

**Board of Directors
Minutes**

Present Members: Kathi Blakey, Curtis Cole, Dennis Foley, Richard Grimm, Robert Heim, Karen Hough, Dave Humphrey, Wayne Kearney, Kevin McMahon, Robert Moonen, Raffael Ormeggio, Jerry Pecoraro, Adriaan Radder, Karl Sneed (By Proxy) & Joe Strivieri

Absent Members: Eric Boberg, Michele Hughes, Richard Jaynes, Kim Lutian, Donald Manak, Judy Weissman, Herbert Whildin, Mark White & Bethany Wilkinson

Present Staff: Meredith Elmore, Lawrence Alexander & Katelyn Coward

Date: June 23rd, 2022

I. Roll Call

The meeting was called to order at 10:39 am. A quorum was established.

II. Hilton Health Presentation

Hilton Head Health representative Jill Boyd gave a brief recap of operations, struggles with finding employment, and upcoming news.

III. Review of Prior Minutes

The minutes of the prior April 21st meeting were reviewed and approved as written. Mr. Pecoraro made a motion to approve. Mr. Heim seconded the motion. Motion passed.

IV. Financial Report

Dr. Elmore reported Income through May was \$277,687.75 ahead of budget as a result of strong decal revenue and \$135,990.00 of Enhancement Income YTD. Rental Access income is tracking similarly to 2021 and will increase substantially over the next few months. She noted that May 2022 Short-Term Rental Access income is not reflected in this report as it was not billed until 5/31/22. She stated the total receivable through May was 4% of the total billing, which is somewhat higher than the last few years' YTD. However, accounting noted that one outstanding account in particular (>\$45K) was received just after the 5/31/22 financial reports were prepared. She reported security expenses through May were 4% below budget, largely due to brief openings on the security team throughout the 1st quarter. However, we are currently fully staffed, so this will reduce as we absorb onboarding for new team members and increased seasonal labor expenses. Further, uniform and training subcategories are up due to recent staffing issues. Finally, vehicle maintenance expenses are also up considerably due to rising fuel costs and a major repair on one of the patrol vehicles. She stated landscape costs through May were significantly under budget (15%). However, this is only temporary as the majority of this will be absorbed when the final invoices incurred during the landscaping contract

transition are reconciled and the flower installation invoice is received. There will also be additional tree removal costs incurred within the next two months. She announced General Administration costs through May were 3% under budget overall. However, the Administrative Expenses subcategory was over budget largely due to Annual Meeting mailing expenses and requisite CAI management training. This is typical but expected to level off over the next few months. General Maintenance costs through May were <1% over budget. There were some charges to the Building Maintenance subcategory that we are in the process of reclassifying. This will be completed prior to 6/30. Beach Club expenses through May were 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 June and July. Enhancement Fee income through the first quarter was \$196,030.00. This is quite an impressive number and is currently tracking significantly ahead of prior-year trends.

V. Old Business

A. Landscaping Feedback

Ms. Coward gave internal feedback that communication has improved, problem resolution in a timely manner, and professionalism with existing facility maintenance issues. Mr. Foley mentioned a few items that need improvement including trash debris being picked up. Brief discussion followed.

B. HHI Short Term Rental Initiative

Ms. Coward announced the short-term rental ordinance for the town of Hilton Head did pass and will be active starting next year. She has reached out with questions on how this will affect Shipyard, including questions that have been brought to her. She is awaiting a response on how these items will proceed.

C. SPOA STR Pass System

Dr. Elmore reported the new rental and timeshare pass pickup is going well. She has observed less traffic backup on Saturdays at each gate including Memorial Day weekend. She reported a decrease in passes being misused by rental and timeshare companies has also been **observed**.

VI. New Business

A. Collection Policy

Dr. Elmore reported a Collection Policy has been rough drafted on page sixteen for delinquent owners paying annual assessments yearly based on a recommendation from the Executive Committee. Mr. Pecoraro suggested removing the Board of Directors' approval to seek property liens, and rather run an automatic report on March 31st. He added if an owner is on the report, then they are subject to these efforts. Brief discussion followed. Mr. Humphrey made a

motion to approve the Collections Policy with the revised changes. Mr. Radder seconded the motion. Motion passed.

B. Human Resources Update

Ms. Coward reported hiring and retaining new employees has been a struggle the past few months, especially night shift Gate Officers. She announced this past Friday three new hires began along with another new hire that started the past Monday all for Security. She stated creative changes have begun to take place including no direct deposit until after two pay periods to get returned company uniforms.

C. Enhancement Ideas

Dr. Elmore announced on page eighteen that all enhancement ideas mentioned have complied with a clarification “Paving Road Pace Increase” is for reserve study to be completed due to the currently rising prices of consumer goods. She reported the last reserve study conducted was in 2019, it was recommended to have a new reserve study conducted to receive adequate pricing for enhancement items. Mr. Pecoraro made a motion to approve a reserve study to be conducted this year. Mr. Strivieri seconded the motion. Motion passed.

D. Paving Needs

Dr. Elmore announced the Executive Committee has approved immediate asphalt repairs on roadways throughout Shipyard including five areas marked near the Beach Club.

V. Adjournment

There being no further business, the meeting was adjourned at 11:35 am.

Joe Strivieri, Secretary/Treasurer