

GULF STREAM COTTAGES HOA

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2023 Annual Owners Meeting

Saturday, November 11, 2023

10AM

Office of Semper Fi Property Management, LLC

1756 Hwy 501

Myrtle Beach, SC. 29577

or Conference Call Information

Dial: 667.770.1411

Access Code: 281805

AGENDA

1. Call to order: Stamp date and time
2. Introduce and roll call the Board of Directors
3. Introduce and roll call the Property Management Team
4. Roll call owners calling in and present via proxy
5. Determine if quorum has been met
6. Review 2024 Operating Budget
7. Property Management Report/Old Business
8. New Business
9. Count votes and seat the new board member
10. Adjourn: Stamp date and time

CALL TO ORDER/INTROS

GSC HOA Board of Directors President Stephanie Hollywood called the meeting to order at 10:04 a.m. after introducing herself and fellow board members Lorri Freifeld (on the phone) and Gary Price.

Billy Rivera, owner of property management firm Semper Fi, was present for the meeting. He introduced company accountant Ron Petone, who was also present at the meeting.

Owners calling into the meeting via the phone were:

Cheryl Gaaney

Barbara Zulauf

Lorri & Robert Freifeld

Stephanie & Todd Hollywood

Billy ascertained that 33 owners were either attending the meeting in person, on the phone, or had sent in their proxies. So the quorum was met and the meeting deemed official.

Stephanie turned the meeting over to Billy to give the property management report and talk about what happened this past year.

FINANCIAL REPORTS

All in-person attendees had a copy of the latest financial reports. The operating account and reserve account amounts as of Oct. 31 were:

Operating: \$48,934.18

Reserves: \$20,665.68

Billy identified all the vendors that were paid out this year and noted the services they provided.

AGING REPORT: The HOA is doing really good. Only one going into collections, but they are selling their house and the HOA will get the money from the closing.

DUES PAYMENT: Owners can now use their credit card to pay the HOA fees (with a fee) or online via a bank account or debit card with no fee.

TAX RESOLUTION: GSC is a corporation organized under the State of Carolina, so any excess income will be applied to the membership assessments for the following tax year. Billy recommended rolling over the money to the reserve account so we don't have to pay taxes on it. This was put to a vote.

OUTCOME: All homeowners in person and on the call voted yes.

2024 BUDGET: The BOD approved the 2024 budget the other day. Highlights:

- HOA dues are not going up.
- Decreased repairs and maintenance because those expenses were less in 2023.
- Decreased accounting costs.

Billy asked if homeowners would like to have an audit done every three years instead of every year as is required by the Master Deed. This would save costs—up to \$3,000 to \$4,000 per year. But it requires the homeowners to vote to change the Master Deed.

Gary Meise: Did we change the Master Deed to show we now have 3 directors instead of 5?

Billy: No, the Master Deed allows the board to have 3-5 directors, so there was no need to make a change there.

Jonathan Deida: Do we have to vote on the audit change now? Can we hold off on talking about it? Can we find cost savings with some vendors instead of cutting it with the audit?

Stephanie Hollywood: We shopped around for the fire phone vendors and changed that vendor a year ago. The phone has to be in place. We saved several hundred dollars. For the landscaping, for many years, prior to your ownership, we have gone through many landscapers and the quality went down. Our current landscaper is meeting the quality requirements and they are less than the cost of other vendors. As far as the audit, if we do an audit every three years, the records for those three years are still reviewed as part of that three-year audit. It's not that we forego those three years. It's just a three-year interval instead of a one-year interval.

Jonathan Deida: As long as the cost doesn't change because there are more documents to review for three years.

Ron Petone (accountant): When they do an audit, they are checking invoices over a certain amount.

Stephanie Hollywood: We will leave the meeting open and won't adjourn and will let people vote afterward when they've had some time to think about and research the change.

Billy Rivera: The last audit we did, Wayne charged \$1,900 for three years (we didn't audit for three years). Even if it went to \$2,500, it's still worth it. You're still auditing the same time frame.

MORE ON THE 2024 BUDGET: Since we are not raising dues, we shifted money from one spot to another in the budget. There were increases for the fire monitoring phones, pool maintenance contract, property insurance, pool supplies and repairs, fire system maintenance, landscaping supplies (we put money here for mulch and stones so we don't have to eat up the reserve account). I will send out the 2024 approved budget.

