

Regular Board of Directors Meeting
February 2, 2019

MINUTES

Pursuant to call, a Regular Meeting of the Myrtle Beach Resort Homeowners Association, Inc. Board of Directors Meeting was conducted on Saturday, February 2, 2019, commencing at 2:30 PM, in the B Building Conference Room located at 5905 S. Kings Highway in Myrtle Beach, South Carolina.

1. Opening Comments

The following *Directors of the Association* were present in person for discussion: Jeff Richardson, Robert Rosencrans, Lori Niedzwiecki, Nancy Moore and Kenneth Moss. Also in attendance was Barbara Johnson, Association Manager and Gina Marretta, Administrative Manager from Empress Management and Attorney, Robert E. Lee.

2. Old Business

HOA Office Use by First Services/Lease Agreement:

Ms. Johnson presented a lease agreement for the office space, which was prepared by the Association attorney to be reviewed by the Board.

Allegiant Contract Issues:

Mr. Lee stated he would schedule a meeting with Art Justice of Turner Padgett, legal council for Allegiant and he and Kenneth Moss would discuss the matters in question and will discuss with the Board following their meeting.

2019 MBR Operating Budget-modification:

After discussing the budget options presented by management in the workshop, upon a motion by Mr. Richardson, seconded by Mrs. Niedzwiecki, and with unanimous approval it was;

MOVED: *To modify the approved 2019 Operating budget as discussed at the Budget Workshop held on Saturday, February 2, 2019 and to survey the owners as to their opinion on how the Association will replace the \$300,000 shortfall from 2018.*

The Board determined that the Lee Disposal Compactor contract would be paid by Five Seasons and the A Building, Renaissance Tower and the B Building would pay for their own respective trash services for 2019. The cost of the grounds dumpster would be paid by all regimes with Allegiant contributing 5%. In addition, Five Seasons and A Building would reimburse the MBR \$44,000 for trash expense less 5% which is owed by Allegiant. Allegiant would also be invoiced for 5% of B Building trash expense.

Renaissance Tower Liens:

Mr. Lee reported that fines are not assessments, therefore there are no actions to propose at this time. There may or may not be any resolutions.

MBR Rules & Regulations:

The Board discussed that Mr. Lee will review the current rules & regulations. Mrs. Niedzwiecki suggested a Pet Policy that can be enforced resort wide.

Spectrum Cable- Channel Reception & Phone Service:

Ms. Johnson reported that she has requested information from Spectrum following the meeting and the Spectrum representatives have not responded. Mr. Lee stated he will review the contract to provide options to the Board.

Open Insurance Claim:

Ms. Johnson reported that the insurance claim from the September 23, 2015 lawsuit with First Services is still open and will provide further information when available.

Water Park Renovations:

Ms. Johnson reported that the Lazy River has been stripped and shelled, and tile is currently being laid. Mrs. Johnson also reported that there is a wiring issue with the pump system in the pool room, the current fuses are of high amperage and causing circuits to trip in addition to the incorrect gage wiring was used. Ms. Johnson presented a proposal from Durso Electric to make repairs for a total of \$2,430.00. After review, upon a motion by Mrs. Niedzwiecki, seconded by Mrs. Moore, and with unanimous approval, it was;

MOVED: To accept the Durso Electric proposal to replace the necessary wiring issues in lazy river pool house. Not to exceed \$2,500.00.

4. New Business**Front Gate Damage & Purchase of Reserve Gate Arms:**

Ms. Johnson reported an estimated cost of \$501.63 for the gate arm and \$150.00 for labor to replace and repair the gate arm damaged by Allegiant staff. The Board agreed that Allegiant should be invoiced for the cost of the gate arm and labor. The Board discussed that a spring release gate is the best option for the resort and requested that Ms. Johnson obtain pricing. Ms. Johnson stated that the gate system should be fully functional again by February 4, 2019.

Beachfront Gate at the A Building:

Discussion ensued regarding the hours the beach front security gates would be locked. It was suggested that they all be locked from dusk to dawn. Upon a motion by Mr. Richardson, seconded by Mrs. Moore, and with unanimous approval, it was;

MOVED: To finalize installation of gates and that each regime will determine the hours the gates in front of their respective property will be locked.

