

Community Services Associates, Inc.

Board of Directors Meeting

September 29, 2020

A regular meeting of Community Services Associates, Inc., (CSA), Board of Directors, was held on Tuesday, September 29, 2020, via videoconference.

Present from the Board of Directors, were: Larry Movshin, Chair; Jim Kaskie, Vice Chair; 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 and Bob Sowers, Director

Absent from the Board of Directors, were: Carolyn Adams, Secretary and Rich Speer, Director

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 9:30 a.m., Eastern time.

Establishment of Quorum

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

Executive Session

Approval – Board of Directors Enter Executive Session

A motion was made by Jim Kaskie to support the resolution, “Approval – Board of Directors Enter Executive Session”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Board of Directors enter Executive Session”.

Board Meeting Reconvenes, 10:00 a.m.

Approval – Possible Actions Related to Executive Session

The Board of Directors reconvened at 10:00 a.m. There was no action taken.

Ratify Approval – Board of Directors Meeting Minutes, May 28, 2020

A motion was made by Bill Johnson, to support the resolution, “Ratify Approval – Board of Directors Meeting Minutes, May 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, May 28, 2020, as finalized by email.

Chair Remarks

Chair Movshin provided an update:

- Lawsuit, Advocaat versus CSA, Inc., will be appealed. Costs to be covered by insurance carrier;
- Revenue Task Force to report on findings and make recommendation to the Board for long term funding solutions.

President Remarks

Mr. Bennett provided an update:

- Despite Covid-19, CSA remained very busy and staff adapted well to operational changes;
- CSA Directors to provide updates on their respective Departments.

Director Updates

CSA Directors provided updates on their respective departments: Communications, Amanda Sutcliffe-Jones; Finance and Administration, Victoria Shanahan; Maintenance, Enhancement and Major Projects, Russell Fredericks, Operations and Special Projects, David Henderson and Safety, Security and Transportation, Toby McSwain.

Financial Update

Mr. Borghesi presented a recap of the YTD/August 31, 2020 financial statements:

- Other Income, PPE loan for \$1,100,000 is anticipated to be forgiven;
- Application for loan forgiveness to be made once forms are available, following finalization by Congress.

Approval – Acceptance, Financial Statements, YTD/August 31, 2020

The balance sheet as of YTD/August, 2020 was reviewed. Total liabilities and fund balances, on an accrual basis, were \$22,474,985, an increase of \$860,389, as compared to August 31, 2019.

The income statement as of YTD/August 31, 2020, was reviewed. Actual revenues over expenditures were \$3,798,702, a variance to budget of \$2,082,141.

A motion was made by Dave Borghesi, to approve the resolution, “Approval – Acceptance, unaudited Financial Statements, YTD/August 31, 2020”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved acceptance of the financial statements, YTD/August 31, 2020, as presented”.

Discussion – Elliott Davis, Report to the Board of Directors, 2019

Mr. Borghesi provided an update:

- Report to the Board of Directors, 2019, presented from Elliott Davis, independent outside auditors;
- Audit performed every year, 2019 audit opinion is the same as 2018’s.

Updates

Architectural Review Board Liaison

Mr. Richardson provided an update. No action taken.

Communications Committee

Mr. Ellis provided an update. No action taken.

Finance Committee

Mr. Borghesi provided an update. Action taken:

Approval – Encroachment Agreement Application Fees

A motion was made by Larry Movshin, to support the resolution, “Approval – Encroachment Agreement Application Fees”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved, on recommendation of the Finance Committee, to increase the Encroachment Agreement Application Fee, to \$1,000, per application, to be effective immediately”.

Gate Entry Committee

Mr. Corbitt provided an update. Action taken:

Approval – Amendment, Gate Entry Policy; Hilton Head Preparatory School, Sea Pines Businesses

A motion was made by Cary Corbitt, to support the resolution, “Approval – Amendment, Gate Entry Policy, Hilton Head Preparatory School, Sea Pines Businesses”. The motions were Seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved, on recommendation of the Gate Entry Committee, to modify the Gate Entry Policy to permit HH Prep families to receive more than one HH Prep Decal per calendar year. The first HH Prep decal will be complimentary and all additional HH Prep Decals to be available for a fee (\$6 each). The vehicle registration must state the parent or student name.”