Gary Meise: The fire suppression system is 11 years old. Is it up to date?

Stephanie Hollywood: Yes, it is checked quarterly.

Gary Meise: Are all the insurances required by the Master Deed?

Billy Rivera: Yes, we send the Master Deed to the insurer to make sure we are covered for everything the Master Deed requires. This includes crime, pool, and property insurance.

Gary Meise: What is the year-to-date cost for the pool?

Ron Petone: A little over \$13,000.

Gary Meise: I found out a few months ago that we had chlorine, went to salt, and are now back to chlorine. Why is the cost so high?

Billy Rivera: Chlorine is expensive; the salt wasn't keeping up, especially in the heat of the summer.

Q: Can we put the filter on a timer?

Billy Rivera: The chlorine won't last. You'll need to keep changing it.

Stephanie Hollywood: I have a pool. You have to run the pump or it will cost more in the long run to meet DHAC requirements.

Billy Rivera: I've been a pool operator for 25 years. If we turn the pool filter off overnight, and DHAC comes in the morning and the chlorine isn't right, they will shut it down.

Stephanie Hollywood: There are lots of small kids in the pool, and that affects the chlorine level as we unfortunately know that inevitably little kids will pee in the pool.

Billy Rivera: Salt worked out well the first year, but then we had to change the salt cell—that cost \$1,200-\$1,500. GSC's pool has too much usage. As a CPO (certified pool operator), we're there six days a week. We can go down to three days a week, but if DHAC comes when we are not there and the chlorine levels are off, the pool will be shut down.

Jack Cao: We can put capsules/pucks of chlorine in the basket.

Billy Rivera: That is illegal in South Carolina. I had a CPO who was adding it to the system and burned out the filter. GSC's pool is open all year long. It costs \$500 a month—\$16 a day for six days a week for one of Semper Fi's guys to come—which I think is worth it.

Q: Pool furniture is in disrepair.

Billy Rivera: We are addressing this.

Stephanie Hollywood: For the pool maintenance, let's stick with what we know is working.

Tiffany Caruso: I have a problem with the communication when the pool is shut down. I don't seem to get notified and often find out from my guests when it happens.

Billy Rivera: I send out an e-mail every time the pool is closed. It's always within a few hours. I always try to find out what's going on and then alert everyone when I get back to the office. I always put it online on the FB page, as well.

Stephanie Hollywood: An e-mail is usually done in the first few hours. That is the official communication.

Gary Meise: Three times I've caught people with glass bottles, smoking, and vaping at the pool. What are homeowners supposed to do?

Billy Rivera: Tell them to leave. And call me.

PROPERTY REPORT/OLD BUSINESS

DRAINAGE DITCH: Erosion in the second drainage ditch is still an issue (we enclosed and filled in one ditch several years ago). Billy met with the assistant city manager of Myrtle Beach twice. It is on hold. They are looking into what they can do to assist. The city's pipes are on hold, so they will get pipes before GSC does. Stephanie is looking into getting a grant or loan.

The price for the enclosure has gone from \$110,000 from when we first looked at it a few years ago to \$300,000. The board is monitoring the situation. Billy highly doubts there will be a special assessment this year because of the lack of pipes.

The board talked about a retaining wall, but the city of MB said it would be better to close it in. The builder (Flagship Construction) should have closed it in or granted the easement the City of Myrtle Beach originally requested, which would have shifted the responsibility from the GSC HOA to the City of MB.

Gary Meise: The City of MB has lots of infrastructure. There is a 12-year timeframe for a lookback on infrastructure for the builder. We are coming up to that deadline. Flagship should be required to come back. I was told by Steve Moore of the City of MB that Flagship has responsibility for 12 years.

Stephanie Hollywood: We went through this with the attorney we hired years ago. Flagship did not sign the easement. And the City of MB won't take it.

CAMERAS: Ring doorbells are great. We are almost all covered in Phase 1. And the owners are great about getting video to me if needed. We are looking to get cameras around the pool and down Sailors Court.

Lorri Freifeld: Earlier this year, the pool was vandalized, but the pool cameras weren't working because the hard drive fried. So that meant we identify and fine the guests who were responsible for the damage. Are the pool cameras working now?

Billy Rivera: The pool cameras currently are working—we got a new hard drive. We are looking at a cell phone monitoring system. The pool house has Wi-fi; we would need repeaters.

