



SEABROOK ISLAND
Property Owners Association

Dear Seabrook Island Property Owner:

The 2021 SIPOA Annual Meeting will be held on Saturday, February 13, 2021, at 10:30AM via Zoom Webinar. The meeting is open to all Property Owners, and all are welcome to attend.

The Annual Meeting is an essential part of the overall management of our community, and your vote is critical in order for SIPOA to achieve a quorum to conduct business at the meeting.

The enclosed package contains voting materials and important information about the 2021 Annual Meeting. Please review the entire package carefully.

What is in the package?

The package includes the 2021 Budget Overview, biographies of the candidates to fill vacancies on the Board of Directors, and the Nominating Committee. **Please be sure to cast your vote for a full slate of candidates!** In addition, there is one proposal for revisions to the SIPOA Protective Covenants, and two proposals for revisions to the SIPOA Bylaws.

RETURNING YOUR COMPLETED AND SIGNED PROXY APPOINTMENT FORM WELL BEFORE FEBRUARY 13TH IS THE EASIEST AND BEST WAY TO ENSURE THAT WE HAVE A QUORUM. ACHIEVING A QUORUM IS ESSENTIAL SO THAT THE BUSINESS OF SIPOA CAN BE CONDUCTED AT THE ANNUAL MEETING. PLEASE BE SURE TO VOTE!

What is the Proxy Appointment Form and what does it do?

The Proxy Appointment Form is the document that allows you to cast your vote(s) (one per property owned) for candidates to fill vacancies on the Board of Directors, and the Nominating Committee. You have the following choices:

1. You can choose the person who is the Proxy Holder. You can do that by designating another Property Owner to cast your vote(s) for you, or you can allow the SIPOA Secretary (John Kinne, a member of the Board) to be the Proxy Holder and cast your vote(s).
2. You can direct the Proxy Holder how to vote, or you can let the Proxy Holder exercise her or his own discretion about how to cast your vote(s). You can direct the Proxy Holder by marking how you want the Proxy Holder to vote on each issue on the Proxy Appointment Form.
3. When you have made these decisions, you must sign the Proxy Appointment form and complete the information required. **Your vote will not be counted if you do not sign the form.**

What about the 2021 SIPOA Budget?

The proposed 2021 SIPOA **budget** is also something you have to vote on, and again you can direct how your vote will be cast on the Proxy Appointment Form. An overview of the 2021 budget is in the enclosed materials. Your current Board of Directors voted on December 14, 2020 to approve the budget for submission to the Property Owners, and recommends you vote **in favor** of the budget.

AGAIN, TO ENSURE THAT WE HAVE A QUORUM AND CAN CONDUCT BUSINESS AT THE ANNUAL MEETING ON FEBRUARY 13th, PLEASE COMPLETE AND RETURN YOUR SIGNED PROXY APPOINTMENT FORM WELL BEFORE THE ANNUAL MEETING, AND PLEASE BE SURE TO VOTE ON ALL ITEMS PRESENTED.

Is there more to see someplace else?

This package contains everything you need to vote, but there is more to see. Go online to <https://sipoa.org/annualmeeting/>, and look at the repository to see the details on the recommended **Bylaw and Covenant changes**, the **SIPOA Committee Volunteer Form**, and the **2021 Garbage, Recycling and Yard Debris Pickup Schedule**.

What is the “SIPOA Committee Volunteer Form”

As has been said many times, volunteerism is the engine that propels SIPOA, whether it is the election of a candidate, service on a committee or assistance with many of the activities on Seabrook Island. The online package at <https://sipoa.org/annualmeeting/> contains a “SIPOA Committee Volunteer Form,” which I urge you to complete and return to indicate your willingness to serve on a SIPOA Committee. A description of each Committee and the likely time commitment is also on the website. Please be sure to complete a new form even if you are currently on one or more Committees, because each SIPOA Committee reconstitutes when the new Board takes office following the Annual Meeting.

If you have ANY questions about the Proxy Appointment Form, voting, or the Annual Meeting, please CALL US at 843.768.0061 or email us at publiccomment@sipoa.org and we will respond ASAP. WE NEED YOUR VOTE!

I wish each one of you a happy and healthy 2021.

~ Dan Kortvelesy, SIPOA President

CANDIDATE BIOGRAPHIES

BOARD OF DIRECTORS

in Alphabetical Order

Three-Year Term (4 available positions) and Two-Year Term (1 available position)



William Connolly

My wife Beth and I purchased our single-family home on Seabrook Island in 2015. In 2016 I spent more than half my time on the island. When I retired in 2017, we moved to Seabrook Island to live full time. I enjoyed a 25-year career in technology consulting, helping businesses implement large scale management and analytics software engagements. Immediately prior to retirement, I led one of Hewlett Packard's consulting practices. Beth retired in 2014 after a lifelong career as a middle school teacher. We are extremely grateful to have three children, all married and eight grandchildren.