Selection of 2018 Year End Auditor:

The Board reviewed the proposals received for the 2018 year-end audit. Discussion ensued, and upon a motion by Mrs. Moore, seconded by Mrs. Niedzwiecki, and unanimously approved, it was;

MOVED: To hire The Hobbs Group to complete the MBR HOA 2018 Year End Audit for a total of \$5,250.00.

Ocean Front Spa Fountain Repair:

During the monthly inspection, it was noted that the Lake fountain in front of the B Building was not running. Upon discussion, the Board approved the repair quote from Clear Lakes and Wetlands. Upon a motion by Mrs. Moore, seconded by Mr. Richardson, and unanimously approved, it was;

MOVED: To repair the fountain in front of the B Building.

Robert E. Lee Invoice Approval:

Ms. Johnson presented an invoice from The Robert E. Lee Law Firm in the amount of \$5,420.50 for 29.3 hours. After review, upon a motion by Mrs. Niedzwiecki, seconded by Mrs. Moore, and unanimously approved, it was;

MOVED: To approve the invoice for \$5,420.50 for 29.3 hours and process payment to The Robert E. Lee Law Firm.

Other:

The Board discussed contacting HTC business class to inquire about a contract for all the association business phone service to include the Master Association and all the sub-regimes.

5. Schedule the Next Meeting

The Board scheduled a Special Board Meeting on Sunday, February 17, 2019 at 1:30 PM in B Building conference room to follow up on some of the outstanding items of business.

6. Adjournment

With there being no further business to discuss, upon a motion by Mrs. Moore, seconded by Mrs. Niedzwiecki and unanimously carried, it was;

MOVED: To adjourn the meeting at 4:18 PM.

Meeting Commenced: 2:30 PM
Meeting Adjourned: 4:18 PM

Prepared by Empress Management for:

Nancy Moore, Association Secretary

Kenneth Moss, MBR HOA President

#144 MYRTLE BEACH RESORT
2019 Approved Budget Revised 2-2-19
Units:

ACCT.	INCOME	2018	2019	Difference
30100	Regular Assessments	\$ 896,066.00	\$ 1,185,150.00	\$ 289,084.00
30200	Sales Commissions	12,000.00	12,000.00	\$ -
30300	MBRV Sales Office Rent	64,615.00	66,543.00	\$ 1,928.00
30400	MBRV 2% Rental Commission	91,840.00	91,840.00	\$ -
30500	MBRV Food & Beverage Lease	128,686.00	132,547.00	\$ 3,861.00
30600	Trash Reimbursement	2,400.00	41,800.00	\$ 39,400.00
30700	Gate Income	145,000.00	-	\$ (145,000.00)
30750	Bike Week Parking Fee Income	-	24,000.00	\$ 24,000.00
30800	Storage Room Lease Income	11,311.00	19,470.00	\$ 8,159.00
30800	Common Element Fee (1/2 of gate)	145,000.00	-	\$ (145,000.00)
30900	Earnings carry forward	60,000.00	-	\$ (60,000.00)
32400	Mailbox Income	-	2,000.00	\$ 2,000.00
32600	HOA Office Lease	-	12,000.00	\$ 12,000.00
35000	Other Income (2018 HOA Office Lease)	-	12,000.00	\$ 12,000.00
39500	Reserve Funding	(136,000.00)	-	\$ 136,000.00
	TOTAL INCOME	\$ 1,420,918.00	\$ 1,599,350.00	\$ 178,432.00

