

PDPOA
MINUTES OF BOARD OF DIRECTORS MEETING
February 21, 2008

Board Members Present:	Peg Weschke	Bob McFadden	Sharon Cheney
	Phil Porter	Joe Maggi	Marty Gleason
	Jim Gant	John Joseph	Gloria Henley-Smith

Board Members Not Present: David Nelson

Ex-officio:	Bob Sharp	General Manager
	Andrew Schumacher	Controller
	Kelle Hobler	Acting Recording Secretary
	Allan Davis	Chief of Security

President Peg Weschke called the meeting to order at 2:00 pm.

Approval of Minutes: The minutes for the January 17, 2008 PDPOA Board meeting were reviewed and approved unanimously.

President's Report – Peg Weschke

- A. President Weschke introduced Karen Kozemchak of Greenwood Development Corporation. Ms. Kozemchak gave a presentation to the Board on the new Palmetto Dunes branding process to include the rollout of new advertising and logos.
- B. President Weschke updated the Board on the continuing effort to forge a relationship with the newly established Leamington Board in hopes of a closer working relationship in the future.
- C. President Weschke informed the Board that the lawsuit against Bob Sharp has been dismissed.
- D. President Weschke updated the Board on the North gate insurance claim. The alternatives to pursuing a confession of judgment against the gentleman who collided with the North gate are currently being evaluated since it appears that it may not be the most productive position for the PDPOA.
- E. President Weschke thanked the property owner who anonymously sent in pictures of different areas of the Palmetto Dunes Resort that need attention and stated that she has utilized the pictures during the on-going meetings being held by the Land Planning Action Groups.
- F. President Weschke stated that no Executive Session is necessary following today's meeting.

General Manager's Report – Bob Sharp

- A. Mr. Sharp reported that painting began this week on the Port Tack (East and West), Starboard Tack and Haul Away bridges. The lighting will be installed following the completion of the painting. The landscaping/sod was completed on the Port Tack East Bridge however, additional plantings will be added. Lastly the pile wraps were completed on all 4 of these bridges.
- B. Mr. Sharp informed the Board that all of the paperwork has been submitted to the Town of Hilton Head for the North gate permit. Although there has been a slight delay, the permit is expected to be issued by the beginning of next week.
- C. Mr. Sharp notified the Board that a second bid has been received for the bulkhead installation on Bird Island. The next step is to begin the approval process through OCRM.
- D. Mr. Schumacher updated the board on the 2008 paving schedule. The prep work will begin the day after Easter with paving beginning the week following Heritage week. Offshore will be delayed slightly due to the installation of vacuum lines by Broad Creek PSD. Once finished, this completes all scheduled paving for Palmetto Dunes.

Security Report – Allan Davis – Report included in Board Packet

- A. Chief Davis reported that there has been a slow-down in the recent break-ins reported in Palmetto Dunes. He reported that PD Security has been working closely with Beaufort County on this issue.
- B. Chief Davis explained to the Board that improving customer service is an important goal for the Security department in 2008.

Treasurer's Report – John Joseph

- A. Mr. Schumacher presented January financials.
- B. Mr. Joseph reviewed with the Board of Directors the updates from the most recent Finance Committee meeting. He stated that all of the data has been transferred to the new reserve study software. The audit of 2007 financials has been completed with no problems or major exceptions. The \$5 million line of credit with SunTrust is up for renewal soon. Jaye Elliott (our collection attorney) has accepted a judgeship appointment. Brian Pitts, from the same office, will take over for Jaye. Andrew changed the corporate agent of record for the employee 401K to Bob Busby of Merrill Lynch. The Finance Committee approved a small donation for the oyster roast this Saturday to benefit the fish restocking of the lagoon.

The following motions were made and approved unanimously:

“The members of the Finance Committee unanimously recommend that the PDPOA Board approve the immediate purchase of a 5-month CD with an annualized yield of approximately 3.75% from SunTrust Bank, using funds in the Storm Reserve account. The funds to be invested (up to \$900,000) will be from maturing CDs and new funds from assessments received in 2008. SunTrust agrees that early withdrawal penalties will be waived if these funds are needed prior to the CD's maturity.”

“The members of the Finance Committee unanimously recommend that the PDPOA Board approve an immediate cash investment of up to \$1.4 million (from the Operating Account) in variable rate municipal bonds at the current auction rate and with 7- to 35-day maturities.”

“The members of the Finance Committee unanimously recommend that the PDPOA Board approve a 1-year renewal of a \$5 million line of credit with SunTrust Bank, effective February 26, 2008, at an approximate cost of \$4500.”