I am privileged to serve on the SIPOA G.O.M.C. (General Operating and Maintenance) and the Long-Range Planning Committees. I am a member of the Exchange Club where I volunteer on the Grants Committee and with the implementation and operation of a new member management application. I have also served on the Exchange Club Finance Committee.

SIPOA will face financial decisions in the coming years as we address issues associated with flooding, drainage, and road maintenance. It will be critical to have people on the Board that understand how to plan, forecast, and reserve for these initiatives and minimize the cost of capital required to fund them.

My education includes an MBA from Northwestern University with concentrations in marketing, management, and finance. My consulting career provided in depth exposure to all business processes at a variety of enterprises from different industries but with a special focus on finance and management accounting. These experiences have served me well in understanding and managing the finances of organizations.

I seek to serve on the Board of Directors in order to give back to this community and because I believe I have the skills and knowledge to address the key issues facing Seabrook Island. We must continue to deal proactively with the issues of road flooding and drainage while protecting the natural environment and adjusting to the changing demographics on the island. We need to address these issues with forethought and planning to minimize the impact on the budget, fees, and assessments.

W. David Cruse

My name is David Cruse. Lynn and I have been married for 46 years, we have 3 married children and 6 grandchildren. My career was spent in retail, 13 years with Kroger/ Super-X and 32 years with Wal-Mart stores. We purchased a Summerwind Cottage while living in Charlotte in 2013 and then decided to retire and move full time to Seabrook Island in 2016 where we purchased a single-family home on Andell Way.



I joined the Kiawah/Seabrook Island Exchange Club in 2017 where shortly afterward I was appointed Chairman of the Community Service Health Committee. I also serve on the Speakers Committee and am a Team Captain for planting American flags on Kiawah/Seabrook Island. In April of 2019, I was appointed to the ARC Committee for SIPOA on which I presently serve.

While living in the Lake Norman area of North Carolina, I was the President of our homeowner's association for 2 years. In my last position as a District Manager/ Market Manager, I spent 30 plus years in the Northeast, Georgia, North Carolina, and South Carolina. I have and demonstrate a strong belief in servant leadership in my personal, business and community life.

I have always had a strong desire to participate, help and contribute where I live. I am very supportive of our residents and always will strive to improve and maintain the quality of life wherever I live and play. I will bring all those skills to the board.



Charles Riehl

My wife Kersti Riehl and I currently live full time on Seabrook Island Road. We have two children, a son who lives with his wife in a Cleveland suburb, and a daughter, who with her husband and two children, lives in Winston Salem N.C.

I was born in Akron Ohio. My father was an executive with a rubber company. I graduated from Colgate University in 1966. Upon graduation served in the Marine Corps, in Vietnam. Upon being discharged from the Marine Corps, I returned to Cleveland, Ohio and attended Case Western Reserve University Law School. After graduating from CWRU, I commenced a career practicing law in Cleveland and is currently semi-retired with the firm.

My Law Services have included: Economic Development, Eminent Domain Litigation, Environmental Regulation & Litigation Land Use & Zoning, Law Director Services, Litigation Services, Public Law Services, Public Records & Open Meetings Litigation, Real Estate Services Telecommunications & Right-of-Way.

I have divided my practice between private client representation for my firm's Litigation Group and municipal representation for its Public Law Group. I have served as the Law Director of the

municipalities of Hudson, Shaker Heights, Cuyahoga Heights, Richfield, Gates Mills and Solon. As part of my public law practice, I have managed a wide variety of zoning, telecommunications, employment, civil service, environmental and construction issues.

Recognition:

- AV rated by Martindale-Hubbell.
- 2007-2020 – Selected for inclusion in the 2007-2020 editions of The Best Lawyers in America. Listed in the current edition for Environmental Law; Litigation-Land Use and Zoning; Municipal Law; Real Estate Law.
- 2008-2018 – Selected to Ohio Super Lawyers list. Areas of practice: Land Use/Zoning; State/Local/Municipal; Environmental.

I have lectured on numerous zoning and governmental issues, am a member of various bar associations and a past board member and president of the Board of a community-based hospital and on the Board of the Cuyahoga County (Cleveland) Board of Health. Additional association involvement includes the Ohio Municipal Attorneys Association and the International Municipal Lawyers Association.

In discussing my position on why I want to be a Board member of SIPOA, I've stated: "my position is really embodied in the SIPOA Vision Statement and Mission Statement, both of which documents I wholeheartedly endorse. I think that both documents embody the idea that Seabrook Island is a community where residents and visitors care about the environment, care about the quality of life, care about their fellow citizens and want to preserve these amenities for future residents and visitors. I would hope to carry out these ideas if I would be fortunate enough to serve on the SIPOA Board."

