

Community Services Associates, Inc.

Board of Directors Meeting

February 4, 2020

A regular meeting of Community Services Associates, Inc., (CSA), Board of Directors, was held on Tuesday, February 4, 2020, at the Sea Pines Community Center, 71 Lighthouse Road, Suite 120, Hilton Head Island, SC 29928.

Present from the Board of Directors, were: Larry Movshin, Chair; Jim Kaskie, Vice Chair; Carolyn Adams, Secretary; Dave Borghesi, Treasurer; Barry Barth, Director; Steve Birdwell, Director; Cary Corbitt, Director; David Ellis, Director; Bill Johnson, Director; David Pardue, Director; James Richardson, Director; Scott Richardson, Director; Stu Rodman, Director and Bob Sowers, Director

Absent from the Board of Directors, were: Mark King, Director; Don Sigmon, Member at Large and Rich Speer, Director

Present from Community Services Associates, Inc., were: Victoria Shanahan, Director of Finance and Administration; Stephen Vinciguerra, IT Support Specialist and Sandra Archer, Executive Administrator

Call to Order

The meeting was called to order by Larry Movshin, Chair, at 2:40 p.m., Eastern time.

Establishment of Quorum

With the majority of Board Members in attendance, quorum was met.

Executive Session

Approval – Move to Executive Session

A motion was made by Barry Barth, to move the Board of Directors to Executive Session. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Board of Directors move to Executive Session, to address legal matters”.

Board Meeting Reconvenes

Possible Actions Regarding Legal Matters

The Board of Directors reconvened at 3:05 p.m. Chair Movshin provided the Executive Session update. No action taken.

Ratify Approval – Board of Directors Meeting Minutes, November 19, 2019; Organizational Meeting Minutes, January 3, 2020

A motion was made by Stu Rodman, to approve the resolution, “Ratify Approval – Board of Directors Meeting Minutes, November 19, 2019; Organizational Meeting Minutes, January 3, 2020”. The motion to approve the November 19, 2019, Board of Directors Meeting Minutes was seconded and carried. Voted in favor: Chair Movshin, Carolyn Adams, Barry Barth, David Ellis, Bill Johnson, Jim Kaskie, David Pardue, James Richardson and Stu Rodman. Abstained: Dave

Borghesi. The motion to approve the Organizational Meeting Minutes, January 4, 2020, was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified approval of the Board of Directors Meeting Minutes, November 19, 2019; Organizational Meeting Minutes, January 3, 2020, as finalized by email”.

President Update

Chair Movshin, Ms. Shanahan provided an update. Action taken:

- Strong mandate to determine method to raise funds. Subcommittee formed to review all options, to include: service fees, funding referendum, adoption of special tax district;
- Maintenance projects in process: Phase II Greenwood Drive, reconfiguration of Plantation and Greenwood Drive intersection, reconfiguration of Lighthouse Road, vehicular entrance to Sea Pines Forest Preserve;
- Community events: Community Coffee rescheduled to late February, annual decal renewal underway;
- 2020 assessments due. More than 700 Residential Property Owners in arrears, an increase of four fold over 2019. Late fee/interest, to be charged on outstanding balance.

Financial Update

Mr. Borghesi provided an update. Action taken:

- Yearend financials, 2019, remain open, to be reported on at March 31, 2020, meeting;
- Annual Audit in progress.

Approval – Engagement, Auditor, 2019

A motion was made by Barry Barth, to support the resolution, “Approval – Engagement, Auditor, 2019. The motion was seconded and carried. Voted in favor: Chair Movshin, Carolyn Adams, Barry Barth, David Ellis, Bill Johnson, Jim Kaskie, David Pardue, James Richardson and Stu Rodman. Abstained: Dave Borghesi:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approves engagement of Elliott Davis, LLC, as Auditor, for CSA Audit, 2019”.

Updates

Architectural Review Board

Mr. Richardson provided an update. No action taken.

Communications Committee

Mr. Ellis provided an update. Action taken:

- Committee focus: Timely distribution of information to community, following committee meetings;
- Community awareness and feedback in advance of Board decisions, digital comment box.

Finance Committee

Mr. Borghesi provided an update. Action taken:

- Committee focus: Continued review of investments path, budgets (monthly/annual), enterprise risk management, cash control with corresponding insurance coverage;
- Currently involved with audit and taxes, 2019 (internal preparation);
- Considerations for 2020: fiscal year change to June 30, Critical Needs Referendum, Special Tax District.

