

## Annual Meeting Speech 2018

Historically I have given a mini "State of the Union of Shipyard" speech at each annual meeting so, to jog my memory, I keep a little file on my desk where I put sticky notes with buzz words for things I might want to talk about in March. As I looked in my little file to get ready for today, I found several notes but they all said the same thing: weather, weather issues, storm debris, storm evacuation, and finally in January, remarkably, ice and snow. Whether it was too hot or too cold or whether we did not have enough rain or too much rain, this year was dominated by something we cannot control: Mother Nature.

Although Hurricane Matthew seems like ancient history, the POA was still in the business of cleaning up what we were not able to get accomplished by FEMA throughout most of 2017. Just to jog your memory, the debris removal costs throughout the island totaled \$40,000,000, of which \$28,000,000 was attributed to private roads. Shipyard was significantly clear of its major debris in the early part of the year thanks to Crowder Gulf. But the work that remained after Matthew was getting the lots to clear their debris, and then getting the owners of the lagoons to remove the debris that was not cleaned up by other entities. There were also debates over who was responsible for a tree that fell across property lines. Additionally, there were many trees that were not readily seen as damaged which later fell or were compromised from years of drought and then heavy winds in both Matthew and Irma. Consequently, we spent a great deal of time with our friends from AllCare Tree, our preferred removal company.

I am a big believer in insurance and have been trying to get debris removal coverage at a reasonable cost for several years. We did have this coverage during Hurricane Floyd and it was very beneficial. Luckily, we were able to secure a rider on our property policy for 2017 which had coverage for debris removal costs and some fence and sign damage coverage. It came with a \$10,000 deductible, but our storm related costs for Irma alone were over \$28,000.00 so we were reimbursed for over \$18,000.00 of this debris clean up. Hurricane evacuation in back to back years is mindboggling, to say the least, as well as expensive and disruptive to every owner and every organization or business that has had to deal with this necessity.

One of the classic mantras of island living is - do not stay on the island when they call for an evacuation. However, our past Chamber President who is also the GM of the Sonesta, does not always abide by that mantra. But the good news is that Jay Wiendl, who remains at the resort during severe weather, has provided us a bird's eye view of the storm conditions and the conditions on the property before, during and after both Matthew and Irma. Irma, although just a tropical storm, came precariously close to breaching our dune with the tidal surge and actually broke the dune at Leamington. My husband and I waited until quite late in the evacuation process and finally made the decision to ride it out. We live in Windmill Harbour and when the surge hit, the water came flooding over the lock, rose up out of the marina onto the promenade and up under the houses across the street from the sound side reminding us that evacuation is a smart plan. I now have a new found appreciation for what they mean when they say... tidal surge.

Our reentry to the property was a bit easier coming from Windmill vs. Augusta, so we were able to document quickly the conditions on the property. Unlike Matthew, there was comparatively minimal property damage in Shipyard, but again there was significant landscape debris throughout property and this became the POA's first priority. The Town announced that they would not be doing pick up throughout, and each POA was on their own for removal. Consequently, the Greenery and All Care

provided extra crews, and we were staffed and operational quickly, somewhat more seasoned in the drill than we were the year before.

Mountains of debris were piled along the road rights of way from the regimes and the owners, and we called on both the Greenery and All Care to pick it up and handle disposal. This two team program enabled us to get picked up twice as fast and get the property back in shape for the remainder of the fall season.

We received very high marks over the year for our improved communication efforts and email became essential for us to get the word out to owners. Over the past year, we have done a massive campaign to get emails from the membership and where 24 months ago that percentage was less than 24% today we have secured over 68%.

We make every effort not to misuse this vehicle or other social media, but on an average we send about 15 e-blasts per month to advise owners of pending projects, weather conditions, upcoming social events and things that will help them be in the know of storm conditions, maintenance projects and social events which they might enjoy. We are also working with our Communications Committee to determine what is the “right” amount of communication the owners would like to have.

In addition to our upgraded communications, we have given the Anchor a new facelift and many thanks to our contributing writers, Joanne Voulelis and Dave Humphey, and the other members of the Newsletter Oversight Group, Lise Husbands and Mary Alice Tartler, for their ideas and editing.

