

**HILTON HEAD PLANTATION
PROPERTY OWNERS' ASSOCIATION, INC.
BUDGET & FINANCE COMMITTEE MINUTES
May 21, 2020**

Chairman, Jim Lucas called the Meeting to order, at 9:00 a.m. on Thursday, May 21, 2020 at the Plantation House.

In attendance were:

Jim Lucas
Cindy Taylor
Armando Linde
Sylvia Clasen
Bob White
Jeff Heslop
Keith Schlegel
Paul Lambdin
Jon Heron, HHPPOA Vice President
Todd Lindstrom, Ex-Officio
T. Peter Kristian, Ex-Officio
Lisa Rivchun, McGriff Insurance, Guest

Absent with notice were:

William Zurilla

1. **Introductions** - The Committee did some brief introductions.
2. **Strategic Plan 2022-2026** - Mr. Heron outlined the process and committee's responsibility for the strategic plan update that will occur in 2020. The committee has already received the Finance portion of the current plan for review. An update is due by the end of September.
3. **Insurance Review** - Mrs. Rivchun of McGriff Insurance Services reviewed the insurance policies. We discussed the Covid 19 situation and the current markets. The Covid 19 exposure is being excluded from coverage at the moment and no instruments to cover the exposure are currently on the market but things may change. Mrs. Rivchun is going to give staff contact information for a building appraiser and get some quotes on assessment income loss insurance. Staff will get some bid alternatives on for building appraisal scenarios with emphasis placed on the older structures. The umbrella policy got an extension since they are no longer serving our market so that we can get some alternative quotes.
4. **Approval of Minutes** - The October 2019 minutes were approved as submitted.
5. **April Financial Report** - The committee reviewed the April 2020 financial report. The current quarantine situation has had a little impact on current financial situation. Staff has spent some time looking at the impact and the possible future impact. Some of the revenue loss will be offset by reductions in expenses and many of the items that are impacted are not major revenue sources. Staff will continue to monitor the situation. Revenues are running slightly over budget through the first four months, but we could see some losses over the next few months. The expenses are also running below budget and we expect that to continue.
6. **Risk Abatement Study** - Mr. Lucas picked up discussion on some potential assessment loss scenarios that we need to be aware of and possibly plan for. The possibility of a failed commercial property in the plantation is something we need to be aware and possibly plan for.

7. **2019 Year end Excess Transfer/WCF Balance** - The committee reviewed the balances of the funds and noted that we have exceeded our Weather Casualty Fund target balance of Two and a half million dollars. There was discussion to set aside funds for risk abatement and mitigation. After discussion:

Cindy Taylor made a motion to recommend to the Board of Directors the reduction of the current balance of the Weather Casualty Fund to the target amount of \$2,500,000 with the transfer of \$442,000 to the Capital Transfer Fund and transfer \$50,000 to the Major Repair and Replacement Fund under a separate line item for risk abatement and mitigation. Bob White seconded, and the motion passed unanimously.

8. **New Business** - No new business

9. **Next Meeting** - June 18th – 9 a.m.

10. With no further business to discuss the meeting was adjourned at approximately 11:10 a.m.

Respectfully Submitted,

Todd Lindstrom