

Rose Dhu Creek Plantation POA

BOARD OF DIRECTORS MEETING MINUTES

July 20, 2017 6:05 TO 8:17 PM

Gathering Place

1. **Call to Order.** Six Board members present at start with JoAn Pierce by phone and Bob Stout, Jim Kirkland, Greg VanZandt, Diane Doughty, and Tom Sharkey. John Pittman arrived at 6:40 PM. Owners present: Todd & Marla Guenther, Sam Weatherly, Carol Stout (for Beautification committee), Art Gopalan, Beverly & John Strum, Alan Ware, Shirl Adams, Greg McMahon, Fred Wallace, Mary Sharkey, Kurt Jacobi, and Billy Bagwell.
2. **Approval of June 15, 2017 Minutes.** Motioned by Bob & 2nd by Greg, Approved 6-0.
3. **Financial Report attached below. (Joan).**
 - a. Wrote off three years of assessments on 4 Nandina CT due to foreclosure.
 - b. **ACTION:** Greg send JoAn the Quality Lakes contract.
 - c. **ACTION:** Fred and JoAn to meet with Rebecca next Wednesday for her review of financial books.
 - d. Report approval. Jim motioned & Diane 2nd, approved 6-0.
4. **ARB Report (Fred)**
 - a. Process Documentation update to include clarifying the appeal process. Karen Lebon updating the guidelines. Need help to convert old pdf to Word to edit. JoAn and Greg McMahon both will contact Fred to assist.
 - b. Appeal ARB decision to deny lot 63 to build a fence in front year since not plotted or built as an equestrian lot. Next week, the three ARB member appeal group to review case then to Board.
 - c. **ACTION:** Greg update RDC website to add ARB members and future ARB meeting dates.
5. **Presidents Report (Greg)**
 - a. Mid-year report to the membership.
 - b. **ACTION:** Greg add to website the traffic engineer's road safety report due Monday and add to mid-year report any key recommendations from the Traffic engineer's report.
6. **Old Business**
 - a. **Committee Reviews:**
 - i. **Safety Committee Updates (Tom)**
 1. Safety Report highlights (Tom and Joan). Refer to safety committee minutes attached below.
 2. **ACTION:** Tom pursue for north gate an auto-open on exit modification.

3. **ACTION: Pave over old speed bump rough areas. Canvass owners?**
 - ii. **Beautification Committee (Carol for Jodie)**
 1. **South Gate planting bids due July 24.**
 2. **Pool / Gathering Place gate post illumination.**
 3. **ACTION: Determine a solution to replace removed rope in Gathering Place parking area.**
 - iii. **Social Committee (Marla for Jodie)**
 1. **August 12 - End of Summer Outdoor Movie Night (Family)**
 2. **September TBA – Oyster Roast/Low Country Boil (Adult)**
 3. **October TBA – Halloween Trunk-or-Treat (Family)**
 4. **December TBA – Winter Holiday party (Adult)**
 - b. **RDC Hire a full- time employee analysis (Fred). Refer to attachment below. JoAn made a motion to proceed with the proposal, Jim 2nd. Board voted 6 Yes with Diane abstaining to proceed to the next phase to use the proposal to further define the job, salary, reporting relationship, etc.**
 - i. **ACTION: JoAn and Fred edit proposal with Board member input.**
 - c. **RDC Youth trail patrol (Greg explained). Engage the youth.**
 - d. **Preliminary plans for Lot 8 re-platting (Fred). \$4,000 to prep new lot entrance. Just under 3 acres, leaves 2 acres of common area next to the pool. This action has been previously approved in June 2017 by the board as part of the 3-year strategic plan for the community.**
 - e. **Mike Kelly is working on amended CCRs for proxy voting. JoAn will follow-up.**
- 7. New Business**
- a. **Proposed 2 new Board Tasks. Volunteers will provide their skills and time to serve on each task group. Greg will facilitate each group in developing scope, identifying professional resources, and schedules.**
Refer to below attached description:
 - i. **Amenity Development Planning (5 to 10-year planning of major amenities). John Pittman, Bob Stout, and Fred Wallace volunteered.**
 - ii. **Community Maintenance Planning (Identify all critical infrastructure components that require maintenance). Diane Doughty and Todd Guenther volunteered.**
- 8. Out Standing Items Review**
- a. **OVM processes revision - review and vote by the board. Deleted the committee but kept the process. Approved 7-0.**
 - b. **Pavilion regulations – no revisions necessary.**
 - c. **New owner orientation. ACTION: Greg send Tom, the Anne & Libby checklist so Tom may modify it to include what he does for new owners.**
- 9. Public Comment. Art Gopalan had a code access question asked by John Light. ACTION: Tom sent John Light an email on July 22 to clarify his assigned gate code for vendor services like Uber and his personal use code that are used for both gates.**