Gate Configuration Committee

Chair Movshin provided an update. Action taken:

- Committee focus: Architecture for Gallery of Shops and Greenwood Corridor area;
- Merged into Gate Entry Committee.

Gate Entry Committee

Mr. Corbitt provided an update. Action taken:

- Committee focus: Traffic issues at Sea Pines Circle, entering/exiting the community, discussion with Town of Hilton Head regarding removal of Gallery of Shops, monitoring gate passes;
- Task Force with Town: Tom Lennox; Palmetto Breeze: Don Sigmon.

A motion was made by Cary Corbitt, to support the resolution, “Approval – Amendment, Gate Entry Policy, February 4, 2020. The motion was seconded, amended by Chair Movshin and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, upon recommendation from the Gate Entry Committee, approves amendment to the Gate Entry Policy, February 4, 2020, to include:

- “Page 32 - \$2.00 increase in Weekly Short Term Rental Pass fee, to fund the Beach Shuttle Service, 2020. Dates of operation to be April 3 – September 7, 2020. Trolley lot locations, to be determined.”

Governance Committee

Mr. Kaskie provided an update. Action taken:

- Committee focus: Advancement of common good for all 3 parties, Covenants, CSA relationship with ASPPPO, function of committees;
- Business relationship to be defined, President/Board of Directors/Management;
- Community participation methods, without compromise to fiduciary responsibility, to be reviewed.

Government Liaison

Mr. Rodman provided an update. No action taken:

- Lengthening of Hilton Head Island airport runway, addition of 3 new airlines, have resulted in additional 200,000 visitors to the Island, 2019;
- Contracts for airport terminal update, to be completed in next couple of months;
- Jasper Port, ships have increased in size, decreased in number, ships sailing from Asia to Europe are twice the size, Charleston and Savannah will struggle to be able to accommodate;
- Referendum for 278 corridor passed, a preferred alternative to be presented.

Land Use Management Committee

Ms. Guazzo provided an update. Action taken:

- Problem property in extreme condition, 15 years, to merit legal counsel;
- Data management system leased, Smartwebs, all properties have been loaded;
- Rules and Regulations to be revised. Assistance and collaboration needed from ARB and Safety and Security Committee. Draft regulations to be submitted to ASPPPO and CSA Boards, mid-year.

Approval – Engagement, Legal Counsel, Property Violation

A motion was made by Dave Borghesi, to support the resolution, “Approval – Engagement, Legal Counsel, Property Violation”. The motion was seconded, amended by Steve Birdwell and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, upon recommendation of the Land Use Management Committee (LUMC) and acknowledging the litigation budget limit of not more than \$15,000, approves authorization to retain counsel, to bring a lawsuit forthwith against owners of a property, to compel their compliance with Sea Pines Covenants and court orders, in so far as recommended by LUMC”.

Maintenance, Enhancement and Major Projects Committee

Mr. Richardson provided an update. Action taken:

- Ongoing projects: Phase II Greenwood Drive, Lighthouse Road Improvement, stormwater issues, road paving, boardwalks, Sandhill Crane resurfacing;
- Projects on hold: dredging, tree mitigation, Lighthouse Road trail extensions, Greenwood Drive reconfiguration;
- Committee to assume an alternate budget will be available and tasked to establish future projects and timeline.

Safety and Security Committee

Mr. Johnson provided an update. Action taken:

- External audit of Safety and Security Department to be performed;
- Comparison of Sea Pines security to other communities;
- Cash handling at gate.

Short Term Rental Committee

Mr. Pardue provided an update. Action taken:

- Approximately one third of the community properties (1800), are short term rental properties and the number continues to increase;
- Communication and cooperation with the other committees, i.e., Finance, Safety and Security, to continue;
- Communication with rental agents, to continue and become more effective.

Strategic Planning Committee

Mr. Rodman provided an update. Action taken:

- Committee focus: review of Strategic Plan;

- Review amenities provided by Resort. Determine whether community could be self-sufficient and not rely on Resort.

Unfinished Business

Approval – Amendment, Gate Entry Policy, February 4, 2020

Refer to Updates, Gate Entry Committee.

New Business

Announcement – Date of Record, Annual Meeting, 2020

An update was provided by Chair Movshin. Action taken:

- The date of record for the Annual Meeting, 2020, was set as March 9, 2020.

Approval – Committee Membership, 2020

A motion was made by Carolyn Adams, to support the resolution, “Approval – Committee Membership, 2020”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approves appointment of the Committee Memberships, 2020: Communications, Finance, Gate Entry, Governance, Land Use Management, Maintenance, Enhancement and Major Projects, Safety and Security, Short Term Rental and Strategic Planning, as presented”.

