

HARBOURMASTER HPR

ANNUAL MEETING

SATURDAY, APRIL 11, 2015

CALL TO ORDER

The Harbourmaster HPR I Annual Meeting was called to order on Saturday, April 11, 2015 at the offices of Association Services, Inc. (hereinafter referred to as "Associa"), Hilton Head Island, SC. Board Members in attendance were Lawrence Rubenstein, Elwood Bish, Thomas Spann, Gerald Hoenig and Ronald Creeger. Patrick Thompson and Dean Storm represented ASI.

ROLL CALL/PROOF OF NOTICE

Copy of the meeting notice was included in the information packet. Mr. Thompson advised that quorum was established by owners in attendance or represented by proxies.

ACCEPTANCE OF MINUTES OF 2014 ANNUAL MEETING

A motion was made and seconded to approve the 2014 Annual Meeting minutes as presented. The motion passed unanimously.

REPORTS OF OFFICERS AND COMMITTEES

A. Financial Presentation – Mr. Thompson presented financial statements as of February 28, 2015 (through 11 months). Operating account balance was \$5,133, Money Market Capital \$100,581. Pacific Premier Bank Money Market Insurance account balance was \$72,540 and the funds will be used to pay insurance premiums. Harbourmaster also has a small Insurance Reserve account with a balance of \$3,490. This account is used for insurance claims and deductibles. Line of credit balance was \$98,040 and it is being paid at accelerated rate.

Mr. Thompson reviewed income and expense report. Harbourmaster saved \$10,000 on monthly landscape maintenance by switching to Valley Crest last spring. Saved funds were used to replace sod and add ground cover.

Mr. Thompson thanked owners for paying dues on time. Direct deposit is drafted from owners' bank accounts on the 15th of each month or the following business day. He encouraged owners to sign up for auto draft in order to lower administrative cost.

B. Budget Presentation – Mr. Thompson presented a proposed 2015-2016 budget with 3.8% regime fee increase. Mr. Thompson addressed all owners' questions pertaining to the budget. A motion was made and seconded to approve the presented 2015-16 budget. The motion passed unanimously.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Mr. Thompson announced that he accepted ASI's Vice President position. He introduced Mr. Dean Storm, who will be managing Harbourmaster going forward. It was Mr. Thompson's pleasure to manage Harbormaster for the last 7 years.

OWNER REQUEST FOR DISCUSSION

- Mr. Thompson answered questions pertaining to Regime's insurance such as obtaining bids for premiums, deductibles, etc. A 15% flood insurance increase is expected this year. In addition to rate increase, FEMA also introduced two new fees: per building and depending on the amount of units in each building. Mr. Thompson stated that private companies are trying to enter the flood insurance market that is currently dominated by FEMA. Property insurance rates have decreased slightly. Mr. Thompson reminded that individual owners are required to carry HO2 or HO6 policies that insure units' contents, betterments and improvements, as well as potential loss of use or rental income, etc. To Mr. Thompson's knowledge, currently nearly 75% of owners already have this type of insurance.
- An owner asked about administrative charges. These fees are for copies, envelopes, postage, storage of records, etc. A Board member stated that ASI has been storing 10 boxes with Harbourmaster records going back to late eighties. Harbourmaster was charged \$55 per month for storage. The Board purged the records and consolidated them into 1 box. The Board will look into the cost of scanning those records to further lower administrative cost.
- Mr. Mullaney (#905) observed that Regime's landscaping appearance has not improved since Valley Crest took over maintenance.
- An owner inquired about the ways ASI safeguards the funds of associations it manages. Mr. Thompson informed that ASI carries a \$6,000,000 per occurrence fidelity bond. Signatures of two ASI managers are required on all checks. Board members approve invoices and have access to financial data 24/7 via Board Portal. ASI conducts an internal audit annually.

ELECTION OF BOARD MEMBERS

Board terms of Mr. Spann and Mr. Hoenig expire this year. They agreed to continue serving on the Board if re-elected. Mr. Spann and Mr. Hoenig were elected by the majority of votes. Officer's positions will be assigned at the next Board meeting.

SELECTION OF DATE FOR THE NEXT ANNUAL MEETING

The next Annual Meeting was set for Saturday, April 9, 2016.

ADJOURNMENT

There being no further business, a motion was made and seconded to adjourn the meeting.

President

Date Approved