10. Executive Session. N/A

11. Adjourn-8:17 PM

ROSE DHU CREEK PLANTATION

Treasurer's Report

July 20, 2017
Gathering Place

Financial report:

As of the end of June 2017 the following balances are reported at Coastal States Bank:

- Operating Account: \$99,164
- ARB and Builder Compliance Deposits: \$19,365
- Capital Account: \$78,277

We finished the month of June with:

- Negative variance, \$25,462 (road work)
- YTD negative variance of \$26,538

Bid process amended to include insurance requirements. Document to be placed in corporate file.

Sent 3-year strategic plan to our accounting firm for their comment. Response indicates our assumptions on reserves are correct.

Contract Reviews:

Custom Security:

Contact is very confusing. Have asked Fred for clarification. Our accounting firm is checking on ownership of assets. My current assessment from the contract appears that we spend:

Front gate \$1,329.00/qtr.	\$ 5,316/yr.
Rear gate \$1,254.00/qtr.	\$ 5,016/yr.
Annual payments total	\$10,332/yr.

Contract terminates January 30th, 2019.

Professional Landscape:

Based on Estimate 1153 dated 1/10/17, total estimated costs for landscape maintenance from Professional Landscape is \$53,040. Contract signed March 30, 2017 with a 30 day cancellation notice.

2016 Prof Land. expenses	\$27,940	Budget was \$30,700
Total All Landscaping exp	\$51,873	Budget was \$78,900

Year to date Jan – June \$18,030

Sweetwater Pools

The contract with Sweetwater Pools signed March 31, 2017 with effective dates of July 1, 2017 – July 1, 2018. The contract was complete, well worded, organized and has an appropriate cancellation policy. Total contracted price is \$8,570.

Quality Lakes – Still looking for contract. Year to date payment, \$873.

Reviewed Associations Insurance Agency, Inc policy. Have asked Cynthia Bendler of Belmont Insurance to provide a competitive quote. If anyone has another insurance company that may provide a quote, please provide their information.

Opportunities for Cost Savings

Total operating expenses for RDC in 2016 equaled \$228,438.

Those items where there may be cost savings opportunities:

Repair and Maintenance	\$53,503(Pool is \$36k, however this was an unusual year)
Landscaping	\$51,873
Security	\$15,181
Pool contract	\$ 8,852
Total	\$129,409

Those items where cost savings opportunities are minimal include; utilities, insurance, administrative, professional services, taxes and interest.

Proposal

Security – assign individuals to access the “make or buy” decision criteria and report to the board by year end 2017. I have asked a security firm in Southern Pines, NC to consider quoting on RDC security.

Repair, maintenance and landscaping – consider hiring a full-time employee to provide or secure the services for repairs, maintenance and landscaping.

Consider full time employee assumes responsibilities for pool maintenance.

It is reasonable to assume that the opportunity for cost savings is 15% or \$20,000.

RDC SAFETY COMMITTEE

July 18, 2017 Wednesday, 7 PM at Tom Sharkey's home 8 Redbud Way.

Started 7:05 PM. Ended 8:20. JoAn Pierce absent. Present: new member Todd Guenther, Shirl Adams, Nickey Maxey, Tom Sharkey.