“**FURTHER RESOLVED**, Community Services Associates, Inc., Board of Directors, approved, on recommendation of the Gate Entry Committee, to permit all businesses located in Sea Pines, full time staff, to receive the first Employee Decal complimentary for each staff member, then all additional decals to be available for a \$6 fee. The vehicle registration must state the full time employee’s name.”

Governance Committee

Mr. Kaskie provided an update. Action taken:

Approval – Amendment, CSA Bylaws, Committee Terms

A motion was made by Larry Movshin, to support the resolution, “Approval – Amendment, CSA Bylaws: The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, approved, on recommendation of the Governance Committee, amendment to the Bylaws, to change the current committee terms of 1 year, with a cap of 6 consecutive terms, to a 3 year term with 1/3 of the committee terms expiring each year. Those whose 3-year term ends, would be eligible to be re-appointed to a second 3-year term (not guaranteed) and would retain the cap of a total of 6 consecutive years of service. After serving 6 consecutive years on a committee, the committee member would cycle off for at least one year, before being eligible for re-appointment, as is the current process for Board positions”.

Government Liaison

Mr. Rodman provided an update. No action taken.

Land Use Management Committee

Chair Movshin, in Mr. Speer’s absence, provided an update. Action taken:

Approval – Amendment, Committee Charter, Land Use Management, 2020

A motion was made by James Richardson, to support the resolution, “Approval – Amendment, Committee Charter, Land Use Management, 2020”. The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, approves amendment to the Committee Charter, 2020, Land Use Management, as presented”.

Maintenance, Enhancements and Major Projects Committee

Mr. Richardson provided an update. No action taken.

Safety, Security and Transportation Committee

Mr. Johnson provided an update. No action taken.

Short Term Rental Committee

Mr. Pardue provided an update. No action taken.

Strategic Planning Committee

Mr. Rodman provided an update. Action taken:

Approval – Amendment, Committee Membership, Strategic Planning, 2020

A motion was made by Larry Movshin, to support the resolution, “Approval – Amendment, Committee Membership, Strategic Planning, 2020”. The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, approves amendment to the Committee Membership, 2020, Strategic Planning, to include Greg Thomson, as member, as presented”.

Unfinished Business

Revenue Task Force Interim Report

Chair Movshin, Mr. Bennett provided an update:

- Past several months, Revenue Task Force researched options to fund critical needs of community infrastructure;
- Critical needs funding to be solely focused on infrastructure: roads, drainage, lagoons, trails, beachwalks, modalities that move water, people;
- The preferred solution, Referendum, appears unattainable, leading to study of Special Tax District creation;
- Law firm, experienced with Special Tax Districts, hired as counsel.

Approval – Recommendation, Revenue Task Force

A motion was made by David Ellis, to support the resolution, “Approval – Recommendation, Revenue Task Force”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, authorizes CSA’s President, working with outside legal counsel, to initiate the steps needed to establish a Sea Pines Special Tax District, covering at least all of the land in Sea Pines and any other lands, as determined by the Board”.

New Business

Announcement – Date of Record, Election, 2020

Chair Movshin announced the Date of Record, Election, 2020, to be October 1, 2020.

Approval – Appointment, Architectural Review Board Members, 2021

A motion was made by Larry Movshin, to support the resolution, “Approval – Appointment, Architectural Review Board Members, 2021”. The motion was seconded. Voted in favor: Chair Movshin, Barry Barth, Steve Birdwell, Dave Borghesi, Cary Corbitt, David Ellis, Jim Kaskie, Mark King, David Pardue, James Richardson, Scott Richardson, Stu Rodman, Don Sigmon and Bob Sobers. Abstained: Bill Johnson. The motion carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved appointment of Susan Johnson, as a full member of the Architectural Review Board. The three year term will begin January 1, 2021 and end December 31, 2023.