Lisa Ryan

Making a great community even greater! I am running for a position on the SIPOA Board to commit my time, energy, and experience to the Island leadership team and staff as they continue efforts in making Seabrook Island a great place to live. My husband and I have owned a home here since 2008 starting on Bridle Trail in the Village at Seabrook and now living on Eagles Nest Court with an abutting green space, undeveloped lot. We have two children and a baby granddaughter.

Two years ago, I retired as Chief Information Officer in the High-Tech business sector.



My approach to business, including a SIPOA Board role, is to be:

- A trusted and attentive business partner by listening to my peers (Board members) and customers (property owners) to understand what is important to them and to be accountable and communicate to them with transparency.
- A strategic leader by actively participating in the development of clear plans addressing the agreed priorities of the community based on facts and our vision statement. The plan must have dates, metrics, understandable objectives and a progress review and reporting mechanism.
- A change agent to keep Seabrook Island in the lead as one of the best places to live and vacation. Infrastructure naturally ages, the ocean waters are rising, the next generation always expects more, and status quo is the enemy of innovation. SIPOA will always need to ask, ‘what’s next?’.

My experience as a volunteer includes:

- Swim Committee Member at Nashawtuc Country Club in MA: financial, staff, pool activities, and infrastructure oversight.
- On the Board of Trustees at Sauta Farm (condominium community) in MA: budget performance, vendor management, owner satisfaction, and infrastructure management (private streets, building exteriors, private sewage, club house management and common area maintenance).
- Pre-pandemic I had signed up for Habitat for Humanity and Ronald McDonald House volunteer work in Charleston.
- Mentoring College of Charleston students in the Science, Technology, Engineering, and Math fields to prepare them for the working world.

As a CIO, I was responsible for the technology infrastructure of factories and office buildings. The workforce, like Seabrook Island residents and renters, relied on always available, fundamental services such as building security, web sites, and business systems for order taking, manufacturing, invoicing, etc. I identified opportunities for improvement, convinced my stakeholders to investment, set a plan, and delivered. My strengths are in conflict management, recommending and delivering change, fiscal responsibility, and a collaborative leadership style.

I would like to be on the Board of Directors because I am confident I can partner with other Board members and property owners to achieve the improvement outcomes in the Vision, Mission, and SIPOA Comprehensive Plan using my skills and experiences from my 35 year career in leading people, solving big hairy problems, and managing technology services and infrastructure. I desire to make Seabrook Island a better place to live, improve our property values and ensure Seabrook Island is a desirable community for new homeowners by ensuring SIPOA oversees both today’s challenges and tomorrow’s needs.



John Sesody

I moved to Seabrook Island from Scottsdale AZ in January 2016, as a full-time resident. My home is located at 2991 Hidden Oak Drive, in the Hidden Oaks HOA.

Career experience:

- Degree in Chemical Engineering and MBA in Marketing, with international management responsibilities in the chemical industry.
- Success in multi-cultural environments, including the US, European, and Asian.
- Service on government and industry support organizations.

Governance experience:

- President of the Fairway One HOA in 2016 and 2017.
- Serving on the SIPOA ARC, Communications (vice chair), and Activities Committees and the SIC Golf Committee.
- President of the Hidden Oaks HOA and serving as HOA representative to COVAR.
- Cofounding a Grief Support group here on Seabrook.
- Member of the marketing committee and volunteer for the Seabrook Island Village, designed to assist our owners with successful “aging in place”.
- Volunteer instructor at Our Lady of Mercy for English as Second Language.
- Experience on Condo HOA’s in Vermont.

With over 50 years of hands-on executive and management experience along with my current and prior Association governance experience I believe I can assist our Board and community to meet growing challenges. The COVID-19 virus has presented us with issues far beyond anything we have experienced in the past. Effective communication and effective planning skills are needed to help us deal with the virus and other upcoming challenges - for example aging infrastructure, flooding, and climate change. New SIPOA publications such as CURRENTS are providing improved communications on our activities. Some other opportunities could include small groups meeting via ZOOM on a regular basis, increased interaction with COVAR, and building on the working relationship with the Club established with the Drainage study.

The SIPOA Vision and Mission statement notes: Truth and Integrity are the Cornerstones of our Community. We should add Transparency, Empathy, and a strong Commitment to the success of Seabrook and our fellow neighbors. Working together to anticipate/evaluate challenges and develop solutions is the pathway for success. We are a community of over 2,000 owners, with varied interests and concerns and expectations. As a Board let us provide our owners with the means and communication platforms for success.