1. Speed calming. Tom & JoAn reviewed the traffic engineer's (Jennifer Bihl) draft road assessment report and they provided comments including some additional, proposed conclusions.
 - a. Conclusions in the draft from the recorded 24-hour speed data at three locations were: the maximum recorded speeds are less than 30 mph; the mean speeds in both directions on Redbud Lane were 20/21, Sweet Grass 16/18, and past the equestrian center 23/27 mph. The 95th percentile speeds were between 24 to 29 mph; trucks were less than 10% of the traffic; the 24-hour period traffic volumes were 335 on RDC Plantation Drive, 260 on Redbud Lane, and 170 on Sweet Grass Lane.
 - b. Draft recommendations are:
 - i. Update all regulatory signs to MUTCD standards including standard size (30" x 30" minimum) and retroreflective sheeting
 - ii. Install yield or stop signs at intersections with no control
 - iii. Review stop sign locations per MUTCD and relocate as necessary
 - iv. Install MUTCD compliant signs at crossings throughout neighborhood
 - v. Speed humps to be brought up to SCDOT standard
 - c. The draft report commented on the differences between speed bumps and speed humps:
 - i. Speed bump
 1. Abrupt
 2. Short travel distance
 3. More typical in parking areas
 - ii. Speed hump
 1. Flat top or parabolic top (dependent on volume)
 2. Signage and striping per SCDOT standards
 3. More typical in neighborhoods for traffic calming
 - d. The report did not recommend any additional speed humps were needed. The safety committee members agreed.
 - e. Before the report draft, we had the paving vendor raise the height of the first two of five speed humps and added wider and longer, full-length yellow striping to the leading edges of all five speed humps based on Jennifer's site visit comment to us. New signs were and will be installed per below 2.
2. New road signs. Nine new road signs were installed with reflective signs and 6x6 posts and copper caps in addition to several sign/post replacements. New signs and posts included: 2x-20 mph; 3x-slow, children at play; 1x-stay to right; 1x-yield to incoming traffic; 1x-new stop sign at Derby CT; and an equestrian sign at the bridge. We replaced three old, non-reflective stop signs with reflective sheeting stop signs. Two existing non-reflective stop signs are to be replaced with new posts and reflective sheeting at May River Road and Old Miller Road. Seven new signs/posts to be installed at trail crossings. Speed humps signs to be installed. Two "we love our children, please slow down" signs and posts to be installed, one just past each entrance. One more island, stay right sign to be installed by the Gathering. Tom & Mary Sharkey primed & painted, and Tom installed six new copper caps. Tom primed and painted another six previously installed copper caps and touched up some of the new 6X6 posts. Tom cut down several tree branches to allow visibility of the new stop sign on Derby CT.
3. Tom oversaw the \$1,200 work of a tree contractor to cut and chip hurricane tree piles remaining on Derby CT and on the trail boarding the perimeter fence behind 5 & Redbud Way.

4. Fencing repairs still needed. Tom delivered to the Hampton Hall for their GM a letter with diagrams and pictures of the damaged black, chain-linked fence along our common border requesting they repair the 25 to 30 sections since we paid for the wire fence repairs and removed the downed trees on the chain-linked fence. These are breaches that allow human and wild animal egress.
5. Pool gate latch broken. On Saturday afternoon July 15, the Sweet Water pool manager notified Greg and Tom that the gate latch had been broken. This would be a violation and automatic pool closure if a pending random inspection by SC DHEC discovered the condition. Tom obtained a replacement at Home Depot and installed it that night. The DHEC inspected our pool on Tuesday July 18 with no violations.
6. Trail safety. Tom discovered during a trail walkdown three leaning water oaks over the tail behind 29 RDC Plantation Drive from recent heavy rains. Requires professional cutting.
7. Two or three rotted posts need replacement on the ten-foot high green wooden fence bordering Kim's Way. Shirl mentioned last meeting and Tom confirmed with a walkdown.
8. Security issues. Todd and Tom repaired the north gates to fully close the gap when gates are closed. Tom had witnessed an outside bike rider pass through the previous gap. Two non-resident adolescents were confronted by a resident walking the streets at 6:30 AM.
9. New business
 - a. The Gathering and pool security cameras with recording. Todd Guenther presented a \$2,000 proposal with a DIY option using BackStreet Surveillance equipment and free technical support for life.
 - b. Options for pool gate lock and access were not discussed and remain an open item using the David Tonsberg research.
 - c. Gate cameras. Nickey mentioned Verizon had \$400 cameras with \$20/mo. cloud recording support as an option.

