**TALL SHIP ASSOCIATION**

**BOARD OF DIRECTORS MEETING MINUTES**

**Meeting Date**:

November 13, 2018

**Place**:

Lake View Room

**Present**:

Olimpia Borys, Roger Heffelfinger, Frank Patterson and Barry Stuart (BOD)

Geig Lee, Diane Lee (FPM)

**Guests:**

Sylvia Stuart (229 Sq. Rigger), Jim Price, John Walter (Clemson Cleaning)

**Call to Order**:

B. Stuart called the meeting to order.

**Presentation from Clemson Cleaning:**

J. Price and J. Walter gave a brief history of the company. Clemson Cleaning specialties include medical and floor work. They currently hold janitorial contracts with Anmed GHS and 4 areas of Keowee Key. Clemson Cleaning employs up to 60 persons and duties include pressure washing, cleaning of handrails, etc. Employees work 20 to 40 hours per week depending on the need.

Cleaning supplies are included in the proposal.

**Approval of Minutes**:

F. Patterson made a motion to approve the October 9, 2018 minutes. O. Borys seconded this motion and the motion carried.

**Treasurer's Report**:

**Current Financial Report:**

R. Heffelfinger discussed the current financial report.

Operating account balance as of October 31, 2018 is $79,721.76. In gutter maintenance, cleaning and maintenance has been billed. Downspouts have been ordered for the Yawl building.

The capital account balance is $439,298.34. Tall Ship has had 19 sales this year.

The bad debt account remains at $70,000.00.

Special assessment account balance is $95,062.84.49 units have prepaid and currently there are 71 units financed. Loan balance is $1,987,079.00.The next prepayment window is open January 1-20, 2019.

When the special assessment related bank loan with Premiere Bank was put in place in 2017, there was concern about how the timing of quarterly receipts from owners would match up with the required monthly loan payments.  In addition there was concern about the impact of non-paying delinquent accounts, particularly one in foreclosure, on the amount of receipts. In order to address the timing issue and delinquent payment concern the Board transferred $50,000 to the Special Assessment account from the Bad Debt account. The Bad Debt account had been set up to provide funding for any special assessment write-offs. After tracking a year's worth of receipt and payment history, timing of receipts and payments has settled into a predictable pattern. In addition, the foreclosed unit has been sold and the account written off. It is now time for the Special Assessment account to repay last year's transfer from the Bad Debt account.  The amount of repayment will be $50,000 less the amount of the special assessment write-off of the foreclosed account and legal fees relating to the write off. The amount of the special assessment write-off is $16,450. Since there was also a write-off of regime fees, the legal fees will be split evenly between the special assessment and regime fee write-offs. The actual repayment amount will be determined once the legal bill is received later this month.

In anticipation of receiving the legal bill prior to the end of November, R. Heffelfinger made the following motion in order to allow the repayment of the Bad Debt account to also be recorded in November:

"I make a motion for a transfer to be made to the Bad Debt account from the Special Assessment account in the amount of $50,000 less the amount of the special assessment foreclosure write-off of $16,450 and half the legal fees associated with the write-off."

O. Borys seconded this motion and the motion carried.

**Liens and Delinquencies:**

D. Lee reported there are no delinquencies. The unit that was in foreclosure sold October 1, 2018 in the amount of $74,000.00. This amount did not satisfy the 1st mortgage therefore we were unable to secure monies and have since written the account off.

**2019 Budget Discussion:**

The Board discussed capital projects such as roofs, elevators, painting. Clipper roof cost will be around $91,000.00, replacing the leisure trail steps will be $60,000.00. Landscaping budgeted is $34,000.00, painting $36,000.00, and elevator upgrades $38,050.00. We have received an elevator carpet replacement quote for $3,516.00 from Dixie Flooring. G. Lee suggested extending the life of Rock Art floors by sealing them in house. Rock Art floors need to be sealed every 2 years.

The Board discussed increasing quarterly regime fees by $20.00 per quarter in order to support the capital plan.

After discussion, R. Heffelfinger made a motion to approve the capital budget as presented for 2019 of $288,250.00. O. Borys seconded this motion and the motion carried.