Obviously, one of the biggest astrological events for South Carolina was the total eclipse weekend last June. I remember reading in the *Island Packet* that the eclipse drew 1.6 million visitors to the state and that was the state’s largest tourism event ever. Unfortunately, I will not remember the eclipse itself, but I will remember the nightmare of getting the viewing glasses. We had always planned on an owner event at the Beach Club for the big solar show and had dutifully ordered viewing glasses from Amazon. However, right before the eclipse we were told those glasses we ordered may be on the recall list, so at the last minute we were searching for 200 pairs of glasses. Most places had sold out and on-line vendors were in some cases charging ten times what the glasses cost originally. With great effort by Katie and Meredith, we were able to get the glasses; but like many islanders, we were disappointed that Mother Nature provided a fairly heavy cloud cover at the peak moment. There were glimpses of the eclipse from the Beach Club deck; but when the next eclipse occurs, we hope for a clearer day. Many of us may not see that day, but we will be sure to leave a sticky note for future management to purchase glasses way ahead of time.

And if Mother Nature had not shown off enough, we had our first snow/ice storm in 28 years. It was beautiful to see snow and these pictures that Mary Alice Tartlar captured show some surreal scenes of what most of us left the north to avoid. 75 percent of our staff lives off island so keeping folks on post was a challenge. Road closings, unbelievable delays on I95, and multiple fender benders made for some interesting driving. I received a funny email from Kevin McMahon, our President, who asked if I had money for a snow plow in the budget. We were just hoping for some salt to keep the entrance to the Welcome Center safe. There was no salt left to buy locally within a few hours of the storm, and as a second alternative Brian secured bags of kitty litter and tried to get some traction for the stairs. You have never seen such a mess as every vendor renewing their decals tracking in the kitty litter. So another of those sticky notes for my next year’s file is – buy salt in the summer.

Other exciting events last June included the viewing of the Bachelorette which had been filmed on locations in Hilton Head and Bluffton. Certainly having Rachel and her suitors stay at the Sonesta was

cause for excitement, and I knew last spring that something big was happening when I was driving through the property and saw several muscle-bound men jogging through Shipyard. Whether or not you loved the show itself or not, the exposure for the Island and Shipyard was nationwide and especially “Bachelor nation-wide.”

We had another first socially with an inaugural Casino Night in 2017, and back by popular demand, another one this February. Of course, you can't win money but you can win prizes which were generously donated by the Shipyard Women's Club, our commercial partners and some local vendors with close proximity to Shipyard. Many thanks to all who helped make one of new winter venues, an imaginary trip to Las Vegas without leaving home, a success.

One of the goals of our management team is to make sure we create some enjoyment in addition to providing the day to day maintenance and security for your annual fee. I don't believe there is another gated community that includes so much complimentary use of a recreational facility as Shipyard does for its owners with the Beach Club. The club was used for 120 days last year with thriving Men's and Women's Clubs, Owner Days, Nibble and Nips, and other POA events. In addition to enriching life in Shipyard, the Beach Club also contributes to your income with approximately \$64,000 in locker revenue and over \$33,000 in paid rentals annually.

I believe that being a gated community with beach access, easy access to the south-end and an economically inviting price point paved the way for nothing less than a banner real estate year. We showed a graph of the our stats since we were tracking the Enhancement Fee in the Finance Report, but it is important to note that sales increased as did property values. Karl Sneed is our Resident Realtor who provides the most up-to-date numbers so we can track how we are doing in the sales market. This is not just Enhancement Revenue; however, 25% gets put into the Catastrophic Fund which took a big hit with the past two years of storms. It was a big hit for which we had reserves, however, and we did not have to assess the membership who already had additional expenses personally to handle.

So what kind of things are we doing with the Enhancement proceeds in addition to amassing a Catastrophic Fund? Other improvements include the widening of the bicycle paths as we are resurfacing. To date we have finished the Beach access path as well as from Beachwalk to the circle as of year-end. We also did the path across from the Welcome Center in 2017, which was becoming a liability due to cracked concrete. Continuing the path widening is an on-going Board priority, and the next approved section is from the circle to Salem Road. Also approved was the construction of the new electronic information board, (SHIP) Shipyard's high definition information portal; an outdoor grill area at the Beach Club which has unfortunately been slightly delayed due to some setback issues and permitting by the Town, a change in the residential mailbox color where 1.5 gray boxes are no longer available, and finally some revamped ads to market Shipyard as a great place to “drop anchor.”