Warren Weber

I am running for the SIPOA Board of Directors to serve a second term as Treasurer and Chair of the Finance Committee. I am proud of the Finance Committee's achievements. Over the past three years we (i) paid off the Lake House debt early to save on interest costs, (ii) focused on managing SIPOA's assets and achieved substantial interest returns, (iii) established escrow accounts for funds to replace our roads and to recut the inlet to separate existing and future reserves and from those reserved for other purposes, and (iv) strongly recommended that SIPOA bring its financial management operations back in house to improve budgeting and financial reporting. SIPOA hired a Director of Finance, who started work in October. As Treasurer, my major goal will be to continue to oversee SIPOA's finances and budget. I look forward to working with the Director of Finance and to tackling the huge, new challenge of funding and reserving for the large costs associated with the drainage improvements outlined in the recently completed Drainage Study.



BOARD OF DIRECTORS

One-Year Term (1 available position)



Veronica L'Allier

My husband, Michael, and I came to Seabrook Island as vacationers for a number of years before purchasing a lot in 2004 and building our home in 2008. Following 24 years of service in the Federal Government, where I managed a large and diverse workforce providing administrative support services, we moved to Seabrook Island full-time in 2011. I am running for a 1-year term on the SIPOA Board of Directors

I have enjoyed using my knowledge, skills, and abilities to benefit our community. Since moving to Seabrook Island I have served on the Architectural Review Committee, the Election Committee, the Nominating Committee (both as a member and as Chair), GOMC, Environmental, Safety & Security (both as a member and as Chair) and twice filled a vacated position on the SIPOA Board of Directors (in 2019 and at present). I was a founding member and team leader of our community blog, Tidelines, serving for over 7 years, a Turtle Patrol walker, and a member of SINHG, SIB, Stitchers and the water aerobics groups. I have also been a poll worker for numerous elections, and a member of the Sea Island Lady Singers and the Carolina Coastal Choir.

As a member of the Board of Directors I will listen to a diversity of opinions to make decisions which are in the best interests of our entire community and I will work to ensure that Seabrook Island remains a preeminent coastal community with its continued economic growth while also protecting the Island's breathtaking natural beauty and outstanding quality of life.

NOMINATING COMMITTEE

In Alphabetical Order

Two-Year Term (2 available positions)

John T. Carpenter

Sue and I visited Seabrook Island for the first time in 2005 and were taken by its beauty and friendly community atmosphere. In 2006 we purchased a house in the Village and later built our current home on Marsh Gate Drive. After 33 years of living and working around the globe for Caterpillar Inc., I retired. In 2017, we became full-time residents on Seabrook Island.

During the last three years as full-time residents we have been enjoying all that Seabrook Island has to offer; beautiful beaches, wildlife, activities such golf, tennis, and bicycling.



I have also been active in several local charitable organizations:

- Water Wellness Mission - I am currently co-directing this organization that provides clean water to families who astonishingly live today without pure water in their Wadmalaw and Johns Island homes.
- Kiawah Seabrook Island Exchange Club – I am an active board member and lead a committee responsible for determining grant funding to local hunger related charities.
- Charleston Area Senior Citizens - I volunteer with the “Adopt a Senior Citizen” program run by Charleston meals-on-wheels delivering food and other services to the elderly on Wadmalaw.

Seabrook Island represents a wonderful and unique quality of life for all. We love it here. Our nature, amenities and facilities are all incredibly important and require both short- and long-term governance if we as residents are going to continue to thrive here. I am impressed and thankful for all the individuals who have volunteered their time to make Seabrook Island what it is today, and I feel it is time for me to give back as well. I believe my experiences as an executive at Caterpillar as well as memberships on various advisory boards places me in an excellent position to help SIPOA accomplish its objectives. I also feel if my contributions to the residents of Seabrook Island were going to be meaningful it was important for me to have been here as a full-time resident the past three years before volunteering my services.

Ed Rigtrup

My wife, Kathy and I first purchased property on Seabrook Island in 1990. We discovered Seabrook Island while I served in the Navy as a pediatrician at the Naval Hospital. We started as non-resident property owners with a Deer Point villa, and purchased an equity share of the club. "On Board in April", and together with our 5 children, made the trek to Seabrook Island every summer. My family made many life-long friends here who we still meet regularly. Subsequently, we purchased a single-family home in 1992, and relocated to Seabrook Island in 2012.



I practiced as a pediatrician in New Jersey for 32 years. While in Montclair I was Director of Pediatrics at Mountainside Hospital for 8 years also a member of the Medical Board during that tenure. I initiated a screening process in our town to detect and treat lead poisoning in children. I also served as member and chairman of the membership and credential committee, our charge was to evaluate and approve physicians and physician extenders for membership to the medical staff.