High level Proposed 2 *new* Board Tasks:

1. **Amenity Development** - (5 to 10 year Planning of major amenities) by reaching out to property owners to survey what amenities people want (none might be a category) - (basically the survey we already have with some editing):
 - Present to the Board their findings 'and rankings of wants! needs
 - The Board review determine best investment for the community at large and send to financial planning the top 5 ideas to determine funding feasibility
 - Scope the development requirements of each of the top 2 to 3 ideas (funding and land requirements where needed, etc.)
 - The whole Board determines what's possible or not
 - Hold an all property owners meeting
 - Send out to all property owners the minutes of the meeting and give everyone 30 days to respond
 - Name the projects that will proceed & time line to completion, etc. '
 - Notify property owners of the projects & time lines
 - Start saving ... or digging

2. **Community Maintenance** - 'Identify all physical critical infrastructure components that require maintenance such as :
 - o Roads
 - o Drainage
 - o Irrigation
 - o Wildlife
 - o Signage
 - o Others??
 - Determine routine inspection for maintenance
 - Work with Financial planning and other resources (outside vendors, etc.) to determine the timing of any economic impacts of major maintenance! repairs
 - Create a scheduled maintenance calendar for each critical infrastructure component. The schedule is to updated annually as needed before the annual property owner meeting.

Rose Dhu Creek Employee Analysis

by Fred Wallace July 20, 2017

Overview-

Investigate and analyze the need and costs associated with adding the first employee to Rose Dhu Creek Plantation.

Rose Dhu Creek is recognized as a premier community in the Lowcountry that is unique in that it provides:

- A stable financial picture with annual assessments far lower than any comparative community.
- TRUE estate sized home sites ranging in size from $\frac{3}{4}$ acre to 4 acres.
- Over 110 acres of common area.
- High quality pool and event area.

A relaxing environment that is yet close to town, shopping and areas of interest.

It is said that one of the most important (if not THE most important) aspect of any community is appearance. And while Rose Dhu is certainly beautiful, it pales in comparison to some of the competition where homes sell in the million-dollar + category.

The key is striking a balance of proper grooming and maintenance without upsetting the attraction of a low annual assessment. Presently, the "landscaping" is subcontracted out at a set monthly fee that covers a specific scope of work including:

- o Cutting of all common areas
- o Cutting of all drainage swales
- o Monthly cutting of lagoon banks
- o Edging and cutting inside pool area

While this may be ok in a non-gated, <\$500K community what happen is that we end up looking a bit "shabby" 3-4 days a week. I think the job that the present contractor does is great for what they are paid for but we

have issues on a weekly basis from trash and debris at the entrances, to lack of bush and tree pruning that is outside of their scope of work. Additionally, items such as pinestraw, seasonal flowers, weed clearing, trail cleaning, etc. is all extra costs.

For the years of 2015 and 2016 our outside contractor costs have been broken down the best I could, removing any special projects or one-time expenses.

2015- overall expenditures totaled \$61,540. This included monies to Professional Landscape, Gadsen Construction and various smaller vendors. |

2016- Overall expenditures totaled \$69,470. This included monies paid to Professional Landscape, Early Bird Pinestraw, Gadsen Construction and other smaller vendors. Does NOT include Hurricane expenditures.

Employee scope of work-

Should Rose Dhu Creek make the step to hiring its first employee it should be understood that there are two distinct "seasons" for the community. Below is that anticipated job tasks for each:

Dormant Seasonal (Oct 15th- March 30th)

- Trimming and pruning of road encroaching trees and bushes
- Trimming and pruning of trail trees and bushes
- Trail improvement
- Painting and light carpentry
- Morning debris pick-up at both the main gate and the north gate
- Lagoon maintenance and cleanup
- Small projects deemed necessary

Growing Season (March 30th-October 14th)

- Weekly cutting of all common areas and swales
- Planting of seasonal flowers x2 at each entrance
- Pruning when time allows.
- Morning debris pick-up at both the main gate and north gate.
- Small projects as time allows

I have watched carefully over the last two years the weekly work of the present vendor and can stand by my statement that a single MOTIVATED employee can certainly accomplish the above work in a 4-day time period leaving an extra day for catchup or weather related delays. Presently, if it rains on a Friday, the vendor bounces to Saturday, if it rains Saturday it goes to the next Friday, leaving us looking even more unkempt. Not their fault at all just simply how it has to rotate to cover all of their client base. Additionally, while the present vendor does a good job, there is an inconsistency week to week in the overlap of employees that again leads to a less than polished look.

A couple of months ago I spoke with Phil Warth who owns the equestrian center and he agreed to consider leasing us enough space in their utility yard to set-up a small storage building. He has not gotten back to me on a price but I anticipate around \$200.00 a month.

