

**Board of Directors  
Meeting Minutes**

**Present Members:** Kathi Blakey, Dennis Foley, Richard Grimm, Robert Heim, Karen Hough, Jerry Pecoraro, Adriaan Radder, Valerie Romig, Karl Sneed, Joe Strivieri, Judy Weissman & Herbert Whildin

**Absent Members:** Eric Boberg, Michele Hughes, Dave Humphrey, Richard Jaynes, Wayne Kearney, Kim Lutian, Donald Manak, Kevin McMahan, Robert Moonen, Raffael Ormeggio, Mark White & Bethany Wilkinson

**Present Staff:** Meredith Elmore, Lawrence Alexander & Katelyn Coward

**Date:** August 18<sup>th</sup>, 2022

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**I. Roll Call**

The meeting was called to order at 10:46 am. A quorum was established.

**II. Review of Prior Minutes**

The minutes of the prior June 23<sup>rd</sup> meeting were reviewed and approved as written. Ms. Blakey made a motion to approve. Mr. Pecoraro seconded the motion. Motion passed.

**III. Audit Presentation – Tom Korzik, Carey & Company**

Mr. Korzik reported that audit came out well with only two accounting changes that were needed. He stated one was creating a policy for bad debts and the other were corrections needed on the accounting side. Both improvement changes have been made. Brief discussion followed.

**IV. Financial Report**

Dr. Elmore reported Income through July was \$340,532.15 ahead of budget as a result of strong decal revenue and \$249,262.50 of Enhancement Income YTD. Rental Access income is tracking slightly behind 2021 but will increase over the next few months. Decal income is tracking higher than 2021 YTD and budget adjustments may need to be made accordingly. Note that July 2022 STRP income is not reflected in this report as it was not billed until 7/31/22. The total receivable through July was 4% of the total billing, which is still somewhat higher than the last few year's YTD. However, outstanding accounts have been forwarded to collections, so the receivable is projected to decrease significantly within the next few months. Security expenses through July were 3% below budget, largely due to brief openings on the security team throughout the first half of the year. Labor continues to be a challenge, but we are currently fully staffed. The Security budget variance will decrease as we absorb onboarding for new team members (including uniform and training costs). Finally, vehicle maintenance expenses are also up due to rising fuel costs and a major repair on one of the patrol vehicles. However, we should see some relief in the coming months now with decreasing fuel costs. Also, the new patrol

car will be available soon, so repair costs will decrease. Landscape contract costs through July were slightly over budget, which was expected due to the contract change. There will also be additional tree removal/debris costs incurred within the next month due to July storms and necessary tree removal. Ultimately, the overall landscaping budget is 5% under budget but the variance will decrease as costs for irrigation, debris removal, and paper supplies for the auxiliary restrooms are expensed. General Administration costs through July were 7% under budget overall. However, the Administrative Expenses subcategory was over budget largely due to Annual Meeting mailing expenses, requisite CAI training, and printing/ mailing expenses in the first half of the year. This is typical and expected to level off over through year-end. General Maintenance costs through July were 4% under budget. There were some charges to the Building Maintenance subcategory that we are in the process of reclassifying. Beach Club expenses through July were still 12% under budget, but this will continue to be absorbed due to increased staffing needs with more weddings, etc. in the summer months. Also, additional minor Beach Club maintenance and supply costs will also be expensed in July and some utility costs will be re-classed from the General Administration and Security categories. The PSD did notify the POA earlier in the year that water/sewer rates would increase, and the budget has definitely been impacted as a result. Enhancement Fee income through the first half of the year was \$249,262.50. This is quite an impressive number and is currently tracking significantly ahead of the prior-year figure of \$181,368.94.

## **V. Old Business**

### **A. Enhancement Options & Pricing**

Enhancements approved included Lagoon Mapping by Quality Lakes at a price of \$10,062.50 at the recommended time of January/February. It was noted that this mapping will allow an in-depth description of the Lagoon's water retention hold. The Flower Beautification Project was approved for OceanWoods over a three-year course of \$10,000 increments of improvement. The first installment will be on Shipyard Drive near the bike roadway stops and lagoons. The bike path widening of Residential North and South has been approved contingent on MAJ pricing. Dr. Elmore stated she will discuss with MAJ about a special bundle pricing for doing road paving and bike path paving since it is a larger project than normal. It was agreed that deemed most important to get completed was (1) 50% of the remaining path, Gloucester to Harbourmaster, (2) Balance of path Gloucester to Harbourmaster, (5) 33% of meaning path Port of Prince to end of Kingston and (6) 33% of remaining path Port of Price to end of Kingston (another side).

### **B. Utility & Paving Encroachment (Cordillo)**

Dr. Elmore reported the Town of Hilton Head Island and the developer of the brand-new establishment off Pope Avenue met with Shipyard Staff, Mr. Foley, and Mr. Striveri earlier in the week. She announced they are requesting feedback to their proposed Pope Corridor plans that include putting in a traffic circle right

before the Pope Avenue Gate to allow traffic flow into the new establishment, allowing only one entrance into the facility. Brief discussion followed. Mr. Sneed made a motion to deny the Pope Corridor proposed plans. Mr. Grimm seconded the motion. Motion passed.

**VI. New Business**

**A. Stormwater Utility Agreement**

Dr. Elmore announced the Stormwater Utility Agreement was expected to be ready for approval and signature today but has not been received yet.

**B. Preliminary Budget Ideas**

Dr. Elmore reported an increase of 3.5% - 10% has been increased in the past year to retain talent, mainly on the Security Team. She received feedback from neighboring PUDs that they have experienced the same percent increase if not more to retain talent. She expects to see an increase of 4% for owner assessment next year due to the rising cost of talent, materials, labor, etc.

**V. Adjournment**

There being no further business, the meeting was adjourned at 12.22 p.m.

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Joe Strivieri, Secretary/Treasurer