

**Board of Directors
Minutes**

Present Members: Mr. Elwood Bish, Mr. Bob Holmes, Mr. Richard Jaynes, Mr. Tim Lucas, Mr. Don Manak, Mr. Kevin McMahon, Mr. Rick Pfannenschmidt, Mr. Karl Sneed, Mr. Stan Snell, Ms. Mary Alice Tartler, and Mr. Jay Wiendl

Absent Members: Mr. John Bopp, Mr. Bob Brown, Mr. Bill Devine, Ms. Kim Lutian, Mr. Ken McNerney, Mr. Joe Nahman, Mrs. Debbie Newton, Mr. Mark Rogan, Ms. Susan Roman, Mr. Gunther Schramm, and Mr. Jim Winner

Present Staff: Mrs. Sally Warren, Mrs. Meredith Simmons, and Mr. Brian Pettersen

Others Present: Ms. Anne Reed

Date: August 21, 2014

I. Roll Call

The meeting was called to order at 4:04 p.m. A quorum was established.

II. Review of Prior Minutes

The minutes of the prior meeting were reviewed and approved as written.

III. 2013 Review –Pat Carey & Associates (Anne Reed)

Ms. Reed addressed the group regarding the results of the 2013 Review, specifically highlighting the balance sheet and statement of cash flow. She reported that SPOA had a good, conservative year. She went on to review bad debt and insured funds. She commended management for their cooperation and participation in the process, and discussion was held regarding a full audit for 2014.

IV. Finance Report

Mrs. Warren reported that income was \$65,842.62 ahead of budget due to Enhancement Fee income and strong decal income, which is tracking ahead of 2013 through July. She reported that Enhancement income is down by \$15,905.50 from July of 2013. She went on to report that the total receivable as of July 31st was \$7,670.95 or less than 1% of the total billing, which is excellent for July. She stated that Security expenses were 7% below budget with labor and health insurance

savings contributing to the surplus and that Landscaping costs were \$11,049.00 below budget. She reported that major palm tree trimming and additional flowers will be reflected in the next report. Mrs. Warren went on to report that General Administration costs were 1% below budget with three payrolls experienced in July. She stated that General Maintenance costs were \$3,914.29 below budget. She noted that regime lagoon reimbursement bills will be forwarded by the end of August and will include any alligator removal costs. She stated that Beach Club expenses through July were \$3,334.03 below budget, but noted that labor costs will increase over the coming months. In closing, she stated that Enhancement Fee income through July 31st was \$50,345.50, which is \$15,905.50 behind July 2013.

V. Old Business

A. Paving

Mrs. Warren reported on plans for paving from Hilton Head Health to Hamilton. It was noted that this work would be performed by J S Construction.

B. Bank Loan – Welcome Center

Mrs. Warren reported on the Welcome Center refinancing terms as discussed at the Executive Committee meeting.

C. Updated Reserve Study

Mrs. Warren reported that the Reserve Study was being updated, and it was noted that an increase of \$12K was included in the 2015 budget draft accordingly.

VI. New Business

A. Beach Club Usage/Events

Mrs. Simmons detailed the discussion from the Executive Committee meeting regarding complimentary regime rentals. It was noted that complimentary regime rentals would be limited to: once yearly per area, a maximum of four hours (8:00 a.m.-noon), and may only be booked up to 18 months in advance. Additional discussion followed regarding other usage.

B. Bike Parking

Mrs. Warren reported on increased bike traffic throughout the property, and noted that the Executive Committee approved the purchase of 4 additional bike racks for this year. This may be revisited in 2015.

C. Preliminary Budget Information

Mrs. Warren presented a preliminary budget for 2015. She detailed the draft, which was based on a 2.3% increase in owner assessments. It was noted that a 3% increase in wages for staff and a 10% increase for group medical insurance costs were included. Discussion followed, and it was noted that the board would vote in October and to contact her with any questions.

VII. Adjournment

The meeting was adjourned at 4:48 p.m.

Mr. Elwood Bish, Secretary/Treasurer