Cost estimates-

Startup equipment:

commercial, grade zero turn mower	\$6000.00
commercial grade blower	\$350.00
Use utility vehicle (UTV)	\$4000.00
Chain saw	\$500.00
Utility storage building 10' x 15'	\$3500.00
Water tank	\$250.00
Commercial edger and trimmer (2) @ \$300	\$600.00
Shovels, rakes, diggers etc..	\$200.00

Smaller hand mower	\$350.00
Miscellaneous	\$500.00
Total	\$16250.00

Annual Cost Estimate-

Employee- 40 hours per week @ \$18.00 per hour to start. This MAY have to be adjusted to \$20.00 per hour as there is a small pool of talented labor here right now.

Salary	\$37.5k-41.6K
Employer taxes	\$2615.00
Land Lease	\$ 2400.00
Workman's Comp (\$180 per month}	\$2160.00
Equipment maintenance	\$1000.00
Equipment rental	\$1500.00
Payroll service	\$1440.00
T otal	\$48,615 .00

- While this cost figure is enticing I anticipate it to run as much as 10% more. That said, the cost benefits aren't the big deal, the big deal is all of the extras we will get from a standpoint of maintenance that we have to pay extra for right now.

Summary-

This would be the next step in the 'evolution" of Rose Dhu Creek Plantation IMHO. We presently have 3 homes up for sale at over 1 million apiece and the demographics of that buyer is one that would be pleasantly surprised by such a low annual assessment but more than capable of paying one twice that high. More important to them would be a community that shows

well in all area~ and takes excellent care of the few amenities it DOES have versus bare minimum of a vast array amenities.

The oversight of the employee would be one and only one Board member who could be the conduit between the Board and the employee. It would be anticipated that once the scope of work is defined that 90% of the time we would be on "autopilot".

I don't think we should look at this as a temporary fix. I look at it as an essential step to making Rose Dhu Creek both relevant in the marketplace and also an even better place to live. IT is VERY important to understand that there is only so much that can be done on an individual property basis to create additional "value". Where the true increase will come from is a level of community "fit and finish" that reflects the level of investment, quality and forethought that supports higher priced homes. We have a niche and we need to realize that. In anticipation of concerns I have created some FAQ's below.

Thanks,

Fred Wallace

FAQ's- Frequently asked questions:

- 1) What would happen if the employee gets sick? *Considering that current landscape companies in the area are struggling mightily to retain or even find employees this is a real concern, HOWEVER, as a local small business employee I can say that hiring right (and healthy) the first time will go a long way. Additionally, the tasks involved are not rocket science, finding a temp worker with basic skills if the illness is short is very possible. Obviously if it's a long-term situation it would be a different story.*
- 2) What happens when the employee wants to go on vacation? *It is anticipated that an additional incentive (along with a retention bonus) would be 1 week of vacation after 1 year and 2 weeks after 2. This is industry norm. Obviously, we would encourage two things:*

A) The taking of time off in the 5 month "dormant" season.

BJ If time off is in the growing season, then we will encourage the most important weekly tasks get done just prior to departure.

- 3) What about our insurance coverage? It is correct that will NOT be able to take advantage of group rate pricing on both liability and workmans comp but that is just the nature of the beast, and I have factored that in.*
- 4) How will the payroll be handled? I have already talked to our current accounting service people and it is no problem for Beth Ann and Tammy to handle either weekly or bi-weekly payroll. I have included the estimate~ cost for processing in the annual figures. Additionally, I they will handle at' of the payroll taxes.*
- 5) Why would they only report to one Board member? It is important that we have very defined channels of communication that provide the employer with clear instructions that are not vague or that carry any personal agenda. The only way to provide for that is to make a direct line to just one Board member. If the Board or beautification committee wish to request changes and/or specific tasks there is a clear line for doing so.*
- 6) Is this an item that the community should vote on? No. It is unnecessary to go to that extent. This is a maintenance item not a capital expense.*
- 7) How long would it take to get this up and running? 45-60 days to conduct the proper interviews, purchase of equipment etc.*
- 8) Is this a long-term effort? Absolutely. It creates VALUE and it is imperative that the employee understands and "buys in" that it is indeed a secure I long-term position.*