“As a member of the Compensation sub-committee of the Finance Committee, I (John Joseph) make a motion that the Board approve the General Manager's 2008 performance goals and weightings, which will be used to determine the amount of his 2008 bonus, as presented in the document “2008 Performance Goals and Bonus Distribution Weightings” dated February 14, 2008.”

ARB Report – Joanne Dugle – Report included in Board Packet

- A. Ms. Dugle recapped the ARB project activity.
- B. The ARB spoke with Sarah Skigen of the Town of Hilton Head in an effort to encourage a greater variety of replanting in the 20' buffer zone.
- C. Ms. Dugle asked if the PDPOA has any liability in an accident that occurs on a property owner's construction site. Mr. Sharp will follow up with the PDPOA attorney.

Committee Reports:

Communications – Phil Porter

- A. The Perspective should be in everyone's mailbox by March 10th. Currently, it appears that the advertising monies brought in by the Perspective for this year should exceed the expenses.

Covenant Compliance – Wes Warren for David Nelson

- A. Mr. Warren updated the Board on the 3 Low Water bulkhead issue and the on-going problems at 1 Swing About.

The following motions were made and approved (5 in favor; 4 opposed):

“The members of the Covenant Compliance Committee unanimously recommend that the PDPOA Board approve the following policy:

Reflectors and similar items may not exceed twelve inches in height and must be mounted on a firm base. No more than two reflectors or similar items for each driveway cut into a street may be placed or maintained on each Lot. Reflectors shall be placed adjacent to the driveway cut. Thus, if there is one driveway cut, then there may be two reflectors: one on each side of the driveway or two on one side of the driveway. If there is a circular type of drive, resulting in two driveway cuts, then there may be a total of four reflectors on the property, with two reflectors being adjacent to each driveway cut (with one reflector on each side of a driveway cut or two on one side of a driveway cut).”

Lagoon – Tom Shelford – Report included in Board Packet

Land Planning – Peg Weschke

- A. President Weschke thanked the members of the committee for their time commitment. Two of the action groups are complete. The third action group begins next Monday. The Land Planning committee will hear the results of the 2nd & 3rd action groups on March 3rd.
- B. Mr. Gant reviewed the focus, approach and results of action group #1 which addressed the question “What land plan elements should be removed from the list or receive the lowest priority for implementation?”
- C. President Weschke reiterated that it is important for the Board members to read all of the feedback received from the land planning survey. She apologized that there are only 2 copies available for review but encouraged those who have not yet read the comments to take and read the consolidated book.

Entrance Gate Oversight – Wes Warren

- A. Mr. Warren stated that the final conceptual drawings are complete. A meeting will be held a week after next to make recommendations and conclusions. Mr. Warren will submit a hard copy to the ARB.

Infrastructure Analysis and Planning- Joe Maggi

- A. Mr. Maggi gave an update on the status of the Reserve Study. He stated that every road and beach crossover has been inspected to determine an estimated remaining life.

Legal – Sharon Cheney – No report

Nominating – Joe Maggi –

- A. Mr. Maggi stated that there is an article in the Perspective requesting information from anyone who is interested in serving on the Board.

Regime – Jim Gant – No report

Ms. Henley-Smith gave an update to the Board on Greenwood’s PD redevelopment plan. A compilation map, of Greenwood owned property and PDPOA owned common areas, is being updated/revised with bordering property information obtained from separate plats in order to complete the opportunities and constraints exercise. Secondly, a response from GDC is expected from the feedback given by the PDPOA on the Dunes House restrictions by the first part of next week.

Mr. Joseph stated there is a Town of Hilton Head meeting next Wednesday, February 27, 2008 at 4:00 PM regarding the 20' buffer.

Member Comments:

Mr. Joe Kudless commented that the Board may be able to defer to the Fire, Safety and Ambulance regulations to address the parking issues at 1 Swing About. **Mr. Wes Warren** indicated that the Town of Hilton Head does not have any such standards regarding the number of occupants or vehicles at a residence.

Mr. Larry Shaff inquired about the \$25K settlement from the insurance company for the North gate. President Weschke replied that receipt of those funds is contingent upon the PDPOA signing a release. Mr. Shaff asked if the piles of soil near the North gate were for drainage. President Weschke confirmed that they are for drainage and will be utilized once the construction begins on the North gate. Addressing Ms. Dugle's question regarding PDPOA liability on a property owner worksite, Mr. Shaff commented that his contractor, for his personal residence, told him that the property owner is responsible for obtaining builders insurance through the point of completion. In regards to the reflector policy, Mr. Shaff mentioned that the ARB also addressed curbside obstructions 8-9 years ago.

Board Meeting adjourned at 3:45 pm.