



Oct. 19, 2009

Guest Speaker: Deborah Retalis, Controller

Topic: 2010 Budget-Second Draft

### **Hello Members!**

Below is a summary of the Oct. 19, 2009 *Mornings with Joe* session. Where appropriate, replies have been researched, clarified and/or expanded upon. These sessions are part of the association's continuing efforts to enhance communications to and from members. Joe Bunting, chief operating officer, hosts these meetings with members on the third Monday of every month at 10 a.m. The next session will be Nov. 16 at 10 a.m. at the community association's administrative office located at 23 Beachwalker Drive.

Meetings are typically at the association offices but can move, so please check your news flash or our website ([www.kica.us](http://www.kica.us)) for updated information. Representatives of the town, developer and resort are invited to attend these meetings so that questions relating to their organizations can be answered quickly.

Joe Bunting started the meeting by highlighting several upcoming Sandcastle events. For more details on these events, please visit the KICA website [http://www.kica.us/events\\_classes\\_fitness.htm](http://www.kica.us/events_classes_fitness.htm).

Joe also announced that DHEC has revised the location of its proposed new 40-year setback line for the oceanfront of Kiawah Island. As a result, no existing structures will be affected. The November *Digest* contains more information.

KICA Controller Deborah Retalis summarized the second draft of the 2010 budget with a PowerPoint presentation. Joe Bunting reminded members present the draft budget was a working document and would not be finalized until brought to the board of directors at its November meeting for a vote. Once approved, the 2010 budget will be placed on the association's website.

*Q: What are some of the MRR projects for 2010?*

*A:* Paving Flyway from Osprey Beach entrance to Ocean Course Dr. intersection, Sandcastle attic improvements for HVAC replacement, and

extending the leisure trail across the causeway at Cinder Creek/Governor's Drive.

*Q: Why are you having the Ocean Course Drive property surveyed and when was the last time a survey was done?*

A: The survey is done to prepare plans for landscaping revitalization of Ocean Course Drive. Survey has not been done before. Currently we work from county maps, but wanted more precision for planning.

*Q: What consultants will KICA employ in 2010?*

A: KICA expects to employ one consultant who will advise regarding improving Johns Island road safety.

*Q: Was there a change in the member surveys since year 2008?*

A: Yes, in 2008 there were approximately one per month. The Strategic Planning Committee will use KMOS more in 2010 than occurred in 2009. This year to date, one survey was done. KICA anticipates more for 2010.

*Q: Why have workman's comp projections decreased?*

A: There has been a decrease in KICA's lost time ratio. We are pleased that for the past three years we have significantly improved employee safety. More reporting occurs than before, but fewer accidents and significantly less time away from work.

*Q: How much did KIU increase its rates for water back in April of this year?*

A: KIU increased its water \$.084 per gallon per 1,000 gallons used. This resulted in approximately \$10 per year increase.

*Q: What is the estimated CTR (contribution to reserves) for 2010?*

A: KICA anticipates \$900,000 in revenue from CTR for 2010. This year's CTR is expected to be \$750-\$800,000.

*Q: How will security handle bikes coming on to the island from the new bike trail?*

A: The new bike trail to Freshfields Village ends before the main gate, so riders can be seen and, if necessary, vetted by security. The director of security and the SSAC are considering. To date, the philosophy is to wait and see if there will be a problem, rather than trying to find solutions where there are no problems.

*Q: Are we going to have a 5% increase in our assessments in 2010?*

A: That is a KICA board decision. We do have an unprecedented transfer of \$1 million from the operating fund surplus to the reserves account to keep the reserves account closer to the minimum level.

*Q: What is the most the assessments can increase?*

A: The maximum increase in assessments is 5% per the Covenants. Special assessments can only occur with a vote in favor of membership.

*Q: Why do members behind the V-gate pay a segment assessment?*

A: The Vanderhorst gate provides an extra measure of security in a staffed second gate. Member's assessments provide tremendous value for a minimal cost per month. The covenants provide that a segment assessment may be levied for the benefit and/or operation of a particular segment of Kiawah Island, the payment of which is borne by the owners with the segment.

*Q: Are there any new developments regarding reciprocity with Seabrook Island?*

A: There is a linkage meeting between the KICA and the Seabrook Island Property Owners Association Boards on Nov. 20. We believe there are several shared topics of interest: Johns Island road safety, SC30 (HOA act) and other topics.

*Q: Is there any activity or negotiations ongoing the property at Parcel 23?*

A: To my knowledge, there is no activity on this piece of property between KICA and the third party developer. However, the board is open to negotiations.

*Q: Was that property purchased and has the transaction closed?*

A: Yes, KICA has received notification that DyalCompass Corporation had purchased the property from the developer and KICA has received the contribution to reserves.

*Q: Who purchased this property?*

A: Parcel 23 was purchased by DyalCompass.

*Q: Does everyone that purchases property on Kiawah have to become KICA members?*

A: Everyone who purchases property on island, whether developed or undeveloped, is bound by the rights and responsibilities of KICA membership, with the exception of a few of the original Eugenia lots. We do encourage those owners to join and to date many have.

*Q: Any prospects for land purchase for future use on Kiawah?*

A: The board of directors through its Strategic Planning Committee will continue to look for opportunities for land purchase to achieve its strategic goals.

*Member's Comment:* We are new to the island. Before we purchased on Kiawah, we explored and researched the area. Kiawah Island far exceeds any other neighboring communities in the area in comparison.

*The next **Mornings with Joe** session will be on Monday, Nov. 16, 2009 at 10 a.m. at the association's administrative office located at 23 Beachwalker Drive. In November, Joe Bunting will do a 2009 year-in-review.*

*A toll-free conference call can connect out-of-town members to the administrative conference room. Teleconferencing instructions are available on the Web at [www.kica.us/mornings\\_with\\_joe.htm](http://www.kica.us/mornings_with_joe.htm), or by contacting association Executive Assistant Tomi Moore at 1-866-226-1770, ext 217 (please contact us at least an hour before the meeting so we can expect you for teleconferencing) or by e-mail at [tomi.moore@kica.us](mailto:tomi.moore@kica.us).*