

**Baynard Park Homeowners Association
2019 Annual Homeowners Meeting
November 21, 2019**

1. Roll Call

Those board members attending tonight's meeting were Paul Hoyte, Chris Goodman, Lex Berthelson, Dan Morgan and Michael Harmon. Representing Atlantic States Management (ASM) were Kent Eddy, Judy Mason and Kerri Cogen.

2. Proof of Notice of Meeting or Waiver of Notice

Kent said that the notice of the meeting had been sent out on Oct. 21, 2019 in accordance with their bylaws. He said that with proxies submitted and those in attendance they had quorum of 32.25% and there all business conducted at tonight's meeting would be official. Today's quorum serves as proof of notice.

3. Read of Minutes of Proceeding Meeting

The minutes of the January 3, 2019 annual meeting were presented. A motion was made to waive the reading of the minutes and accept them as written. It was seconded and unanimously approved.

4. Election of Inspector of Election

Kerri Cogen with ASM was appointed as inspector of election with no objection from the floor.

5. Election of Directors

Kent announced that this year there three terms expiring. These were the seats held by Lex Berthelson, Chris Goodman and Dan Morgan. Chris and Dan had indicated they were willing to serve again if reelected. Lex had decided to step down from the board at this time. Other interested owners were Georges Allard and Gary Fejes. Those in attendance were given a few minutes to speak about why they wanted to serve on the board. Ballots had been distributed and owners were reminded there was one vote per home and to vote for three of the four candidates. When the votes were tabulated, they showed that Chris, Gary and Dan had been elected to the board.

6. Report of Officers

President's Report – Paul began by saying this had been a very challenging year and the transition process between management companies had not been easy. He thanked his fellow board members for their work on behalf of the HOA as well as the community for their support. He also took this time to thank Lex who had been serving as treasurer; he had done an excellent job reviewing reports and expenses monthly. He went on to highlight some of the accomplishments of the past year including:

- They had used a program called "Constant Contact" to send out newsletters, events, information on projects, etc.
- They had implemented a website and the plan was to increase the use of the website going forward.
- Repairs had been made to the front gate.
- Repairs had been made to the pumps that were used for irrigation, the lagoons, etc.

- They had renegotiated their contract with Hargray.
- Social events had been expanded and the food trucks, Thanksgiving dinner, etc. had all be well received.
- They had changed insurance carriers and were able to reduce the premium by \$5K while increasing coverage.
- While reviewing the various contracts, it had been determined that most had expired and they were really operating on a month to month basis; they had been renewed and the expiration dates and renewal dates had been noted so that appropriate negotiations could be done at those times.
- They had interviewed many management companies and hired ASM; Kent Eddy was the owner and Judy Mason was their property management company.
- Cameras had been installed at the gate, the pool and the Pleasant Point pavilion. They had already seen a reduction in vandalism. The security system would be expanded in the upcoming year.
- Roof repairs were completed, the gate house was power-washed and many other repairs and maintenance projects were completed.

He said the board's goal was to, at a minimum, maintain the community but really, they wanted to improve it; this would take time.

He went on to discuss the plans for 2020; he went over the following:

- All contracts would be reviewed, and decisions would be made on whether to continue to work with their current vendors.
- Gate fees would be implemented for contractors and a new system would be put in place to allow owners to obtain guest passes.
- The possibility of expanding natural gas into the area of the community that did not have it would be explored; a meeting with Dominion had already taken place; meetings with owners that lived in these areas would also be scheduled.
- The lagoon issue would be addressed; they had brought in experts who had recommended the installation of "bubblers" to move the water. Four would be installed this year and four would be done next year.
- Landscaping, which was always a "hot topic" would be addressed and plans would be put in place to beautify the front entrance.
- The area from Hampton Lakes to the gatehouse would be addressed; they had a budget in place for this but not a firm plan yet.
- The board was often asked why they did not participate on the Facebook page; the board was already working on many other projects and did not have time. If an owner wanted to step up to oversee social media that would be welcome. He said that they all needed to be positive with regards to their community; they did not need to get involved in "gripe sessions" or negativity.
- The reserve study would be updated and there would be a new timeline for the next five to ten years that would include projects to be completed and what funds needed to be contributed.
- A financial audit of 2019 would be completed once the yearend financial reports were finished.

- They would continue to address the lagoons, the sidewalk and the “gap” in the sidewalk to the River Ridge Academy would be addressed; they had already met with MAJ on this.
- They would continue to review the work that needed to be done on the roads as well as looking at upgrades to the amenities.
- The design guidelines and rules and regulations would be reviewed to see if they were still applicable and updated where necessary.

He said he loved living in Baynard Park and he and the rest of the board would continue to work on the owner’s behalf to make the community a great place to live.

Treasurer’s Report – Lex presented the financial overview. He said the numbers provided were the actuals through September and projections for the last three months of the year. He said that currently, they had a \$13K positive variance and while they should finish the year under budget, it may be a different figure than that with the remaining three months. He went on to discuss some of the budget variances.

