

**Board of Directors  
Minutes**

**Present Members:** Mr. Elwood Bish, Mr. John Bopp, Mr. Bill Devine, Mr. Bob Holmes, Mr. Richard Jaynes, Mr. Tim Lucas, Mr. Don Manak, Mr. Kevin McMahon, Mr. Ken McNerney, Mr. Rick Pfannenschmidt, Mr. Mark Rogan, Ms. Susan Roman, Ms. Mary Alice Tartler, Mr. Jay Wiendl, and Mr. Jim Winner

**Absent Members:** Mr. Bob Brown, Mr. Joe Nahman, Mrs. Debbie Newton, Mr. Gunter Schramm, Mr. Karl Sneed, and Mr. Stan Snell

**Present Staff:** Mrs. Sally Warren and Mrs. Meredith Simmons

**Date:** April 24, 2014

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**I. Roll Call**

The meeting was called to order at 4:08 p.m. A quorum was established.

**II. Review of Prior Minutes**

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

**III. Finance Report**

Mrs. Warren reported that 1<sup>st</sup> quarter income was \$98,580.49 ahead of budget due to Enhancement Fee income and strong decal income, which is on track with the 2013 income March. She reported that Locker income is up \$6,030 from 2013, but Enhancement income is down by \$7,046.25 from March of 2013. She went on to report that the total receivable as of March 31<sup>st</sup> was \$52,046.55 or 3% of the total billing, which is excellent for the 1<sup>st</sup> quarter. She stated that Security expenses for the 1<sup>st</sup> quarter were 6% below budget with labor and health insurance savings contributing to the surplus and that Landscaping costs for the 1<sup>st</sup> quarter were \$4,809.06 below budget with minimal tree work contributing to the positive variance. Mrs. Warren went on to report that General Administration costs for the 1<sup>st</sup> quarter were \$3,325.01 over budget due to higher than normal administrative costs in preparation for the Annual Meeting and that General Maintenance costs for the quarter were \$2,663.54 below budget. She stated that Beach Club expenses through March were right on track with the prior year, and noted that the Association expects full reimbursement for the water leak repair and restoration work. In closing, she stated that Enhancement Fee income through March 31<sup>st</sup> was \$12,972.50.

**IV. Old Business**

**A. Beach Club/Time Warner Claim**

Mrs. Warren reported on a significant water leak/flood in the Beach Club, which was caused by Time Warner technicians during equipment installation on December 13,

2013. It was noted that repairs costs were in excess of \$7,000.00, and it was reported that full reimbursement from Time Warner is expected.

**B. Time Warner/Hargray Update**

Mrs. Simmons reported on the details of the POA transfer from Hargray to Time Warner's telephone and data services, which was initially slated to be effective in October 2013. It was noted that Time Warner was unable to provide services at the Beach Club or Pope Avenue gate locations in accordance with the service agreement negotiated last May. It was noted that Time Warner's existing infrastructure was not sufficient to support existing telephone equipment at those locations, multi-line services at the Welcome Center or satisfactory data speeds at any of these sites. It was also noted that Time Warner delayed installation and/or rescheduled porting multiple times, which resulted in delay of the unsuccessful transfer until January 2014. Ultimately, management decided to port services back to Hargray due to inability to perform efficiently via Time Warner's limited offerings. She also reported that additional costs were incurred as Teltecs was contracted for completing emergency transfers of service during this transitional period. It was noted that these services were in excess of \$2,800.00. It was noted that a letter, drafted by Mr. Deeb, was forwarded to Time Warner accordingly. She stated that the letter was to serve as an official cancellation of services with Time Warner, as the company was unable to provide services as outlined in the order placed last May. In closing, she reported that the porting process back to Hargray was successful and noted that an update would be available at the next meeting. Discussion followed.

**C. Refuse Conversion**

Mrs. Warren reported that there were few complaints or questions in response to the recent refuse conversion.

**V. New Business**

**A. Snow Cone Renewal**

Mrs. Warren reported that this season's Snow Cone agreement was recently endorsed. Mr. Wiendl briefed the board on plans for a new seating area near the stand and ideas for new offerings.

**B. Committee Appointments**

The group reviewed the proposed committee appointments for the 2014-2015 term. Mr. Wiendl moved and Mr. Bish seconded a motion to approve the list. One addition was made. Motion passed.

**C. Commercial Updates**

- **Shipyard Golf:** Mr. McNerney reported on some new package deals for owners, various plans for minor projects throughout the grounds, and shared that he felt business was good in general.

- **Van Der Meer Tennis:** Ms. Lutian reported that activity at the tennis facility has been very good this year, and further stated that she thought this year was the best the company has had in the last 3 or 4 years. She detailed recent tournaments, briefed the group on upcoming events, and gave an overview of the bi-annual free tennis clinic events which are open to Shipyard owners and guests.
- **Sonesta Resort:** Mr. Wiendl reported that the year was off to a great start at the hotel. He mentioned that the resort was recently rated #1 on Trip Advisor. He also stated that this year has been forecasted for the best revenue in 7 years at the resort. He also briefed the group on several offerings and discounts for owners, highlighted various resort events open to residents and/or the public, detailed plans for significant landscaping upgrades and tree work to open up views, reported on an upcoming \$170K kitchen upgrade, and mentioned that the resort was cited as "best wedding venue" in *HH Monthly*.
- **Hilton Head Health:** Mr. Lucas reported that Hilton Head Health was experiencing a record year, and it was noted that reservations were up significantly. He reported on the upcoming renovations/additions to the property, particularly highlighting negotiations with the Town regarding impact fees. He shared that the contractor, Choate Construction, would be onsite within the next few weeks. Once construction begins, he stated that the Pilates studio would be the first project, and he estimated that would take approximately five months to complete. He stated that phase would be followed by the addition of an outdoor dining venue, and then the 28-room lodging facility. The anticipated start date should be around January 2015.

#### **D. Large Scale Managers Convention**

Mrs. Warren reported on the upcoming large scale manager's convention, in which she and Mrs. Simmons will be participating along with other area community management teams. It was noted that the Sonesta is the host hotel for the convention to be held in mid-September, and discussion followed regarding publicity for the POA.

#### **VI. Adjournment**

The meeting was adjourned at 5:25 p.m.

The attendees enjoyed a wine and cheese social immediately following adjournment.

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Mr. Elwood Bish, Secretary/Treasurer