

# THE Seabrooker



## PRESIDENT'S LETTER

*Julie McCulloch*  
*SIPOA Board of Directors*

I hope everybody is enjoying the "dog days of summer" on Seabrook Island or wherever you may be!

Over the past month, I've received a number of questions from property owners as to how the SI-

POA Board develops its annual operating and capital budgets. Given that this process is about to get underway, I thought it would be very timely to address this topic.

Per SIPOA Bylaws, the Finance Committee, under the leadership of its chairperson, the Treasurer, has the responsibility to establish procedures for, and to implement the preparation of, a budget for the ensuing fiscal year.

This process starts with getting input from SIPOA staff, and committees that report to either the Executive Director or the Board. Additionally, there are two particularly important "guiding documents" for this development process.

The first is the Replacement Reserve Study, a 40-year replacement schedule for the many assets under SIPOA's stewardship. It covers everything from air conditioners,

trucks, buildings, and boardwalks. This study is regularly re-evaluated and updated to account for changes in our assets (such as a pump which may have more useful life than originally estimated.) The last significant update to this plan was in 2016, with additional minor changes being made in 2017.

The second is the Strategic Plan, which sets the overall future direction for the Island. This is updated annually by the Long Range Planning Committee, with input from all committees and is approved by the Board. This document identifies general goals and objectives which can drive investment decisions. An example of how this may happen? A few years ago, one of the strategic near-term goals was "to reduce energy costs at the Lake House." The recommendation was subsequently made to replace the light fixtures

with LED bulbs and to install "smart thermostat" technology. That was approved, put into the following year's budget and implemented. Since that time, the Lake House has reduced its electricity bill by 25%.

Can other items (either operating expense or capital) be added if they're not in one of these two documents? Yes. In order to do that, however, the respective SIPOA staff member or Committee chair must first complete a Project Charter to describe the item. This rigor ensures we're not spending property owner money on someone's "pet project" and that there is a clear cost/benefit analysis being done. If the Board approves it, it is added to the respective plan.

After a lot of work, deliberation and discussion with staff and committee chairs, the Finance Committee ultimately recommends op-

erating, capital and capital reserve budgets to the Board. If approved by the Board, the budgets are added to the Annual meeting materials for property owner consideration. Again, per our bylaws, property owners have the authority to accept or reject in total the annual operating and capital budgets recommended by the Board through voting at the annual meeting.

I hope this explanation is helpful and sheds light on just some of the policies and practices of the SIPOA Board. They help ensure we continue to be good stewards of your dollars and our island paradise!

If you have any further questions or a suggestion for a future topic, you can reach me at [juliemc-culloch3075@gmail.com](mailto:juliemc-culloch3075@gmail.com) or through [publiccomment@sipoa.org](mailto:publiccomment@sipoa.org) ▲