56.510] - Speaker 2

And.

[01:12:59.570] - Speaker 5

Brought it down to a point where what you see is what they feel is the desire of the community to have. It's not something that they've just pulled out of the air, guys. It's a result of information that this community has provided to them. So to say that nobody uses the gym or nobody uses the clubhouse is just not correct. If there's been many times in the meetings that have occurred that people have stood up and said, nobody uses the gym, nobody uses the clubhouse, nobody uses the tennis courts, and nobody uses the pool, we know that's not correct. They are used. They may not be used 100% of the time, but no facility is used 100% of the time. The rooms in your homes aren't used 100% of the time. So understand, the one thing that you should take away from this is that the board has done the due diligence. They have asked the community for input. And what you see on those graphs and those poster boards is the result of community input.

[01:14:17.880] - Speaker 3

David, just to be clear, it's the result of the people that responded to the survey. It's not the community, it's the people that responded, which is a small percentage of the community.

[01:14:32.590] - Speaker 1

All right, I'd like to move on to the questions concerning financing in the interest of time, because keep in mind, we have an annual meeting. After this meeting, I would like to answer any questions concerning mortgage on a commercial vehicle. Originally, when we talked to one bank, a First Citizens bank, on the commercial division, and usually a commercial loan would require a 15% down, and then the bank would loan out 85% of the project. However, we went up a little step forward and into the same banks, commercial division a little deeper. And what they're willing to do is basically, they don't require a down payment. They're willing to loan out at a similar interest rate that we demonstrated at 100% if we wanted to. And we explained to them, well, the ballot says 1.4 million, so that's the maximum that we would borrow. So they have a vehicle that basically they'll allow. For example, if we had ten people come up with the present value of their obligation for 15 years, which is around \$7,400 at \$1.4, then that obligation would be done, and then they wouldn't have to worry about an HOA fee every year.

[01:16:15.410] - Speaker 1

But I would expect that the majority of the population would want to have an easy payment of between, let's say, \$48 and \$55 a month payment would be the easiest way to finance the project. So that's kind of

what we're looking at. If this motion passes, we would go ahead and talk to two other banks and come up with the best terms as far as interest rate and the best package to offer to the membership. Can I answer any questions? Yes, ma'am.

[01:17:02.350] - Speaker 4

My name is Cathy Whitehead. I'm a CPA licensed in the state of Florida. I just want to let the membership know the same thing I let the Board know on Tuesday, and that's it. I found an analysis of the homeowners associations finances from 2015 to the present time, including the projection for the rest of the year's spending, which includes possibly the parking lot, and a number of other projects. The bottom line of what I'd like to tell you all is that my husband and I bought it here at the end of 2017. Our reserves at that time were over \$800,000. They are now. Well, the other year would be around less than \$300,000. And that includes a replacement reserve, a budget contingency reserve, and capital project improvement reserve. Those reserves were intended for various things, but basically the reason the reserves have gone down by over half a million dollars, and this is not counting Dear Island, it's just the commonary reserves, is because those reserve funds, the \$500,000 or actually more, has been spent for projects that the reserves were not intended for. It was spent for things like the nine lots that the homeowner association for the parking project across the street.

[01:18:34.490] - Speaker 4

There are a number of replacement items that legitimately was spent for, like the roads and so forth. But I'm talking about items that were not ever set aside in reserves. So I gave the Board a list of those projects. They know what they are. And the other concern is, what if we only have less than \$300,000 of reserves? Is that a problem for us? Well, the way you figure out how much home association figures out how much reserves it needs is by doing a professional reserve study. The last one homeowners association did was in 2011, start four projections, 2012, that's been ten years. The reserve studies should be done every three to five years because things change, construction costs change, inflation projections change. But using this study that has been used here to set the amount of our reserves assessment each year, I projected what I thought the reserves would look like using the Board zone planning process. And I have concerns that, by the way, that study does not include any expansion of the clubhouse. It doesn't include setting aside money to do a new roof and those sorts of things that need to be done to the clubhouse periodically.