Some line items that were over budget were:

- Lagoon maintenance – this was mostly due to the lagoon mapping project.
- Landscape – special – this category included things like tree removal, bush hogging and work at the front entrance.
- Repairs and maintenance – Gate – the gate was older and just seemed to require more repairs.
- Repairs and maintenance – General – work was done to the guardhouse lighting, plumbing, roof repairs, pumps, the front entrance speedbump, etc.
- Legal expense – this was a very hard item to budget and was really just a “best guess.”

Some line items that had come in under budget included:

- Electricity
- Telephone expense – this was due in part to the newly negotiated contract with Hargray.
- Insurance – as had been mentioned, they had found a new company and the new policy was significantly less expensive while providing additional coverage.

He continued on to reserves. He explained that a professional reserve study had been completed. This study outlined all of the various components within Baynard Park. This included the roads. It identified the useful life of each component and what each would cost to replace at the end of that useful life. The roads were likely the most expensive thing they would have to address as a community. He said this year the contribution would total \$77K and there had been expenses totaling \$21K for a net gain of \$56K. This meant that the balance in the reserves at the end of the year would be \$457K. Again, with the roads in mind, the sealing job that had been done by Pulte but paid for by the HOA had been \$97K. When the board had looked at additional quotes, they were significantly higher because they did not have Pulte’s buying power; this was one of the reasons it was so important to continue to build to their reserves.

2020 Budget – Lex went over the budget for 2020 and highlighted the following line items:

- In the line item for flowers and pinestraw that had an amount of \$10K, this was for many other landscape items; not just flowers and pinestraw. It included the improvements to the front entrance that had been discussed, tree trimming, etc.
- Legal expense had been increased based on last year's numbers and projected costs due to ongoing issues within the community.
- The amount for website really included all of their technology needs including those necessary for the new gate pass system.
- Baynard Park's contribution to the shared amenities had increase by \$14K; this was based on a percentage outlined in the governing documents.
- The bottom line showed a budget of \$466,852 or an increase of about \$36K.

He continued and outline the capital expenditures for 2020:

- The front entrance fountain would either need repairs or to be replaced; repairs were expensive and replacing it would be even costlier.
- There side fountains also need work.
- The front entrance upgrades would be completed.
- An engineering study for the roads and the lagoons would be completed.
- The sidewalk extension to River Ridge would be put in.

Overall, the bottom line showed \$533K or a cost to owners of \$1720 annually; this was up \$80 or 4.7%.

7. New and Unfinished Business

Owners Q & A – The following was discussed by the owners, the board and ASM:

- An owner asked about the new gate fees and whether these would be passed on to the owners. Lex said most landscapers, etc. would purchase a yearly pass instead of paying the daily rate; most were familiar with this practice as it was very common throughout Bluffton and Hilton Head. It was possible that these costs would be “built in” to those residents that were using services that would require a gate fee.
- An owner asked about who would be required to pay for entry. Paul said that there was a list that should have gone out to owners with those who would have to pay and those who would be exempt. Several owners indicated that they had not gotten the list and Paul apologized and said it would be sent out after this meeting.
- An owner asked how much revenue these new fees were expected to generate. Lex said the board was really unsure; they had looked at models for other communities, but they really had no way of knowing until the policy was implemented.
- An owner asked when this had been passed and if there was any discussion by owners on this plan. Lex said this had been passed by the board at a recent meeting.
- An owner asked about some of the new line items and whether these were considered onetime expenses or if they would now be in the budget every year; he used technology as an example. Paul explained that there were some ongoing costs with regards to technology like the fee to host the website, etc. but there was also a onetime cost to set up the new technology that would be used for the gate; this would be a onetime expense.
- An owner commented that he did not think that the approximate \$90K per year that was spent on the guardhouse was worth it; he did not think that the gate really offered any

security, that the guards didn't really do much and that it should be left open all day and then closed at night. He was in favor of having a vote in the community and seeing if other people felt the same way. The board said that if there was a problem with the performance by the guards, owners should contact ASM as the security company was under contract and should be performing in accordance to that contract.

- Several owners voiced their concerns about the condition of the lagoon; they had complained to the board without much results.
- An owner suggested that the board looking into a bylaw amendment that would address conflicts of interest related to members of the board bidding on contracts within the community from which they would benefit financially. He wasn't suggesting that something was being done wrong, but it would alleviate the appearance that something may be.
- An owner asked if there was a warranty on the plants that had died at the front entrance; if not, this was something that should be looked at in the future.
- An owner asked if the board had used a landscape architect for the new design for the front entrance. The board said yes.
- An owner commented that while the landscaping still needed improvement, it had come a long way since the community had been turned over from Pulte. These things took time and the board expressed their ongoing commitment to making the community look better.

8. Adjournment

There being not further business to bring before the owners, the meeting was adjourned.