Ratify Approval – CSA President/Chief Operating Officer, Negotiations

A motion was made by Carolyn Adams, to support the resolution, “Ratify Approval – CSA President/Chief Operating Officer, Negotiation”. The motion was seconded and carried. Voted in favor: Chair Movshin, Carolyn Adams, Barry Barth, David Ellis, Bill Johnson, Jim Kaskie, David Pardue, James Richardson and Stu Rodman. Abstained: Dave Borghesi:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, upon recommendation from the Executive Committee, approves immediate negotiations begin with candidate for the position of CSA President and Chief Operating Officer. The CSA Executive Committee will begin these discussions once the CSA Board of Directors has electronically approved this recommendation, as finalized by email”.

Approval – Appointment, CSA President/Chief Operating Officer

A motion was made by Steve Birdwell, to support the resolution, “Approval – CSA President/Chief Operating Officer”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approves appointment of Sam Bennett, as CSA President/Chief Operating Officer, effective February 17, 2020”.

Approval – Engagement, Legal Counsel, Property Violation

Refer to Updates, Land Use Management Committee.

Approval – Engagement, Auditor, 2019

Refer to Financial Update.

Approval – Engagement, Legal Counsel, Critical Needs Funding

A motion was made by Stu Rodman, to support the resolution, “Approval – Engagement, Legal Counsel, Critical Needs Funding”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approves engagement of specialized legal counsel, to advise Board of Directors, on processes and initiation of Special Tax District for Sea Pines. Cost to not exceed \$25,000, without Finance Committee approval”.

Approval – Relocation, Golf Course Driving Range Netting

A motion was made by Cary Corbitt, to support the resolution, “Approval – Relocation, Golf Course Driving Range Netting”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, upon the recommendation from the Sea Pines Resort, LLC, hereby requests approval to relocate, (150 linear feet x 40 feet in height), a golf driving range net in the open space, bordering lot 28 North Live Oak Road and the lagoon, for the protection of errant golf balls that could cause injury, or damage, to this residential home area”.

- Owners’ property previously protected by netting, to sign a release for damage caused by errant golf balls;
- Modification to waiver, to include CSA, ARB and Sea Pines Resort, under review.

Ratify Approval – Encroachment Agreement, Marsh View, Lot 26

A motion was made by Carolyn Adams, to support the resolution, “Ratify Approval – Encroachment Agreement, Marsh View, Lot 26”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified the vote on approval of the encroachment agreement, Marsh View, Lot 26, as evidenced by as-built survey, William J. Smith, PLS, SC Registered Land Surveyor, August 30, 2019, onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, 65 Lighthouse Road

A motion was made by Carolyn Adams, to support the resolution, “Ratify Approval – Encroachment Agreement, 65 Lighthouse Road, Fire Station # 2”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratifies the vote on the approval of the encroachment agreement, 65 Lighthouse Road-Fire Station Number 2, as evidenced by as-built survey, Atlas Surveying, Inc., Jeremy W. Reeder S.C.P.L.S. 28139, November 20, 2019, onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Heritage Woods, Lot 203

A motion was made by Carolyn Adams, to support the resolution, “Ratify Approval – Encroachment Agreement, Heritage Woods, Lot 203. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratifies the vote on the approval of the encroachment agreement, Heritage Woods, Lot 203, Phase 3, as evidenced by as-built survey, Sea Island Land Survey, LLC, Mark R. Renew, Professional Land Surveyor, December 13, 2019 onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Heritage Woods, Lot 185, Phase 3:

A motion was made by Carolyn Adams, to support the resolution, “Ratify Approval – Encroachment Agreement, Heritage Woods, Lot 185, Phase 3. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratifies the vote on the approval of the encroachment agreement, Heritage Woods, Lot 185, Phase 3, as evidenced by as-built survey, Sea Island Land Survey, LLC, Mark R. Renew, Professional Land Surveyor, December 12, 2019, onto CSA open space, as finalized by email”.

Adjournment

A motion was made by Barry Barth, to adjourn the meeting. The motion was seconded and unanimously carried.

With no further business to come before the Board, Chair Movshin adjourned the meeting at 4:20 p.m. The next scheduled meeting of the CSA Board of Directors, is Tuesday, March 31, 2020, 3:00 p.m., at the Sea Pines Community Center.

Respectfully Submitted,



Carolyn Adams
Secretary