After moving here, I worked at Palmetto Pediatric clinic in Aiken S.C., a satellite of the children's hospital of Georgia. I was tasked with teaching and overseeing Medical students from Augusta University and Residents from the children's hospital. When I worked and directed the clinic in Aiken, SC. I was responsible for the scheduling of four physicians, caring for children and newborns as well as attending deliveries at the hospital. I was also a member of the credentials and membership committee because of my experience in N.J. I was very active in the March of Dimes and Mended Hearts programs in the community.

I am well versed in processes and procedures in setting standing and administering complex programs. I retired in 2018 and continue to enjoy our truly magical island full-time.

Here at Seabrook Island, I am active in the Education and Child Abuse Prevention committees of the Kiawah-Seabrook Exchange Club. Additionally, I serve as a member of the Operations committee of the Seabrook Island Club.

I feel that as a nominating committee member, my concern is to look for those individuals who are willing to serve and be proactive in working with the SIPOA Board to work to maintain and improve our infrastructure and drainage issues so that our island can continue to be the place that we love. Additionally, I feel we need to all be committed to the safety of all Seabrookers young and old by working diligently with the Safety and Security committee and security force. To this I am committed and will do what I can to help and assist the POA with their Vision and mission for the future.

2021 BUDGET OVERVIEW

The 2021 budget provides funds to continue to maintain the high level of services provided to property owners. It also provides reserve funding to meet the financial needs in the areas of road maintenance, re-doing the cut at Cap'n Sam's Inlet, and flooding and drainage, especially those identified in the Drainage Study. The 2021 budget has two parts: (i) the Operating Budget and (ii) the Capital Budget.

Operating Budget by Department:				Capital Budget by Category:	
	<u>2021 Budget</u>	<u>2020 Budget</u>	<u>2020 Actual *</u>		<u>Amount</u>
Infrastructure	\$130,000	\$135,500	\$124,231	Road/Drainage	\$843,000
Environmental	\$1,038,500	\$1,031,000	\$1,094,607	Boardwalks/Beach	\$367,000
Lake House	\$362,300	\$378,700	\$315,024	Pump Stations	\$695,000
Security	\$728,800	\$719,800	\$622,843	Lake House	\$36,000
Buildings	\$518,275	\$506,295	\$456,826	Equipment	\$16,400
Vehicles	\$40,300	\$40,950	\$65,301	Future Projects	\$500,000
Administration	\$216,050	\$331,300	\$318,880		
Human Resources	\$1,775,500	\$1,430,960	\$1,430,422	Total Capital Budget:	<u>\$2,457,400</u>
Insurance	\$224,000	\$242,000	\$198,593		
Information Technology	\$197,000	\$140,000	\$129,792		
Total Operating Budget:	<u>\$5,230,725</u>	<u>\$4,956,505</u>	<u>\$4,756,519</u>	2021 Budget Total:	<u>\$7,688,125</u>
*Projected Year-End Total					

SIPOA Annual Assessment:					
	<u>2020 Amount</u>	<u>2021 Amount</u>	<u>Increase</u>	<u>% Increase</u>	
Home/Villa	\$2,266	\$2,370	\$104	4.6%	
Undeveloped Lot	\$1,258	\$1,304	\$46	3.7%	

The Operating Budget covers SIPOA's routine, predictable expenses such as security, administration, landscaping, trash pickup, etc. The 2021 operating budget is \$5.2M, or 68% of the total budget.

The three largest components of the 2021 operating budget are Environmental, Security, and Human Resources. Environmental is 20% of the total operating budget, and includes services such as waste management (trash, recycling, yard debris, brown and white pickup), landscaping of common areas, and lake maintenance. 2021 projected expenditures for this category are almost flat. Security accounts for 14% of the total operating budget. This category includes the Security Services contract with Norred and Associates, Inc., overtime and additional staff required to process increasing numbers of rental guests during the summer months, and the part-time parking lot and pool attendant at the Community Center. The Human Resources (HR) component is

increasing by 24% over 2020 actuals. This increase is due to a number of factors. Primarily it takes into account that a budgeted staff position that has been vacant for over two years has now been filled. It also provides funding for another staff position which was explicitly requested by the Board of Directors to provide potential backup for SIPOA staff. It also addresses the necessity to retain our staff at compensation levels that are competitive with the regional market. Lastly, the increases in the HR budget take into account that management of SIPOA financial operations has been moved in-house, so that some major outsourcing expenditures that were previously in Administration have been moved to HR. The decrease in the budget for Administration reflects this change.

The remaining part of the operating budget, 32% of the total, encompasses routine facility repairs and maintenance, the Lake House, Administration, Insurance, and Information Technology. The increase in the Lake House budget is due in part to funding for Community Activities (post-COVID), and an increase in the Massage Therapy/Esthetician line item to allow for expanded services.