2017 was also a year where the subject of labor issues facing the island became prevalent. I do not believe there is a business out there that has not struggled with getting qualified labor to the island and keeping that labor content in their job for consistency and competency in their companies. As reported in several newsletters, 75% or better of our labor force come at great aggravation from off-island. Certainly the competition and convenience of not coming this far presents challenges. We have tried to tackle ours with good wages, good benefits, and good working conditions. How we compare with other communities in the area was reviewed by the Executive Committee and a Long Range Think Tank in February. Our wages are in line and competitive for hourly employees and below the area average for management so we believe you are getting a lot for your money. We are fully staffed, have had great longevity for many employees and continue to provide you with familiar faces in the operation.

Happily, when it comes to securing our landscape crew, that job belongs to the Greenery. The Greenery contract is comprehensive and includes not only the common area grounds, janitorial maintenance but also some minor "Mr. Fixit" items. They have been doing our plantation for three years and there is noticeable improvement in the definition and maintenance along the roadways and the flower beds. Back-to-back years of hurricanes have been challenging for them as well, but the depth of their personnel and equipment along with All Care's crews and response have enabled us to get back to normal in remarkably short time.

Several topics were reviewed at our Think Tank in February and one that is always discussed is the dynamics of our beach access. We thoroughly reviewed this with a panel of representatives with folks from all aspects of the POA and visited the proposed costs of any changes to our walkway. To redo any walkway would cost in excess of \$125,000 and may not solve the sand accretion on the walkway as the beach is a dynamic environment with an increasing dune and plenty of new sand to pick up and redeposit with the beach re-nourishment. Certainly it would be optimum to someday lift up over the dune so there is no breach, but we may want to wait and see how the secondary dune project goes that the Town is planning. So for now, the consensus is our beach access is adequate and owners can get to the sand by ramp without having to use stairs. For anyone needing a beach sand chair, please contact Security and they can make arrangements for you to use the handicap sand chair housed at the Beach Club. We have continued maintenance going on in the beach area with a recent repainting of the Beach Club, the bathrooms and the walkway and will continue to assess the best access for the beach area.

Other challenges facing the POA in the future include pond management, staff retention, major road work and keeping our diverse property running smoothly while trying to meet the varied needs of our owners. Staff retention is being handled best through keeping up with our competition. Road repairs, challenged by heavy truck usage during the storms and the extremely cold temperatures experienced this winter, are being accelerated as well as striping which is currently in process. Pond management is a giant challenge going forward requiring future bathymetric mapping, sediment analysis, phosphorus testing and eventual dredging. The Executive Committee has recommended that we use some cash carry over from prior years to begin a substantial reserve for lagoon management to augment our current capital reserve so we can begin to tackle these challenges. Aging is a challenging reality whether we are talking about our health or the health of our property. Please be assured that we are making every effort to be true to our core mission statement to improve property values and the enjoyment of your life in Shipyard Plantation.

As I close, I want to say thank you to someone who is finally going to take the time he has so earned and go enjoy his third retirement. Brian Pettersen, who has been working with us for 17 years, has decided for the third time that it is really time to go enjoy life. His contribution to our organization is beyond words and his friendship has made work seem less like work. There are very few people who came into the Welcome Center with a Security issue that did not leave feeling better and fairly treated. We will miss his cheerful countenance, his thick Boston accent, his kindness and his contributions to making Shipyard a safer place. If you see him between now and the end of May, remember to thank him for all that he has done.

And now, instead of waiting till the award time, we want to give Brian the Community Spirit Decade Award for serving as a wonderful Chief for Shipyard. We know he loves Charleston, so in addition to being added to the plaque which celebrates great contributions to Shipyard, we will be helping him spend a wonderful retirement weekend in one of the prettiest cities in America. Please join me in a round of applause for Brian in great appreciation of his fine service.