R. Heffelfinger motioned to approve the revised 2019 budget as presented which includes regime fee increase of $20.00 to $800.00 per quarter to support the capital plan. F. Patterson seconded this motion and the motion carried.

R. Heffelfinger motioned to approve the special assessment budget as presented which reduced quarterly fees by $30.00 to $895.00 per quarter. F. Patterson seconded this motion and the motion carried.

**Engineering & Property Managers Report:**

**Other repair and maintenance:**

**Tarps:**

Anderson Boat & Canvas has not yet amended and the prototype.

**Roofing consultant:**

G. Lee has a quote for $7,430.00 to assess the roofs and prioritize. Clipper and Frigate seem to be in the worst shape. The quote to repair Clipper is $91,500.00, Frigate quote is $78,000.00.

**Siding complaint Unit 133:**

G. Lee suggest deferring the stucco repairs until the Board schedules to repair more of the columns and the contractors are onsite for that project.

**Landscaping Report:**

**Shirley Update:** The mailbox and transformer work has been completed.

A proposal for the Cutter building includes planting liriope, and cherry laurels. A proposal for the Square Rigger building includes removing 3 large maples and planting crepe myrtles. It also includes 3 street sign area upgrades and planting liriope. A proposal for Yawl and Ketch includes removing current plantings and adding other plantings to prevent erosion. The remainder of phase II will be a total of $34,290.00.

Schooner building landscaping should include the planting of hollies, would need to amend to include sod. Frigate includes planting 2 hollies. The camellia needs an irrigation system and a quote to remove a tree overhanging the building is needed. At the mailboxes, add mulie grass. A low stack wall is included in the proposal at Clipper.

G. Lee will get an updated proposal and send it to the Board. Lee suggested that now is the time to get work done.

R. Heffelfinger made a motion to approve $35,000.00 for Phase II of landscape plan by GreenWorld. O. Borys seconded this motion and the motion carried.

B. Stuart mentioned landscaping issues that need attention that include adding 2 Leland Cyprus trees beside Square Rigger. He also mentioned the need for landscaping at the bare wall located at the Ketch building. G. Lee suggesting adding Crepe Myrtles. O. Borys suggested getting through the landscaping plan and then looking at the wish list.

Square Rigger has an oak tree at the left side that touches the building. G. Lee has an estimate to remove the tree behind Square Rigger for $1,400.00. O. Borys made a motion to approve the removal of the marked tree behind 491 Square Rigger. F. Patterson seconded this motion and the motion carried.

**Existing Business:**

**Beacon:**

O. Borys reminded there is no advertising allowed in the beacon.

**Gas logs:**

A reminder to realtors- do not advertise gas logs.

**Annual meeting planning:**

1. Handbook changes:Fire alarm section regarding disabling or removing.
2. Clarify parking signs
3. Remodeling- handbook is available on website
4. Minimum temperature requirement
5. No gas logs
6. Renters must register with KKPOA
7. Packages cannot be left outside doors. Foothills will remove the package and owners may pick the package up at Foothills.

**Roles/Responsibilities:**

Landscaping- Geig Lee

Handbook- Olympia Borys

Overview- Barry Stuart

Financial- Roger Heffelfinger

**New Business:**

**Yawl Tree trimming:** Tree trimming was done last week. Contractors must follow all SC

Codes. All contractors must carry general liability and workers compensation.

**136 Remodel request:**

Owner must match paint color, G. Lee will go over specifics.

Construction dumpsters are not allowed.

O. Borys will do a remodeling draft and include that the painting of the exterior must match the

Existing color.

D. Lee and G. Lee left the meeting. O. Borys will continue to record the minutes.

**Janitorial Proposal:**

The Board discussed the Janitorial Proposal from Clemson Cleaning that was presented earlier in the meeting. The BOD decided to hold a special meeting after discussing with KKPOA on the matter of trash removal. The special meeting will be held on Monday, November 26, 2018 at 2:30 pm and will be held in the Bistro. The Board expects to give final decision on the proposal at this meeting.

F. Patterson motioned to adjourn the meeting. O. Borys seconded this motion. The meeting adjourned at 12:50 pm.