The Capital Budget covers major repairs and replacement of items such as roads, boardwalks, buildings, HVAC systems, stormwater pipes, bridges, pools, and so forth. The 2021 capital budget is \$2.46M, or 32% of the total budget. The major projects scheduled in the 2021 capital budget are:

- Stormwater pipe relining. This is a continuation of the program SIPOA started 10 years ago. It is far more cost-effective to proactively reline the stormwater pipes to preserve them, versus waiting until they fail and then having to excavate to replace them.
- Boardwalk replacement. Boardwalks 3B, 5 and 9 are scheduled to be replaced in 2021. The new boardwalks will be constructed with IPE, which is initially somewhat more expensive than other materials, but especially in our climate, saves money in the long run.
- Check valves. 2021 projects include installation of check valves on three stormwater pipes to prevent backflow of tidal waters onto our roads at high tides. The Drainage Study recommended installation of these check valves.
- Outfalls. The 2021 budget includes funds for maintenance and improvement of outfalls in at least three locations. Once again, this is to implement a Drainage Study recommendation.
- Pump Station #2. This is a major project recommended by the Drainage Study. The funds in the 2021 budget cover design of the station. Further, some funds are put aside in 2021 for construction that will be done in 2022.
- Reserves for the relocation of Cap'n Sams Inlet. This is an expensive project that we continue to reserve for. This project is estimated to be initiated in 2028-2029.
- Reserves for road replacement. This is a major project for which we continue to reserve funds. Road replacement is estimated to begin in 2028.

Warren Weber, Treasurer

To all Seabrook Island Property Owners:

Over the past year the SIPOA Legal Committee has conducted a thorough review of the **Bylaws** and **Protective Covenants**. This group held six meetings to discuss the necessary and appropriate changes to be proposed. In response to the committee's recommendations, the SIPOA Board of Directors met in three special sessions to review, react and comment on the legal committee's work. Informational materials which contained the proposed changes as recommended by the Board, were distributed to Property Owners via eblast and the website on 9/18/20, and via Tidelines on 9/22/20. In addition, in those messages, the Board solicited your comments on the proposed changes.

Of the 4,140 emails sent, the Board received 123 responses. The comments were both positive and negative, and some requested further clarification. Most proposals received few, if any, comments, but by far the proposal that received the most comments, was the proposal to lower the quorum requirement from 45% to 35% to conduct the annual meeting. There were 49 comments opposed to the change and 4 in favor. We would note that the quorum requirement as proposed is actually higher than many other HOA's and in no way limits your right to vote on the issues presented at the Annual Meeting

Once all Property Owner responses were received, the SIPOA Board met and considered all of the comments. In November, the Board met and voted to recommend the proposals for adoption at the Annual Meeting as presented in the accompanying materials. The Annual Meeting packet contains explanatory materials that specify the proposals, the rationale, and background information for each proposed change. Also, there is a link to SIPOA's website in which a full red lined copy of the proposals is available. In recognition of the interest and comments regarding the quorum requirement proposal, we have proposed that this issue be separate and stand alone.

We urge that all Property Owners carefully read these proposals and the rationale for each. The Board recommends you vote **IN FAVOR** of all these proposals.

We thank you in advance for your careful consideration of this most important information.

Dan Kortvelesy, President
SIPOA Board of Directors

SIPOA PROTECTIVE COVENANT REVISIONS PROPOSAL #1 Summary

REVISION ITEM 1:

This revision removes arcane language from the introductory paragraph and updates the revision number.

REVISION ITEM 2:

Definitions: Add the definition of Planned Unit Development (PUD), for consistency with bylaws.

REVISION ITEM 3:

Section 2: Remove subjective items, such as maintaining property values, from the mandated duties of SIPOA.

BACKGROUND AND RATIONALE FOR THE CHANGE:

- Certainly, the maintenance of the quality of life and the preservation and enhancement of property values on Seabrook Island is something that every property owner as well as all the Board members are committed to and remains a primary goal of SIPOA.
- However, to require SIPOA to be charged with (and potentially subject to liability) in the maintenance of property values commits SIPOA to undertake functions that are outside of its control such as market forces, interest rates, supply and demand. Further, the current bylaws ties the maintenance of property values with the maintenance of quality of life on the Island, and as such, is beyond SIPOA's control.
- The preservation and enhancement of property values will still remain a primary goal of SIPOA and will be reflected in places other than the bylaws and covenants.

REVISION ITEM 4:

Section 16: Revise section title from "Subdivision of Properties" to "Lot Subdivision, Combination, and Boundary Line Adjustments."

BACKGROUND AND RATIONALE FOR THE CHANGE:

- The revised title more accurately reflects the content of this section.

REVISION ITEM 5:

Section 19: Update building height and garage requirements.

BACKGROUND AND RATIONALE FOR THE CHANGE:

- This language brings the basis for the building height measurement in line with Charleston County Building Code. Clarification of SIPOA garage requirements for single family dwellings.