[01:19:51.790] - Speaker 4

But it does not include this expansion, which we know is going to double if it's approved would double the square footage of the clubhouse so soon that would be a substantial increase in your reserves requirement to keep it up. Plus a new gym of 1000 to 1500 sqft. That's a big item that I had to get reserved as well. And the board can only increase the assessments by the maximum without a vote of the members of 5% plus the CPI each year. So somehow the operating cost of this new building would have to be added into our operating budgets and we'd have to manage to do that within only 5% over the CPI

each year. In addition, we need to reserve money for the eventual replacement of these new items that we'll be buying. So it's not that I don't want to do some of these items. I think a scale back project would be wonderful, but I think it has to be done within the confines of what we can afford. And if there's any cost overruns on this budget, where we're going to get the money from, or if we have another hurricane and we've got insurance deductibles to cover or other unexpected costs happen, where would we get turned?

[01:21:11.240] - Speaker 4

Our reserves are that savings account. The rest of us is an emergency fund in some ways too. So it's important that we understand our finances. It's our job to keep track of all that because it's our money, it's our investment. Most of us, this is the biggest investment we have is our home. So it's important that we understand what we can afford to do right now. And I'm all for doing things that we can save up enough money to do and continue to improve the community. I don't want things to be run down. It's one of the things we look to. But I have to say looking at the clubhouse was the least thing on our mind when we came to select a lot to build on. But the quality of the homes here, the natural beauty of the place. Most important to us was the substantial amount of reserves that were held in the bank at the time because we didn't want to get caught with unexpected special assessments. So that was a really important aspect to us. And I was quite frankly shocked when I sat back and looked at how much had been spent over the number of years for good projects, but things that perhaps could have waited and so that we would have funds to do the clubhouse now.

[01:22:29.470] - Speaker 4

So I just wanted to share with the rest of you what I have learned as a financial professional by taking a look at the financial statements and I just want you all to be aware of it.

[01:22:43.530] - Speaker 2

Okay?

[01:22:48.370] - Speaker 1

Go ahead, Mitch. Oh, is there someone else that's going to okay.

[01:22:57.650] - Speaker 3

Good morning everyone. I think we're getting close to probably voting or for those who may have already turned in their boats.

[01:23:06.210] - Speaker 1

Right?

[01:23:06.510] - Speaker 3

And I suspect this is written somewhere. I probably read it one time or maybe never did, but could you explain the process in terms of how whether this passes or not is determined? Is it a certain percentage of all the property owners that need to respond and then a certain percentage of that pass it, or is it just those who respond plus one? Could you explain that for us?

[01:23:31.500] - Speaker 1

The passage is required 51% of the 119, I think. Didn't you say, Kathy, there was 119 in attendance or by proxy? Two more coming, 121. So the passage would require 51% of 121. Yes.

[01:23:59.390] - Speaker 4

George, how about the residents or nonresidents that sent in their vote prior to this meeting but they are not here?

[01:24:06.520] - Speaker 1

Doesn't their vote count as long as their proxy is with the ballot? It'll count, according to our attorney. That's correct. A ballot without a proxy is invalid, according to our attorney. Cathy could answer that question. I don't know. The question, Kathy, is were there any ballots turned in without a proxy? I didn't say anything.

[01:25:09.930] - Speaker 2

Can you please repeat what she said?

[01:25:12.570] - Speaker 1

I can't hear her either. Come on up front.

[01:25:23.770] - Speaker 4

I said that the people I don't know off the top of my head how many if they didn't have a proxy, a valid proxy, they weren't counted, period. So I don't know how many. I do know that if the people sent a ballot and they are not here, they don't live here. And if they sent a ballot and didn't send a valid proxy, I emailed them and gave them the opportunity to send in a valid proxy. If they were here. If they live here and said they were coming, I just didn't let them know. I gave it back to them when they got here. So I don't know. I want to say I probably sent about six emails to people and one of them returned a valid proxy. And, I mean, I can't make them.

[01:26:23.150] - Speaker 1

I can't hear the question.

[01:26:24.660] - Speaker 4

How can they ensure there's going to be transparency with this vote?

