

**Board of Directors
Minutes**

Present Members: Elwood Bish, Bill Devine, Bob Heim, Karen Hough, Dave Humphrey, Don Manak, Kevin McMahan, Karl Sneed, Paul Stemsynski, Mike Wallis, Judy Weissman, and Jay Wiendl

Absent Members: Kathi Blakey, Jill Boyd, Joyce Braude, Clare Cutaiar, Danny Eisenhuth, Bob Holmes, Dick Jaynes, Kim Lutian, Joe Nahman, Debbie Newton, and Mike Newton

Present Staff: Sally Warren and Meredith Simmons

Others Present: Bob Deeb and Tom Korzik

Date: August 31, 2017

I. Roll Call

The meeting was called to order at noon. A quorum was established.

II. Prior Minutes

The minutes of the prior meeting were reviewed as written.

III. Audit Review-Carey & Co. (Tom Korzik)

Mr. Tom Korzik presented the 2016 audit results to the attendees. Copies were distributed for review. He detailed the document, highlighting the various statements and reports. He commended the Association for a low receivable and a strong cash position. He made a reference to a minor issue with bank signature cards at Atlantic States Management, but it was noted that the error was made during an accounting staff transition period. He also expressed his appreciation to the staff for their cooperation throughout the process. Discussion followed.

IV. Financial Report

Mrs. Warren reported that total income through July was \$170,488.29 ahead of budget as a result of strong decal income that was \$21,376.00 ahead of 2016, and excellent Enhancement Fee income in 2017 of \$88,064.00 or \$20,357.00 ahead of 2016 for the same period. She stated that the total receivable as of July 31, 2017 was \$33,903.03 or only 1% of the annual billing not collected. It was noted that ollection efforts have begun. She reported that security expenses through July were \$15,987.44 below budget for seven months as struggles continue with labor. She went on to report that landscape

costs through July were 6% below budget, but noted that hauling continues to be over budget due to hurricane debris removal costs. It was also noted that additional tree removal costs will be incurred over the next few months. She went on to report that general administration costs through July were 7% below budget with savings in insurance, taxes and electricity. She also reported that general maintenance costs through July were 6% below budget even with some extra paving, signs and continued fence repairs. In closing, she stated that Beach Club expenses through July were \$5,303.04 below budget; however, on-going general maintenance will continue.

V. **Old Business**

A. **Hurricane Clean-Up/Preparedness**

The following items were discussed related to hurricane clean-up/preparedness:

- **Fence @ Port O'Call**-Mrs. Warren reported on the status a fallen fence in the rear of Port O'Call (near Sonesta and Van Der Meer). It was noted that the fence fell during the hurricane, which has resulted in a security risk. She reviewed a proposal to have the prior board-on-board material replaced with 6ft chain link fencing. It was noted that the Executive Committee approved a 3-way split of the chain link fence cost between SPOA, Port O'Call, and the Sonesta.
- **Downed Trees (Lagoons)**-Mrs. Warren reported that FEMA recently removed downed trees from the lagoons throughout the property. It was noted that the chemical treatment company will complete a survey to determine how many trees remain, and will soon be forwarding an estimate for review.
- **Generators**-Mrs. Warren reported on the status of purchasing a generator. Discussion followed regarding leasing options in the event of a storm.

B. **Paving**

Mrs. Warren reported that the paving work on St. Johns was completed, and noted that that process went smoothly.

C. **Enhancement Ideas**

The following potential projects were discussed:

- **Information Boards (electronic signs)**-Mrs. Warren presented an estimate for an information sign option, which was quoted at \$9600 per location. It was noted that this option included a brick base.
- **Print Material/Advertising (HH Monthly and Local Life Magazines)**-Mrs. Warren presented quotes for advertising in both magazines, and distributed information about the new Local Life magazine.

- **Outdoor Kitchen Area (Beach Club)**-Mrs. Warren shared information regarding proposed plans for adding an outdoor kitchen area at the Beach Club. It was noted that James Atkins (staff architect/ARB) is currently working on plans.
- **Mailbox Upgrades (residential areas)**-Discussion continued regarding options for replacing the residential mailboxes in the winter or spring. Estimated costs for materials were discussed, and the ARB's recommendations regarding color were reviewed. The estimated cost per 100 mailboxes was \$5,500.

IV. New Business

A. Time Warner/Charter Proposal

Mrs. Warren reported on a proposal from Time Warner/Charter, which includes payment for a 10-year marketing agreement negotiated by Communications Consultant Group. Mr. Deeb summarized the main points of the proposed agreement, highlighting his recommendations for minor revisions. Discussion followed and Mr. Wiendl made a motion to approve Mr. Deeb moving forward with negotiating the contract terms. Mr. Bish seconded the motion. Motion passed.

B. Covenant Questions

Mrs. Warren reported on concerns regarding short-term rentals in Residential South, noting that there exists a group of owners interested in prohibiting them. It was also noted that an amendment would be required to change the existing covenants. Per Mr. Deeb, it was noted that a vote of 75% of the board and a vote of 75% of members at a duly called meeting would be required to approve any changes. It was noted that the change, if approved, would occur at the sale of the property unless an individual owner voluntarily added restrictions to their current property.

Per discussion at the Executive Committee meeting, it was noted that management would poll all Residential South owners to determine the level of interest related to amending the covenants. It was noted that the survey would be sent out shortly, and the results would be summarized and shared at the next meeting.

C. Sailmaster Suit

Mrs. Warren reported on the status of a lawsuit between All Care Tree Services and the Sailmaster HPR. It was noted that Shipyard was named in the suit, but that the matter has been turned over to the POA's insurance carrier. It was also noted that Mr. Deeb has reviewed any related correspondence. Mr. Deeb entertained questions.

D. Sonesta Lagoon

Mr. Wiendl detailed plans for landscape/bulkhead upgrades to the lagoon system at the Sonesta. It was noted that the ARB has reviewed the plans, and deemed it acceptable and environmentally sound. Brief discussion followed.

E. Adjournment

Prior to adjournment, questions were raised regarding the HH Health request to use street legal vehicles called GEMS (Global Electric Motorcars),

There being no further business, the meeting was adjourned at 4:54 p.m.