

## Community Services Associates, Inc.

### Board of Directors Meeting

May 28, 2020

A regular meeting of Community Services Associates, Inc., (CSA), Board of Directors, was held on Tuesday, May 28, 2020, via videoconference.

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

**Guest Present, was:** Steve Wilmot, Heritage Classic Foundation, President

**Present from Community Services Associates, Inc., were:** Sam Bennett, President; Victoria Shanahan, Director of Finance and Administration; Russell Fredericks, Director of Maintenance; David Henderson, Director of Special Projects and Operations; Toby McSwain, Director of Safety, Security and Transportation; Amanda Sutcliffe-Jones, Director of Communications and Sandra Archer, Executive Administrator

### Call to Order

The meeting was called to order by Larry Movshin, Chair, at 10:00 a.m., Eastern time.

### Establishment of Quorum

With all Board Members in attendance, quorum was met.

### Ratify Approval – Board of Directors Meeting Minutes, April 28, 2020

A motion was made by Carolyn Adams, to approve the resolution, “Ratify Approval – Board of Directors Meeting Minutes, April 28, 2020”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified approval of the Board of Directors Meeting Minutes, April 28, 2020, as finalized by email.

### Chair Remarks

Chair Movshin provided an update. Action taken:

- Heritage Foundation President, Mr. Wilmot to report on status of RBC Heritage, 2020;
- CSA President, Mr. Bennett, to report on Revenue Task Force and Trolley circumstances.

### President Remarks

Mr. Bennett provided an update. Action taken:

- CSA Directors to report on respective Departments, following Heritage Foundation update.

### Report from Steve Wilmot, Heritage Foundation President

Mr. Wilmot provided an update. Highlights included:

- Safety and security to be biggest concern of all: residents, players, all support staff;
- Approximately 1,000 people to be brought in as compared to 135,000. Players and caddies not bringing family, agents;
- Multiple and continual levels of testing to be conducted on players, officials, caddies, CBS, volunteers;
- Event to be televised, one billion viewership;
- TV towers, traditional scoreboards, property line rope and stakes, to be installed throughout course;
- Security to be the same as in past. Working with PGA, FBI, SLED, State and local authorities;
- Volunteers to park on Lot 4, all others to park on site;
- Harbour Town Clubhouse to be available for tournament use only and closed to public.

### Director Updates

#### Safety, Security and Transportation

Mr. McSwain provided an update. Highlights included:

- No tournament spectator viewing areas, outside of golf course, to be available;
- Hangtag distribution has begun. Application available online, to be picked up at CSA Administration Building;
- Harbour Town to be open to public during tournament week;
- Heavy landscaping, construction to be prohibited on areas bordering golf course, during tournament;
- Increase in service calls, to include: multiple DUIs, domestic animals running free, fireworks, noise complaints, wildlife, beach and drinking;
- Hilton Head Preparatory School to be considered as Beach Club overflow parking location, porta johns to be installed;
- Security staffing levels down, 3 patrol officers to be hired;
- Temporary use of Contract Security, to be considered, during peak times in hot spots;
- Currently 2100 short term rental units, within Sea Pines.

#### Communications

Mrs. Sutcliffe-Jones provided an update. Highlights included:

- COVID-19 information provided via mass email, Sea Pines Living Website and Facebook;
- RBC Heritage Tournament webpage set up, to include hangtag information/online application and FAQ section;
- New online services available to include: decals, ID card applications;
- Board, Committee meetings to continue via Zoom platform.

#### Special Projects and Operations

Mr. Henderson provided an update. Highlights included:

- All CSA in person events to be cancelled;
- Administration office to remain closed to public, through RBC Heritage Tournament;
- Sea Pines Community Center to remain closed, to be opened for Elections, June 9, 2020;

- Six Oaks Cemetery to provide essential operations;
- Tower Beach/restrooms/one way boardwalk, open. Pavillion to remain closed.

### Maintenance, Enhancement and Major Projects

Mr. Fredericks provided an update. Highlights included:

- Drainage failures continue with every rainfall, to include South Beach Salty Dog, Sandhill Crane. Harbour Town drainage to be completely replaced. Town of Hilton Head provides point repairs, up to 50 feet. Sea Pines has 36 miles of drainage pipes;
- Lawton Canal Station Pump, reconstruct, in progress;
- Additional funding to be required for sand fencing. Beach boardwalks suffering from accretion of sand due to high winds. Working with South Carolina DHEC and Beach Trust;
- Open space mulching in progress, mosquito spraying to begin next week;
- Uptick in service calls: mulch delivery, debris pickup.

