

**SHIPYARD PROPERTY OWNERS' ASSOCIATION ANNUAL MEETING
MINUTES
MARCH 14, 2018**

1. Roll Call

President Kevin McMahon called the 2017 Annual Meeting of the Shipyard Property Owners' Association to order at 4:00 p.m. and reported that a quorum had been established. The total represented by proxy or attendance was 1323 or 63%.

2. Welcoming Remarks

Mr. McMahon welcomed the attendees and spoke briefly regarding the strategies, goals and accomplishments of the current Board of Directors and Association committees throughout the past year. He recognized the current Board of Directors, the Executive Committee, the members of the newly elected Board and the representatives from the major commercial entities within the property. He went on to thank the members of all of the various Association committees, and he complimented all of the staff members on their annual performance. He also recognized the landscaping contractor and commended their staff for the continued improvement in the overall condition of the property. He also thanked legal counsel and accounting personnel for their contributions throughout the year.

3. Review of Prior Minutes

Mr. McMahon entertained a motion to dispense with the reading of the prior minutes. A motion was made to waive the reading of the prior minutes and to approve them as written. The motion was seconded and passed.

4. Financial Report

Mr. McMahon expressed his thanks to the members of the Finance Committee and commended the group for their commitment to SPOA's goals. He reviewed the Sources of Revenue for the Association and reported that \$2,634,828.03 was received in 2017 of which 70% was for assessments, 12% for decal sales, and the balance for vending, interest and other various categories. Major expenses included Security at 49%, Administration at 20%, Landscaping at 9%, Beach Club at 4%, General Maintenance at 3%, Enhancement Expenses at 3% and Capital Reserve Expenses at 9%. He commented that the Enhancement Fund was one of the best programs developed for the Association, and highlighted how the 12-year average of over \$111,000 annually benefits the community. It was noted that a total of \$1,332,618.62 was collected in Enhancement funds over the past 12 years.

Mr. McMahon then reviewed an area-wide assessment comparison, noting that SPOA's assessment fee continues to be among the lowest in the area. He also stated that the Association has accumulated \$432,430.14 in Catastrophic Reserve even after storm clean-up costs. It was noted that 2017 ended with a net gain of \$168,168.29. In closing, he emphasized that Shipyard is well maintained and without additional assessments even following a major storm clean-up process. Again, he thanked his fellow board members for their keen oversight and their willingness to serve.

5. Manager's Report-Sally Warren, General Manager

Mrs. Warren presented a summary of the year of operations and noted, that in getting ready for the *State of Shipyard* talk, she realized that most of her notes throughout the year revolved around weather issues. Clean up of Hurricane Mathew, clean up from Tropical Storm Irma and the January snow and ice storm made for a year dominated by weather and weather-related concerns. Hurricane Matthew debris that was not picked up by Crowder Gulf needed attention by the POA throughout 2017, as did all the debris generated by IRMA since the Town did not commit to clean up in the gated communities following IRMA's evacuation and return. She noted that the IRMA debris costs for SPOA were in excess of \$28,000 and that once the deductible was satisfied, Shipyard had debris insurance in place that covered \$18,000.00 of those costs. She summarized the communication improvements, to include: expanded eNewsletter and eBlast distribution lists, upgrades to *the Anchor*, improvements for social events and expanded use of the Beach Club for owners.

Financially she stressed that although challenging, 2017 was a great year in operations that came in below budget, as well as an exceptional year in real estate sales. She highlighted improvements funded by the Enhancement Fee and concluded her remarks with a tribute to Brian Pettersen, Director of Safety and Security, who will be retiring at the end of May, 2018. Mrs. Warren thanked him for his service and awarded him the *Community Spirit Decade Award* for his contributions to making Shipyard a safer place.

6. Guest Speakers-Bill Miles, President & CEO of the Hilton Head Island-Bluffton Chamber of Commerce

Mr. Miles addressed the attendees regarding the goals and accomplishments of the Hilton Head Island-Bluffton Chamber of Commerce over the past few years. He detailed statistics regarding area tourism initiatives, related occupancy rates, economic drivers, and visitor patterns and spending trends. He went on to discuss the growing rates of jobs created by Island tourism, noting that tourism on Hilton Head now accounts for over 15.6% of all jobs in Beaufort County. He then discussed ways to maintain positive momentum, noting how strong business collaboration and media partnerships have contributed to success. In closing, he mentioned several awards and accolades that Hilton Head has recently earned as a

premier destination and discussed strategies to ensure future attainment for years to come.

7. Awards/Presentations

During the General Manager's address, the *Community Spirit Decade Award* was presented to Brian Pettersen for his service to the organization. *One of the Best Awards* were also presented to Liz McMahon and Linda Zink for their many years of service in the feral cat program. Mrs. Warren also recognized landscaping, accounting, and legal personnel for their efforts to ensure the Association's successful operations throughout the year.

Prior to the question and answer period, the owners enjoyed a video highlighting the social events and sense of community within Shipyard in 2017.

8. Q & A

A brief question and answer period was held. Questions were raised about the possibility of a *resident's only* entrance lane at one of the gates, and/or extending the dispatch lane accordingly.

9. Adjournment

It was moved, seconded and approved to adjourn the meeting at 5:11 p.m. Owners were invited to enjoy a social immediately following the meeting.