In addition, Community Services Associates, Inc., Board of Directors, jointly approves, with the Association of Sea Pines Plantation Property Owners, Board of Directors, Inc. and Advisory Board, appointment of Dan Fuller, as the alternate member of the Architectural Review Board. The one year term will begin January 1, 2021 and end December 31, 2021”.

Approval – CSA Board/Committee Meeting Schedule, 2021

A motion was made by Larry Movshin, to support the resolution, “Approval – CSA Board/Committee Meeting Schedule, 2021”. The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, approved the CSA Board/Committee Meeting Schedule, 2021, as presented”.

Approval – Amendment, Committee Charter, Land Use Management, 2020

Refer to Updates, Land Use Management Committee.

Approval – Amendment, Committee Membership, Strategic Planning, 2020

Refer to Updates, Strategic Planning Committee.

Approval – Amendment, CSA Bylaws, Committee Terms

Refer to Updates, Governance Committee.

Discussion – Gate Access, Delivery Services COVID-19, Food/Grocery/
Restaurant/Pharmaceuticals

There was no discussion.

Approval – Beach Safety Ambassadors

There was no discussion.

Ratify Approval – Appointment, Board of Directors Member/Residential Director, 2020 – 2021,
Vacant Position

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Board of Directors Member/Residential Director, 2020 – 2021, Vacant Position”. The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, ratified the vote on appointment of Rich Speer, to fill the vacant position on the Board of Directors, effective immediately, as Residential Member Director and to complete the remainder of the term, ending December 31, 2021, per CSA Bylaws, Article V, Section 8, as finalized by email”.

Approval – Amendment, Gate Entry Policy; Hilton Head Preparatory School, Sea Pines
Businesses

Refer to updates, Gate Entry Committee.

Approval – Encroachment Agreement Application Fees

Refer to updates, Finance Committee.

Ratify Approval – Encroachment Agreement, Baynard Cove II, Lot 1

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Encroachment Agreement, Baynard Cove II, Lot 1. The motion was seconded and unanimously carried:

“RESOLVED, Community Services Associates, Inc., Board of Directors, ratified the vote on the approval of the encroachment agreement, Baynard Cove II, Lot 1, as evidenced by as-built survey, Sea Island Land Survey, LLC, Mark R. Renew,

Professional Land Surveyor, February 28, 2013, onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Gull Point, Lot 5

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Encroachment Agreement, Gull Point, Lot 5”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified the vote on the approval of the encroachment agreement, Gull Point, Lot 5, as evidenced by as-built survey, T Square Surveying, William J. Smith, Registered Land Surveyor, dated July 15, 2020, onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Harbour Town Townhouse Sites, Lots 1, 2, Block A

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Encroachment Agreement, Harbour Town Townhouse Sites, Lots 1, 2, Block A”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified the vote on the approval of the encroachment agreement, Harbour Town Townhouse Sites, Lots 1 and 2, Block A, as evidenced by as-built survey, Sea Island Land Survey, LLC, Mark R. Renew, Professional Land Surveyor, dated July 16, 2020 onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Baynard Cove I, Lot 28

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Encroachment Agreement, Baynard Cove I, Lot 28”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified the vote on the approval of the encroachment agreement, Baynard Cove I, Lot 28, as evidenced by as-built survey, Surveying Consultants, Inc., Terry G. Hatchell, Registered Land Surveyor, June 10, 2020, onto CSA open space, as finalized by email”.

Ratify Approval – Encroachment Agreement, Golf Fairway, Lot 4, Block 2

A motion was made by Larry Movshin, to support the resolution, “Ratify Approval – Encroachment Agreement, Golf Fairway, Lot 4, Block 2”. The motion was seconded and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, ratified the vote on the approval of the encroachment agreement, Golf Fairway, Lot 4, Block 2, as evidenced by as-built survey, Surveying Consultants, Inc., Terry G. Hatchell, Registered Land Surveyor, September 1, 2020 onto CSA open space, as finalized by email”.

Adjournment

A motion was made by James Richardson 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 1:00 p.m. The next regularly scheduled meeting of the CSA Board of Directors, is Tuesday, November 17, 2020, 10:00 a.m., via videoconference.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "Larry Movshin", with a long horizontal line extending to the right.

Larry Movshin
Chair