### Finance and Administration

Ms. Shanahan provided an update. Action taken:

- Finance Department to continue collecting assessments. To date, less than 100 remain in default. Sea Pines Resort assisted and contacted Resort managed properties;
- Gate revenues, last report was through April, 72% decrease overall, including 93% decrease for daily passes;
- As of May 27, 2020, gate passes down: total gate passes, 36% YOY, daily gate passes, 52% YOY;
- Saturday, May 25, 2020, daily gate passes down, 6% YOY, Sunday, May 26, 2020, daily gate passes down, 7% YOY;
- Residential Property Owners called in passes, increased 4% YOY;
- SBA loan applied for and received, \$1.1 M. Loan forgiveness is anticipated and application to be submitted;
- Audit, 2019, anticipated to be clear of issues. Final report to be received shortly from Elliott Davis.

### Financial Update

Mr. Borghesi provided an update. Action taken:

- Committee Meeting held via Zoom platform;
- Charter, 2020, approved and adopted;
- Investment portfolio report reviewed, April 30, no adjustments recommended;
- SBA loan, potential time extension to use funds. Loan forgiveness, expected;
- Gate pass revenues reviewed against forecast, better than projected;
- Investment portfolio, \$1M investments mature yearly, laddered;
- Finance Committee unanimously support, best use of investments is toward infrastructure repair, as opposed to .1% interest earned upon reinvestment;
- Policies to be reviewed, June 2020, Finance Committee meeting.

## **Updates**

### Architectural Review Board Liaison

Mr. Richardson provided an update. No action taken:

- Committee Meetings held via Zoom platform;
- Density and Status reports given.

### Communications Committee

Mr. Ellis provided an update. No action taken.

- Committee Meeting held via Zoom platform;
- Charter, 2020, approved and adopted;
- Increased communication, Chair/President letters.

### Finance Committee

Refer to Financial Update

### Gate Entry Committee

Mr. Corbitt provided an update. Action taken:

- Committee Meeting held via Zoom platform;
- Charter, 2020, approved and adopted;
- Gate Pass sales considerably reduced;
- ABDI contract cancelled. RFP sent to eleven potential vendors, waiting on response;
- Beach trolley operation, 2020, under discussion;
- Task Forces, Hilton Head Breeze Trolley, Bike Delivery Fee, tabled;
- Task Force, Gallery of Shoppes, review process of building removal but maintain building rights, to consult with Chet Williams;
- Task Force, Sea Pines Circle, Engineer proposal to be presented;
- Daily gate pass fees to increase from \$8 to \$9, to be effective August 1, 2020;
- Gate Entry Policy to remain as is, RVs allowed on property for maximum 4 hours, for loading/unloading purposes, only;
- Hilton Head Island Guest Services, Gate Fee \$8, voucher, to be considered.

### Approval – Amendment, Gate Entry Policy, Multiple Property Owners, Decals, ID Cards

A motion was made by Cary Corbitt, to support the resolution, “Approval – Amendment, Gate Entry Policy, Multiple Property Owners, Decals, ID Cards”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, on recommendation of the Gate Entry Committee, approved amendment to the Gate Entry Policy, Section 2.1, Sub-section 2.1.2, to read as follows:

**2.1.2 Multiple Owner Properties:** Properties with multiple owners, e.g., LLCs, Trusts, whose names are specifically listed on these legal documents, are considered RPOs and will be limited to four (4) free property owner decals and property owner photo ID cards. Additional decals and photo ID cards, to be available, not to exceed fourteen (14) owners/partners, at a surcharge per decal and photo ID card (5 – 14), to be determined by Board of Directors”.

### Approval – Gate Pass Extension, Trial

A motion was made by Cary Corbitt, to support the resolution, “Approval – Gate Pass Extension, Trial”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, on recommendation of the Gate Entry Committee, approved gate passes issued December 2020 and January 2021, after 5:01 p.m., be valid for the following day, on a trial basis, for one year”.

### Governance Committee

Mr. Kaskie provided an update. No action taken:

- Committee meeting held via Zoom platform;
- Under review for Board consideration: standardized committee charters, posting minutes, Board/Management relationship, Confidentiality/Conflict of Interest Statement, new Board/Committee Member orientation.

