

PDPOA
Annual Meeting
October 13, 2007

Board Members Present: Ed Batten, Bob McFadden, Joe Maggi, Gloria Henley-Smith, John Joseph, David Nelson, Phil Porter, Sharon Cheney and Peg Weschke.

Not Present: Bob Houlihan

General Manager: Bob Sharp
Controller: Andrew Schumacher
Community Relations Liaison: Kelle Hobler

President Ed Batten called the meeting to order at 4:02 pm. President Batten introduced the current Board members and Mr. Sharp introduced the PDPOA staff members.

Sharon Cheney declared that a quorum exists and the meeting may continue.

The following motion was made, seconded and approved unanimously:

“Waive the reading and accept the minutes of the previous meeting”

Report on Infrastructure Improvements – Bob Sharp

A number of drainage issues are currently being addressed including Starboard Tack just before Rum Row. Plans to install a storm drain at the south end of Brigantine are in progress. Investigation is underway on a sinkhole on Sea Lane. The drain at Hunt Club and Carnoustie has been uncovered. We have installed metal railings at the north flushing structure by the old Cracker Barrel site. Paving patchwork has been done at the entrance to Ocean Cove. Work will be done on the Queens Folly bridge to fix pavement coming up. Some driveway tapers on Rum Row that were paved over will be addressed. Repaving of Offshore has been changed to Haul Away due to work scheduled to be done by PSD. In addition Port Tack from the corner of Mooring Buoy to Full Sweep will be paved. Both Port Tack bridges will be resurfaced and have their pilings wrapped, railings replaced and lighting installed. Permitting and planning is underway for improvements to heavy usage beach walks. A survey has been completed for a leisure path on St. George. The panels will be reset that have settled at the boat ramp on Queens Folly. We are addressing some warranty work that needs to be completed on Full Sweep where areas of pavement are showing signs of cracking. All the planned paving should be completed in Palmetto Dunes in 2008.

Report on the Development of Palmetto Dunes – Joanne Dugle

Despite a lagging real estate market, the Architectural Review Board has been very busy with renovations and new construction.

Joanne gave a summary of permits issued over the last year:

New construction	11
Pools	21
Demolitions	6
Renovations	Over 30
Tree Trimming/Removal	Over 226

The ARB is continuing with their efforts to have new homes blend with their existing neighborhoods. Beth McDowell and Pat Feinberg are working on a revision of the ARB Policies, Procedures and Guidelines. The revised document is planned to be in place by January 2008. The PDPOA Board must approve the revised document before it is implemented.

Joanne introduced the members of the ARB Board, the ARB staff, the architectural and landscape consultants. Joanne welcomed Joe Maggi as the new ARB liaison and thanked Peg Weschke for her support as ARB liaison this past year.

Report on Security Operations – Allan Davis

Allan stated that we now have all SLED certified instructors in-house. He would like to offer CPR courses to the homeowners free of charge in the near future. Allan said that his department has established a good working relationship with Beaufort County. The department's uniforms have been updated to give a more professional look. The department was able to give additional security to some of the regimes over the summer at the request of Allied Management. Chief Davis has been asked to serve on a SLED regulatory committee which meets in Columbia, SC.

Report on Finances – John Joseph

John thanked Andrew for all of his hard work. John referenced his reporting of the 2006 income statement and 2007 budget in prior Palmetto Perspective articles. John reported the PDPOA is currently in a strong financial position. John gave an update on the balance sheet and the operating budget year to date through September. John reported that the capital reserve budget is on track for the year. John gave an overview of the accounts receivable status. Five years ago the A/R balance was \$400,000 in arrears. Last year the A/R was \$55,000 in arrears. Currently the A/R balance is down to \$37,000. All properties currently in arrears are undergoing some type of litigation. The community enhancement fund will not meet budget due to the slow real estate market. A draft of the 2008 budget is being finalized with plans for final approval in December 2007 by the Board of Directors. It is too early to predict the 2008 assessment although the storm reserve will be the same (\$150/property) as last year. John stated that the funding for the projects proposed by the land planners would come from the community enhancement fund using a "pay as you go" philosophy.

Election of Directors

Report of the Nominating Committee – Peg Weschke

The following people were nominated for membership on the PDPOA Board for a 3 year term:

Jim Gant, Marty Gleason and Peg Weschke

Peg introduced and gave background information on each of the nominees.

President Batten called for a vote. ***The members voted unanimously to elect the above slate to the Board.***

Proposed Amendments to the By-Laws – John Joseph

John asked that Article VII of the By-Laws be amended to read:

"Funds of the Association, including any reserve or special accounts, shall be deposited or invested in accordance with the Financial Policies and Procedures Manual of the Association (as the same may from time to time be revised by the Board) or as otherwise approved by the Board."

