

**PDPOA**  
**MINUTES OF BOARD OF DIRECTORS MEETING**  
**April 17, 2008**

<b>Board Members Present:</b>	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

<b>Ex-officio:</b>	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 2:05 pm.

Approval of Minutes: The minutes for the March 20, 2008 PDPOA Board meeting were reviewed and approved unanimously.

**President's Report – Peg Weschke**

- A. President Weschke announced that all of the action groups are complete. She thanked the property owners who participated and gave of their time, thoughts and wisdom.
- B. President Weschke thanked and congratulated the Security department for their role in procuring felony convictions against a group of teens that have plagued Palmetto Dunes and the Town of Hilton Head Island.
- C. President Weschke stated that there will be an Executive Session following today's Board Meeting.
- D. President Weschke informed the Board that Mr. Sharp worked closely with representatives from Leamington in positioning a newly erected fence between Leamington and Inverness.
- E. Following Board discussion, the Annual Meeting has been set for Saturday, October 25, 2008 at 4:00 PM at the Palmetto Dunes Club.

**General Manager's Report – Bob Sharp**

- A. Mr. Sharp reported that the bids are in for the Bird Island survey.
- B. Mr. Sharp informed the Board that the lagoon lowering needed for the wrapping of bridge pilings has been completed. The remaining piles must be completed by divers.
- C. Mr. Sharp notified the Board that the bridge railing lights have come in and should be completed by next week.
- D. Mr. Sharp updated the Board on the progress with the North Gate. The building permit was approved and the slab should be poured next week.
- E. Mr. Sharp stated that the contractor has until 4/25/08 to complete the coating of Full Sweep. If the work is not completed before then, the PDPOA will procure another contractor to complete the work using the funds held from the final payment to the original contractor for this purpose.
- F. Mr. Sharp advised the Board that a portion of sidewalk outside of Queens Grant that is positioned on PDPOA property is in disrepair and will be removed and replaced with sod. The perimeter will be landscaped with screening shrubs.
- G. Mr. Schumacher informed the Board that phase I of the 2008 paving project was completed as scheduled with the exception of Offshore which will be completed after Memorial Day.
- H. Chief Davis shared with the Board that Sheriff P.J. Tanner of the Beaufort County Sheriff's Office called personally to thank the PDPOA Security department for their role in the investigations that led to the arrest of two separate groups of young men. According to Chief

Davis, the Sheriff's Office subsequently tied some of these individuals to additional open and unsolved cases throughout the Town of Hilton Head Island.

**Treasurer's Report – John Joseph**

- A. Mr. Schumacher presented March financials.
- B. Mr. Joseph stated that the final 2007 audit was received and reviewed. There were no significant exceptions noted by the auditors. Mr. Schumacher has a copy in his office if anyone is interested in reviewing it.
- C. Mr. Joseph explained that two internal audits were completed with no exceptions noted. The Pass Office audit was completed by Mr. Gleason and Mr. Schumacher and the Bank Statement Balance audit was completed by Mr. Wes Warren.
- D. Mr. Joseph stated that interest income is still good however it is begin to level out.

The following motion was made by the Finance Committee and approved unanimously by the PDPOA Board of Directors:

***“The members of the Finance Committee unanimously recommend that the PDPOA Board approve two immediate cash investments:***

***\$500,000 from the Operating Account in variable rate municipal bonds at the current auction rate and with 7- to 35-day maturities.***

***\$100,000 from the Storm Reserve Fund in a 13-month CD with SunTrust. Penalties for early withdrawal with this banking partner are waived if this money is needed after a storm event.”***

The following motion was made via a majority vote by the Finance Committee and tabled by the PDPOA Board of Directors:

***“The members of the Finance Committee recommend that the PDPOA Board approve a beginning reserve fund balance of \$808,000 as of 1/1/08 and fund the reserve fund each year with a goal of reaching 100% funded in ten years. Excess funds in the operation accounting from prior years and the existing funds in the Infrastructure account will be transferred to the CEF account.”***