### Government Liaison

Mr. Rodman provided an update. No action taken:

- Discussion points: County budget \$8M shortfall; 2022 penny sales tax; solid waste decal system for residents; 278 corridor bridge replacement; Sheriff’s Officer shortage; County stormwater account available funds; Santa Elena project to merge with Coastal Discovery Museum.

### Land Use Management Committee

Mr. Speer provided an update. Action taken:

- Charter, 2020 approved and adopted;
- April 9 – May 13, 55 violations cited. Majority of issues resolved;
- One legal action in process, attorney engaged;
- Violation letters and policy under legal review, to ensure compliancy;
- Simplified monthly report to be created and included in Board Meeting packet.

### Maintenance, Enhancements and Major Projects Committee

Mr. Richardson provided an update. Action taken:

- Drainage problems continue throughout community, to include Canvasback;
- Sand build up, accretion, occurred sooner than expected. Installation of sand fencing to be required;
- Scheduled projects and timeline to be reviewed. Budget, 2020, to be amended as necessary.

### Safety, Security and Transportation Committee

Mr. Johnson provided an update. Action taken:

- Committee Meeting held via Zoom platform;
- Committee Charter, 2020, approved and adopted;
- Discussion points: bicycle safety signage enhancement, contractors on job site/coordination with ARB;
- Enhancement of Safety Staff to be reviewed, respective to budget restrictions.

### Short Term Rental Committee

Mr. Pardue provided an update. No action taken:

- Committee Meeting held via Zoom platform;
- Stark rise in short term rentals, necessitated Beach Club Parking and Beach Trolley operation, review;
- Sea Pines Resort to accommodate overflow Beach Club parking at Plantation Club, temporarily. Hilton Head Preparatory School to facilitate overflow parking, as necessary;
- Short Term Rental Committee to keep parties affected, informed.

### Strategic Planning Committee

Mr. Rodman provided an update. Action taken:

- Committee Meeting held;
- Strategic Plan 2018, reviewed;
- Discussion points: quality of life in Sea Pines, gate entry flow, stormwater, community events, improved communications.

### Unfinished Business

#### Task Force Interim Report

Mr. Bennett provided an update. Action taken:

- Budget, 2020, expected to be balanced at year end, to include deferral of projects and expense cuts;
- Infrastructure projects to resume in 4<sup>th</sup> quarter, to include drainage, roads, trails. North Sea Pines Drive most critical with road and drainage failures;
- Strong handling of investments by Finance Committee and Board, allows funding to be reallocated, as necessary;
- In conjunction with MEMP Committee, \$2.5M will be moved to critical needs projects;
- Revenue Task Force to continue researching long term funding solutions;
- \$2.5M. matured investments, to be moved from investments to repair critical infrastructure, while awaiting long term solution;
- CSA maintains ability to collect assessment from named storm, as necessary. Community to not be jeopardized in any way;
- Total investment portfolio, following \$2.5M, remains \$6 – 7M, available, with no restrictions;
- Line of credit with commercial bank for restoration projects, in place;
- President to work with MEMP and Finance Committees to amend budgets and present to Board of Directors for approval.

### Trolley Program Update

Mr. Bennett provided an update. Action taken:

- Beach Trolley operation to be reinstated: 2 trolleys, Lot 8, in the safest method possible, service to begin next week, or as procedurally ready;
- Best practices to include: retrofit driver area for safety/plexi-glass, ridership limited to 50% capacity, all riders to wear masks, hand sanitizer station on trolley and/or stops, windows to be open, signage on trolley and points of embarkation/symptoms/ride at your risk, industrial foggers/sanitation measures to be regularly implemented inside trolley, rider safety cannot be guaranteed;

- Communication to be provided to Short Term Rental Owners/Agencies, regarding trolley operations, requirements;
- Trolley operations to be reviewed and implemented, as able.

A motion was made by Carolyn Adams, to support the resolution, “Approval – Beach Trolley Operations”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved staff move forward with Beach Trolley operation, in a safe and secure manner, to begin as soon as feasible”.

### **New Business**

#### **Approval – Committee Charters, 2020**

A motion was made by Cary Corbitt, to support the resolution, “Approval - Committee Charters, 2020”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approves Committee Charters, 2020: Executive, Governance, Short Term Rental and Strategic Planning, as presented”.

### **Adjournment**

With no further business to come before the Board, Chair Movshin adjourned the meeting at 12:20 p.m. The next regularly scheduled meeting of the CSA Board of Directors, is Tuesday, September 29, 2020, 10:00 a.m., via videoconference.

Respectfully Submitted,



Carolyn Adams  
Secretary