POOL REPAIRS: we will need to drain the pool and inspect it. We know there is a crack in it that needs to be patched.

POOL FURNITURE: We will be getting new pool furniture. We may go back to furniture with straps as they can be repaired/restrapped as opposed to the current furniture where the fabric is ripping and can't be repaired.

LANDSCAPING: We are looking to replace mulch with stones in more of the common areas and budgeted for mulch in the areas we won't get to next year.

PARKING LOT: Semper Fi blacktopped and restriped the parking lots. We used two coats of sealant. We used a one-inch paint roller to get in the grooves as it is a very granular lot.

IRRIGATION: Irrigation was working good all season.

OVERALL COMMUNITY: The summer was pretty quiet. There were no evictions and just a few after-hours noise complaints.

TRASH CANS: The policy on the times cans need to be put in and brought back in comes directly from the City of MB. And the cans need to be closed—they can't have lids open with trash spilling out. The City of MB will fine the HOA, for violations and then the Board will pass the fine on to the homeowner.

The board and Billy created with the rule to have the trash cans go out to the outside streets for pickup instead of inside the community.

Q: Can we get rid of the grass in the backyard?

Billy Rivera: If your patio is fenced in, it becomes limited common area. If you want to change the grass to stones or concrete or pavers, send a request to the board.

NEW BUSINESS

- Stephanies is checking with the City of MB for loans and grants for the drainage ditch project.
- In Phase 1 in front of Veronica Villanova's unit, grass seed didn't take, so it will be replaced with sod.
- We will be going on a weed and feed program—Billy is shopping around for a program. He doesn't believe in TruGreen—the guy would sit in his truck and do nothing and charge \$300.
- The board decided to hold off continuing the fence enclosure as it's very expensive and they didn't want to spend the money until they knew more about the costs for the drainage ditch project. [**Comment:** The fencing has stopped the through-traffic. It has made a big difference.]
- Some updates were made to the Rules and Regulations. Billy will get them to the owners.

Q: What time do the sprinklers come on?

Billy Rivera: Late at night or early in the morning. There are 20 zones, 10 minutes at a time, three times at a week.

Q: Will dead bushes be replaced?

Billy Rivera: We will replace them—including the knockout roses at Gary Meise’s place. The palm trees were trimmed. We do that every 2 years.

Gary Meise: The storm sewer in our backyard is filled with oak leaves. Can that be cleaned out?

Billy Rivera: We clean the main ones once a year, but we will take a look at that one and get it cleaned out.

ELECTIONS

A ballot committee was formed to count ballots for the one open board seat. The committee consisted for homeowners Robin Whitman and Debbie Meise and accountant Ron Petone.

There were two candidates—Jonathan Deidra and Lorri Freifeld. The count was:

10 votes Jonathan Deidra

23 votes Lorri Freifeld

OUTCOME: Lorri Freifeld was re-elected to the board for a three-year term.

Stephanie Hollywood: Thanks to the board. Appreciate your time, Gary and Lorri. Looking forward to another year. Thanks to Semper Fi. We run a productive community compared to others I compare notes with. I am thankful we have such a strong community and HOA.

Lorri Freifeld: I agree with all Stephanie said. Thank you to all who voted. I’m glad to continue serving on the board. I look forward to continuing to work with Stephanie and Gary and appreciate all your hard work and time. Thanks to all the homeowners who help us all stay connected. Thanks to Billy and the Semper Fi team for all their amazing work and effort on GSC’s behalf. I’m so glad to be part of this community.

Gary Price: Appreciate the community and look forward to working with everyone for another year. My goal is to make GSC a better place to live, visit, and for our renters. If we have an active board, we have Billy, and have the owners working together, we have all three.

Gary Meise: My biggest concern is the canal/drainage ditch. I hope the board will be patient. I will be glad to help. You can do retention, retaining wall, and rocks. Enclosing it will be extremely expensive. I don’t like paying extra assessments. Be careful what you do. You need to get at least three to four estimates.

Stephanie Hollywood: Instead of an adjournment of this meeting, we will do a continuation so we can put out a vote to the community on the audit.

Billy Rivera: This will allow us to continue discussions on the drainage ditch project and the audit without having to re-establish a new quorum.

Stephanie Hollywood: I'm calling the meeting at 11:08 a.m. for the continuation.

Billy Rivera: Thanks to all. Thanks for all the help and the eyes and ears of the community. Have a great Thanksgiving!