The following motion was made via a unanimous vote by the Finance Committee, and tabled by the PDPOA Board of Directors:

***“The members of the Finance Committee recommend that the PDPOA Board approve that future excess operating funds after the annual contribution to the reserve fund required by the Reserve Study at year end will be transferred to the CEF account.”***

Open discussion followed the previous motions during which Mr. Joseph presented the two separate funding scenarios contemplated by the Finance Committee prior to the Committee's recommendation of the preceding motions. The minority opinion presented by Mr. Joseph called for setting the Reserve fund beginning balance at \$1.2 M. President Weschke asked the Board to postpone the vote on these motions until after the Executive Session, since not all required information had been made available to the Board about the consequences of making a decision at this point in time. Subsequently a motion was made by Phil Porter and seconded to table both motions. The Board voted in favor of tabling the original motions by a vote of 6:3:1.

The following motion was made by Mr. Joseph and tabled by the PDPOA Board of Directors:

***“I propose to start building the Reserve fund in 2008 by immediately adding \$435,000 from the Operating Account and/or Infrastructure Account. Contribute \$972,000 to the fund in 2008. Contribute \$875,000 each year thereafter until the % funded per the Reserve Study is 100%. Immediately move \$300,000 of ‘excess funds’ (resulting from under-runs in prior years) from the Operating Account and/or Infrastructure Account to the CEF Account. Close the Infrastructure Account.”***

A motion was made and seconded to table this motion. The Board voted to table the motion by a vote of 6:3:1.

**ARB Report – Joanne Dugle** – Report included in Board Packet

- A. Ms. Dugle stated that they are awaiting a response from 31 Rum Row regarding illegal bush hogging. She will continue to keep the Board up to date on this issue.

**Committee Reports:**

**Communications – Phil Porter**

- A. The deadline for articles to be included in the upcoming issue of the Perspective is 5/2/08. Proxy cards will go out in this June edition.

**Covenant Compliance – Wes Warren for David Nelson**

- A. Minutes from the last meeting of the CCC were included in the Board packet.

**Lagoon – Tom Shelford**

- A. Mr. Shelford stated that the big push for the Lagoon Committee right now is to address trees and bushes in the lagoon.
- B. The Committee is working towards unclogging a drainage pipe at the end of Mooring Buoy. Mr. Shelford stated the pipe needs to be cleaned out approx. every three years.
- C. The Committee continues to focus on water quality and Picnic Island.

**Land Planning – Peg Weschke**

- A. President Weschke stated that the current focus of the Land Planning Committee is on building policies and procedures for how to prioritize, approve funds and oversee enhancement projects.

**Entrance Gate Oversight – Wes Warren**

- A. Mr. Warren reported that the Committee is currently awaiting feedback from the Marriott hotel and Greenwood Development Corporation (GDC). Ms. Henley-Smith stated that it is her understanding that GDC is still open to the concept of a front entrance gate. She said that GDC is meeting with their engineer, consultant and land planner at the end of May.

**Infrastructure Analysis and Planning-Joe Maggi**- No report

**Legal – Sharon Cheney**

- A. Ms. Cheney stated that we anticipate full agreement soon on the Dunes House Covenants. Mr. Warren has been in touch with the GDC attorney on a few clarifying items. President Weschke stated that once we gained full agreement, she would send the document to all Board members and ask for their e-mail approval.

**Nominating – Joe Maggi**

- A. Mr. Maggi stated that the Committee is actively pursuing a number of people.

**Regime – Jim Gant** – No report

**Member Comments:**

None

Board Meeting adjourned at 3:40 pm.

Meeting continued in Executive Session

The following motion was made by Ms. Cheney and passed by the PDPOA Board of Directors:

*“Put a questionnaire survey on our website to solicit property owner opinions to determine whether or not they are for or against the movie theater complex at the Shelter Cove Mall to provide feedback to our town councilman”*

The motion passed by a vote of 6:2:2.