John explained the rationale behind the requested change to Article VII of the PDPOA By-Laws. He explained that as written the By-Laws do not currently allow for the investment of PDPOA funds in alternative vehicles which are safe and higher yielding investments. He explained that a very detailed Financial Policies and Procedures Manual has been drafted and approved by the Board of Directors. The manual is available for review on the PDPOA website and Andrew has a copy for review at the meeting today. John addressed questions from the membership. ***The members voted unanimously to amend the By-Law as requested.***

Phil Porter and Peg Weschke made a presentation in appreciation of their service to: Bob Houlihan and Ed Batten

Special Report on Status of the North Gate – Ed Batten

President Batten reviewed the facts surrounding the accident involving the north gatehouse. He explained that the gatehouse has been condemned by the Town of Hilton Head. The old gatehouse does not meet Town code. If a new gatehouse is built it will be subject to the current Town codes. The site has been surveyed and the architect has been contacted to propose plans for a new gatehouse. The next step is demolition of the condemned gatehouse. The Board of Directors is consulting an attorney in regards to financial recourse. President Batten reiterated that the Board's decision to rebuild the North Gate in no way precludes any decisions that the Board will make in the future on whether there is a new Entrance Gate, whether there is a North and/or South Gate and who will pay for the staffing of these gates.

Member Questions

A resident stated that deer are becoming a problem. Phil stated that Bob will look into the issue.

A resident raised a concern about sloppy workmanship by contractors in Palmetto Dunes. Furthermore the work is being approved by the town inspectors. Joanne Dugle stated that the PDPOA cannot advise who to use as a contractor but agrees that the town is giving Certificates of Occupancy prematurely.

A resident asked if Midstream will be included in the remaining paving work to be completed in Palmetto Dunes. President Batten answered that Midstream is scheduled to be paved.

A resident asked if real estate signs are allowed in Palmetto Dunes. Phil responded that real estate signs are not allowed in Palmetto Dunes.

A resident asked for clarification on the location of the proposed leisure path on St. George. President Batten responded that the location of the proposed leisure path is on the golf course side (West side) of St. George.

A resident asked who is responsible for maintaining the beach pathways. Bob responded that the PDPOA is responsible for beach path maintenance.

A resident asked if the rebuilding of the north gatehouse signified that the gatehouse would remain permanently. Peg responded that the decision to rebuild the north gatehouse in no way precludes any decision that the Board will make in the future.

A resident asked if there have been any lawsuits filed by persons injured on the leisure paths. President Batten responded that since the PDPOA has taken over the common property there have been no lawsuits against the PDPOA as a result of injuries occurring on the leisure paths.

A resident asked if it would not be cost effective to look into a permanent structure for the north gatehouse. Phil responded that it is an option.

A resident stated that there is a problem with speeders on Haul Away. President Batten responded that this is an issue that the Board can consider in the future.

A resident asked if residents have personal liability as it relates to the communities leisure paths. Sharon responded that as a general rule she does not think that the residents would be held individually liable.

A resident stated that the billboard at the main entrance can be a hazard with people stopping to try and read it.

A resident asked what is the advantage of building a front entrance gate to the residents of Mariners. President Batten responded that as a Board member you have to do things that are for the good of the entire community.

The entrance gate would define the beginning of the Palmetto Dunes property and create a greater sense of community by including the 25% of Palmetto Dunes property owners that are currently outside of the gates.

A resident commented that an improvement is really an improvement if it is truly an improvement. An issue for 25% of the property owners should not take away services for the remaining 75% of the property owners. Everybody on the Island knows where Palmetto Dunes is. We should only fix what needs to be fixed.

A resident commented that the dues paid by people that are not currently behind that gate are the same as those people behind the gate. He appreciates the work the board is doing.

A resident commented that he pays the same fees and as a community we should all share the same benefits.

A resident asked why Queens Grant does not man their existing security gates. Phil responded that those gates were manned at the expense of Queens Grant.

A resident commented that the Board is asking for feedback about the single gate. Also, everyone in Palmetto Dunes has access to the beach access paths.

President Batten asked that everyone go to the website and give feedback on the landplaning and entrance gate proposal if they have not done so already. He thanked everyone who has already sent in feedback. If you cannot access the website please contact Kelle to give feedback. Peg stated that we have mailed letters to every property owner directing them to the website for information and to give feedback. The Board will continue to gather feedback for an additional month and by the beginning of next year will report on the feedback and present the next version of the conceptual plan. She reiterated that nothing is a done deal.

President Batten made closing remarks.

The meeting was adjourned at 5:39 p.m.