REVISION ITEM 6:

Section: 22: Update completion of construction timeframe.

BACKGROUND AND RATIONALE FOR THE CHANGE:

- The change clarifies the date the construction period commences and ends.

REVISION ITEM 7:

Section 24: Add clarifying language to this section titled “Outbuildings and Storage Receptacles.”

BACKGROUND AND RATIONALE FOR THE CHANGE:

- This change adds specificity to the section.

REVISION ITEM 8:

Section 42: Add section regarding “Captions.”

BACKGROUND AND RATIONALE FOR THE CHANGE:

- This change clarifies that the section headings are not intended to limit or expand the meaning of the actual provisions.

BYLAW REVISIONS PROPOSAL #1 SUMMARY

REVISION ITEM 1:

This revision reflects that this is the Twelfth Restated and Amended Bylaws. This change will be reflected on the introductory page.

REVISION ITEM 2:

Multiple Sections: Definition, 3.2.1, 3.2.2, 3.2.3(3), 3.2.5, 5.15. 6.4. 6.5

To clarify the distinct roles of the Board and Executive Director under the Policy-Based Governance model adopted by SIPOA.

BACKGROUND:

- SIPOA, like many homeowners associations and other non-profit organizations, has adopted a Policy-Based Governance model.
- Under this model, the Board is charged with the duty of formulating and adopting policies for the Association.
- The Executive Director is then charged with the responsibility of implementing these policies and overseeing the operational aspects of these policies.
- Clarity of roles and responsibilities under the Policy-Based Governance model, is critical to the successful working relationship of the Board and the Executive Director.

RATIONALE FOR THE CHANGE:

In reviewing the language of various sections of the Bylaws, it was determined that there should be clarification as to the exact duties of the Board and Executive Director. The textual changes to the Bylaws will reflect the current practice and ensure that there is clarity in roles and responsibilities, not only for the Board and Executive Director, but for the association members as well.

REVISION ITEM 3:

Multiple Sections: 3.2.5, 3.2.7, 4.9, 5.9, 5.9, 7.4.1, 7.4.2, 7.4.3, 7.4.5, 7.4.7, 7.6, 7.7, 9.2, 9.3, 10.5, 10.6

Add section 5.9.1 which allows the Board to discuss matters in an informal, non-decision-making meeting, and to clarify the authorized functions of various committees to reflect current practice.

BACKGROUND:

- The concept of an informal work session is contemplated in Robert's Rules of Order; specifically, Section 57 (Informal Consideration).
- An informal work session is intended to allow meeting participants to discuss/debate issues in a setting under relaxed rules of order.
- No decisions may be made during an informal work session.
- Due to the nature of the meeting (informal discussion, non-decision-making), minutes are not required, but may be taken.
- The duties of various standing committees should be clarified to reflect current practice, such as authorizing the finance committee to review the Board's investments, authorizing the environmental committee to review legislation that may affect the Board, and authorizing the Long-Range Planning committee to review current and future growth and needs.

RATIONALE FOR THE CHANGE:

Past and current Board members have expressed a desire to hold informal work sessions in order to discuss and better understand the issues before them.

- Official Board meetings could then be reserved for more pressing matters and needed decisions (better use of time during Board meetings).
- While minutes from these informal sessions are not required, the by-laws, as proposed, do not preclude the documentation of minutes from these informal sessions and minutes may be documented, at the discretion of the board, if such minutes would be deemed helpful to further future decision-making.
- Clarifying the duties of various Board committees will merely reflect their current practice.

REVISION ITEM 4:

Section 2.3

Amend Section 2.3 to remove subjective items such as maintaining property values from the mandated duties of the Board.

BACKGROUND AND RATIONALE FOR THE CHANGE:

- Certainly, the maintenance of the quality of life and the preservation and enhancement of property values on Seabrook Island is something that every property owner as well as all the Board members are committed to and remains a primary goal of SIPOA.
- However, to require the Board to be charged with (and potentially subject to liability) in the maintenance of property values commits the Board to undertake functions that are outside of its control such as market forces, interest rates, supply, and demand. Further, the current bylaws tie the maintenance of property values with the maintenance of quality of life on the Island, and as such, is beyond the Board's control.
- The preservation and enhancement of property values will still remain a primary goal of SIPOA and will be reflected in places other than the bylaws and covenants.

REVISION ITEM 5:

Sections: 3.1.4, 3.2.3.7

Increase borrowing amount by \$1,000,000 (from \$3,000,000 to \$4,000,000) in the event of an emergency.

BACKGROUND:

- Seabrook Island has experienced a number of emergency events (i.e., natural disaster events such as hurricanes and tornados) over the last several years.
- Potential costs to recover from an emergency event continue to rise.
- It is imperative that SIPOA be in a position to respond quickly should an emergency event occur.

