

**Board of Directors
Minutes**

Present Members: Kathi Blakey, Dennis Foley, Robert Heim, Karen Hough, Dave Humphrey, Richard Jaynes, Wayne Kearney, Donald Manak, Kevin McMahon, Robert Moonen, Raffael Ormeggio, Jerry Pecoraro, Adriaan Radder, Karl Sneed, Joe Strivieri, Judy Weissman, Herbert Whildin

Absent Members: Eric Boberg, Richard Grimm, Michele Hughes, Justin Jachimowicz, Kim Lutian, Mark White & Bethany Wilkinson

Present Staff: Meredith Elmore, Lawrence Alexander & Katelyn Coward

Date: January 19th, 2023

I. Roll Call

The meeting was called to order at 10:40 am. A quorum was established.

II. Review of Prior Minutes

The minutes of the prior October meeting were reviewed and approved as written. All members approved. Motion passed.

III. Old Business

A. Budget Recap 2022/Financial Report

Dr. Elmore reported income through December was \$332,433.28 ahead of budget. There has been extraordinary Enhancement Income of \$352,452.00, exceptional decal income of \$386,598.57 (largely due to STRP pass misuse/reclass & resuming normal commercial pass processes), strong ARB income, and robust Access Fee income of \$166,765.00. She announced the receivable continued to be below 1% of the assessment billed through year-end. She reported security expenses through December were below budget (1%) through year-end. Labor was a challenge throughout the year, but we are currently fully staffed. The primary overages in this category were in vehicle operating, training and travel, and equipment maintenance (to outfit new vehicles). Wages ran higher than normal due to overtime to compensate for three extended absences. These were all expected and reported on throughout the year. Budget adjustments were made for 2023 accordingly. She reported landscaping costs through year-end were 1% over budget mainly due to the contractor change in May. Tree removal costs remained high, especially considering recent storms. Some of these tree removal costs were re-classed to catastrophic expenses due to Tropical Storm Ian. Other grounds expenses were also slightly over due to necessary equipment replacement stemming from the contractor change. The 2023 budget was updated to reflect/absorb the contract increase for the entire year. She announced general administration costs through year-end were 2.5% below budget. There were some unbudgeted costs associated with the General Manager transition incurred in January 2022 reflected in the Public Relations and Administrative Expense Categories. Also, there were higher than normal ARB Expenses but they were certainly offset by the ARB Income (chiefly annual ARB regime payments) as reflected

in the Income Statement. She reported beach club expenses through year-end were 3% over budget. However, the variance is not due to true operating expenses. The water heater incident impacted this line item slightly as we are still awaiting reimbursements for floor damage and waste disposal/hauling. We have received the majority of the money due to the overall claim, however a prior year adjustment will be necessary when the outstanding funds are received (likely in late January/early February). She reported the Enhancement Income for 2022 was \$352,482.00, compared to \$331,085.50, in 2021. This is the highest Enhancement Fee since its inception and will allow for the Board to plan for many much-needed new projects and maintenance upgrades.

IV. New Business

A. Annual Meeting Preparations

Dr. Elmore announced the Annual Meeting date is set for March 7th, 2023. It will take place at the Sonesta Resort at 4:00 pm. She announced a live stream option will be available to owners and guests. The presentation itself will be similar to last year with multiple team members speaking. Brief discussion followed.

B. Guest Speaker

Dr. Elmore announced Mr. Bill Miles from the Bluffton/Hilton Head Island Chamber of Commerce will be our guest speaker for this year. She outlined Mr. Miles will be talking about Hilton Head Island itself and what goals he has for the island.

C. Director Replacements

Dr. Elmore gave a reminder of the upcoming expiring Board terms and elections for the current and upcoming terms.

V. Adjournment

Prior to adjournment, Mr. Pecoraro announced the Men's Club will be in Hilton Head Island's St. Patrick's Day parade. He suggested decoration of a banner, balloons, etc. be placed on Shipyards monument on Pope Avenue to show support. Mr. Striveri also announced all regime construction fee is due by the end of January. He also outlined that the remaining bridge on Valencia is set to be completed this year, this is already included in the budget. He announced painting of the exterior on the Welcome Center will also be taking place soon.

There being no further business, the meeting was adjourned at 11:02 a.m.

Joe Strivieri, Secretary