OPERATING EXPENSES

Repairs & Maintenance

41300	Grounds Staff Contract Maintenance	\$ 125,000.00	\$ 44,600.00	\$ (80,400.00)
41400	Seasonal Maintenance Staff	\$ -	\$ 33,000.00	\$ 33,000.00
41800	Pool Contract Maintenance	14,000.00	46,234.00	\$ 32,234.00
42000	Pool Supplies/Repairs	20,000.00	50,000.00	\$ 30,000.00
43000	General Maintenance	44,600.00	45,000.00	\$ 400.00
44000	Landscape Maintenance/Supplies	15,000.00	15,000.00	\$ -
44300	Landscape Contract	22,050.00	21,000.00	\$ (1,050.00)
44400	Lake Maintenance	6,240.00	5,040.00	\$ (1,200.00)
45000	Pest Control	2,800.00	1,800.00	\$ (1,000.00)
45100	Termite Bond	585.00	2,000.00	\$ 1,415.00
46600	Fire System Maintenance	2,400.00	1,200.00	\$ (1,200.00)
46800	HVAC Maintenance	3,000.00	3,000.00	\$ -
42700	Golf Cart Lease	13,433.00	-	\$ (13,433.00)
42500	Golf Cart Maintenance /Repairs	3,000.00	5,000.00	\$ 2,000.00
45200	Nuisance Control	2,300.00	2,300.00	\$ -
47000	Janitorial Supplies	5,500.00	12,000.00	\$ 6,500.00
	Total Repairs & Maintenance	\$ 279,908.00	\$ 287,174.00	\$ 7,266.00

General & Administrative

51000	Office Supplies	4,000.00	5,300.00	\$ 1,300.00
51100	Printing/Copies/copier lease	17,000.00	7,500.00	\$ (9,500.00)
51200	Postage	3,500.00	1,400.00	\$ (2,100.00)
51500	Mileage Reimbursement	0.00	1,500.00	\$ 1,500.00
52000	Legal/Professional Services	23,000.00	47,000.00	\$ 24,000.00
52100	Audit/Tax Preparation	4,500.00	20,000.00	\$ 15,500.00
52200	Management Services	78,000.00	74,800.00	\$ (3,200.00)
54000	Meeting Expense	5,000.00	2,000.00	\$ (3,000.00)
59900	Administrative Expense	2,000.00	4,500.00	\$ 2,500.00
83300	Insurance	37,500.00	38,955.00	\$ 1,455.00
	Total General & Administrative	\$ 174,500.00	\$ 202,955.00	\$ 28,455.00

Utilities

60000	Electricity	\$ 53,000.00	\$ 63,112.00	\$ 10,112.00
60100	Water/Sewer	17,000.00	17,000.00	\$ -
60200	Fuel	17,000.00	17,000.00	\$ -
60300	Trash Removal	21,150.00	6,400.00	\$ (14,750.00)
60500	Cable TV (Includes Unit Phones)	188,830.00	283,200.00	\$ 94,370.00
60700	Internet	91,000.00	91,000.00	\$ -
60600	Telephone	95,698.00	1,620.00	\$ (94,078.00)
	Total Utilities	\$ 483,678.00	\$ 479,332.00	\$ (4,346.00)

Other Expenses

71000	Security Services	330,000.00	200,000.00	\$ (130,000.00)
71010	Security Supplies	3,000.00	3,000.00	\$ -
71020	Security Upgrade (Equipment)	-	51,600.00	\$ 51,600.00
72000	Income Taxes	24,685.00	24,685.00	\$ -
72010	Property Taxes	56,600.00	59,101.00	\$ 2,501.00
72020	License & Permits	525.00	440.00	\$ (85.00)
	Depreciation	6,013.00	-	\$ (6,013.00)
56000	Owned Unit Expense	58,296.00	84,500.00	\$ 26,204.00
57000	Storage Unit Expense	-	2,850.00	\$ 2,850.00
99910	General Reserves Contribution	-	145,000.00	\$ 145,000.00
99920	Reserve Reimbursement	-	55,000.00	\$ 55,000.00
99930	Contingency	3,713.00	3,713.00	\$ -
	Total Other Expenses	\$ 482,832.00	\$ 629,889.00	\$ 147,057.00

TOTAL OPERATING EXPENSES

\$ 1,420,918.00 \$ 1,599,350.00 \$ 178,432.00

HOA	# of Units	% of Ownership	2018 HOA Dues	2019 HOA Dues	Proof of Dues
Renaissance Tower	327	32.3762%	24,176	31,976	\$ 383,706.98
HPR (A Building)	251	24.8515%	18,557	24,544	\$ 294,527.38
5 Seasons	161	15.9406%	11,903	15,743	\$ 188,919.95
Ocean Front Spa (B Building)	271	26.8317%	20,036	26,500	\$ 317,995.69
Totals	1,010	100.0000%	74,672	98,763	\$ 1,185,150.00