RATIONALE FOR THE CHANGE:

- Additional borrowing capacity may allow SIPOA to respond, more effectively and more timely, in the event of an emergency situation, and bring Island operations back to normal more quickly.
- Additional borrowing capacity is only to be used during an emergency event, and with Board approval.

REVISION ITEM 6:

Sections: 3.2.3.8

Permit the investment of funds in obligations with of up to five years, with a maximum of \$5M, subject to Board approval.

BACKGROUND:

- Investments have been restricted to one-year (or less) maturity.

RATIONALE FOR THE CHANGE:

- Providing funds for road resurfacing in 2028, and the recut of Cap'n Sams Inlet in 2029 means that SIPOA will accumulate between \$5M and \$8M in reserves by 2028. Restricting investments to one-year means giving up the higher interest earnings that can be received by investing in obligations of longer maturity.
- Such longer investments can be made with guaranteed safety.

REVISION ITEM 7:

Section: 8.4

Change section number from 8.3 to 8.4

Rationale: Fix section numbering error.

BYLAW REVISIONS PROPOSAL #2 SUMMARY

REVISION ITEM 1:

Section 4.6

Lower the quorum percentage from current (45%) to 35%

BACKGROUND:

- A quorum is the minimum number of owners who must vote (in person and/or via proxy) at a meeting before business can be transacted. According to Robert's Rules of Order, it should be "a number of members who could reasonably be expected to show up regularly".
- Typically, larger groups have smaller quorums and smaller groups have larger quorums.
- SIPOA encourages property owner participation, in a number of ways, and recognizes the value of a diverse and engaged member association.
- The quorum percentage does not preclude or prevent property owners from voting at the Annual Meeting or on any referendum put before the association members.
- Year over year, there has been difficulty in achieving a quorum for the Annual Meeting. This despite improvements in voting (property owners can choose to vote electronically or via paper ballot) as well as enhanced communication of both the voting process and the items/changes under consideration at the Annual Meeting.
- Over the last few years, financial incentives, in the form of gift cards, have been necessary to encourage property owners to vote. Last year, three "rounds" of gift card offers were needed to garner enough votes to meet the quorum requirements.
- Board members and others have spent additional time and effort encouraging property owners to vote in order to meet the quorum requirements.
- There have been years when the Annual Meeting was in jeopardy up until hours before the scheduled meeting time.
- Annual Meetings that don't meet the quorum requirement must be adjourned and rescheduled at a later date. This will cost the Property Owner's Association money and create more work for all involved.
- Pressing matters and budget approval may go unresolved until another meeting is set, and the quorum requirements are met.

RATIONALE FOR THE CHANGE:

- There is no single "right answer" when it comes to setting a quorum percentage. It should be specified in the association by-laws and be a number that can reasonably be met in order to allow business to continue.
- Lowering the quorum percentage to 35% will help ensure that the Annual Meeting can take place, as scheduled, and the important business under consideration can be addressed.
- Lowering the quorum percentage has no impact on a property owner's ability to vote during the Annual Meeting (or on a referendum) and to have their voices heard. SIPOA will continue to actively communicate all issues before the association members and encourage active participation of the membership.



SEABROOK ISLAND
Property Owners Association

2021 ANNUAL MEETING

February 13, 2021 – 10:30 AM

via Zoom Webinar

Pre-Registration is Required

To register for the Annual Meeting Webinar, go to:

https://us02web.zoom.us/webinar/register/WN_HN_8pWUYQJOysQfGgsTRYA

After registering, you will receive a confirmation email with your Webinar personal access code.

AGENDA

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|-----|--|----------------------------|
| 1. | Introduction & Welcoming Remarks | Dan Kortvelesy, President |
| 2. | Appointment of Parliamentarian, Shawn Willis-Nelson Mullins | Dan Kortvelesy |
| 3. | Introduction of Committee Chairpersons | Dan Kortvelesy |
| 4. | Roll Call & Certification of Proxies & Members in Attendance | John Kinne, Secretary |
| 5. | Presentation of Candidates | Dan Kortvelesy |
| 6. | Treasurer's Report & Presentation of 2021 Budget | Warren Weber, Treasurer |
| 7. | Executive Director's Report | Heather Paton |
| 8. | President's Report | Dan Kortvelesy |
| 9. | Recognition of Outgoing Board Members | Ray Hoover, Vice President |
| 10. | Questions & Answers | Dan Kortvelesy |
| 11. | Adjournment | |

To submit a question, go to:

https://www.cognitoforms.com/SIPOA1/_2021AnnualMeetingQAForm and complete the form.

The deadline to submit questions is Friday, February 12, 2021 at noon.