[01:26:28.820] - Speaker 1

You can audit what Cathy's going to be doing, the vote counting. Cathy and Robert, after you vote right now, we'll have a break and then have our annual meeting and then the vote count will be announced at the end of the annual meeting.

[01:26:45.120] - Speaker 4

But don't talk to me while you all are while we're counting, don't talk to me, please.

[01:26:51.730] - Speaker 1

The board doesn't count the votes. Yes, Bill.

[01:26:59.550] - Speaker 4

Georgia?

[01:27:01.590] - Speaker 2

It might be good to count the votes for this special meeting first because I would think that the budget you said you're going to take the count of the votes for this meeting after the annual meeting. You're going to take it now.

[01:27:16.490] - Speaker 1

They're going to count and then when they're ready I would hope that we would do it at the end of the annual meeting, but we will announce it at the end before you leave today. You'll know what it is?

[01:27:29.920] - Speaker 2

I just thought it would be better to know what it is after this meeting at some point because the annual meeting and the budget would be influenced by what the vote is for this special meeting, I would think, because in the budget is \$225,000 for a down payment.

[01:27:48.820] - Speaker 1

That's for the loan similar to the one you were president. It's just a placeholder. It was the down payment based on the original 15% they said we had.

[01:28:01.460] - Speaker 2

To have my point is that if this does not get approved, then maybe.

[01:28:06.560] - Speaker 1

You should relook at the entire absolutely.

[01:28:10.420] - Speaker 2

So it'd be good to know before we get into that annual meeting and budget to know what the outcome is of this vote.

[01:28:17.210] - Speaker 1

All right, well, I don't want them to rush through the vote counting process because they want to be able to do it right. But we'll find out when we find out. But thank you. You're right. I can't see who's raising their hand in the back.

[01:28:35.830] - Speaker 2

Oh, hi.

[01:28:38.650] - Speaker 1

Pat. You're going to have to go to the mic. No, sorry. Pat lives across the street from the clubhouse.

[01:28:56.810] - Speaker 4

Yes. And we see who uses it. I could be on that committee, but that's not what I wanted to talk about. Actually, it's a question for George because I want to know what the reverse is. If people send in their proxy but didn't send in a vote for the clubhouse. And I think there was some confusion because I know that we were saying, well, we better get everything in because we don't know what the rules are. People have put down board as their proxy. Now, if they haven't set in their clubhouse vote, that means that George is going to vote.

[01:30:06.090] - Speaker 1

Thank you, Cathy. Cathy Whitehead.

[01:30:19.630] - Speaker 3

Well, we don't know until we vote in person.

[01:30:28.490] - Speaker 2

Okay.

[01:30:31.350] - Speaker 1

I'm going to table. Go ahead and Jay, is it a.

[01:30:35.980] - Speaker 3

Short question for Cathy Whitee? Cathy, I appreciate your presentation and you're looking into all that, but you didn't give a recommendation at the end. Is your recommendation that we can't afford in our reserve fund to be using that money for this expansion or you didn't go into that debt?

[01:30:53.080] - Speaker 4

That's my belief study, which I recommended that the board do about that.

[01:31:03.010] - Speaker 3

Because if we spend the money on the expansion and go further today.

[01:31:12.770] - Speaker 1

Actually for clarification commercial device, actually boosts reserves, it doesn't take away from reserves because we don't have a down payment.

[01:32:00.150] - Speaker 1

No more questions or comments, please. Go ahead and fill out your balance and then turn them to the bundys. Here's mine, by the way.

[01:33:14.230] - Speaker 2

This is a yes.

[01:35:54.170] - Speaker 1

Please, everyone and turn in your ballot and then there'll be some closing comments. I'm assuming everyone's turning in their ballot. I want to thank everyone for attending today in the special meeting. We will take a break and then we will start our annual meeting and let's be back here at noon. There is coffee in the clubhouse for those. That would like to be more energetic.

[01:36:35.380] - Speaker 4

Okay.

[01:36:44.770] - Speaker 1

Thank you.