

## Community Services Associates, Inc.

### Board of Directors Special Meeting

October 26, 2020

A special meeting of Community Services Associates, Inc., (CSA), Board of Directors, was held on Monday, October 26, 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

**Present from Community Services Associates, Inc., were:** Sam Bennett, President; Victoria Shanahan, Director of Finance and Administration; 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 3:05 p.m., Eastern time.

### Establishment of Quorum

With all Board Members in attendance, quorum was met.

Purpose of CSA Board of Directors Special Meeting: To discuss revenue funding.

### Chair Remarks

Chair Movshin provided an update. Action taken:

- Throughout the year, CSA Revenue Task Force met and studied different funding options to fix and improve Sea Pines' aging infrastructure;
- The community has recognized the need for funding and their support is needed to rally and vote in the best interest of the Community;
- After substantial review, the Special Tax District option appeared to offer the best chance of success which was presented at the September 29, 2020, Board Meeting;
- With property owner feedback, the Board believes there is substantial property owner support for a simple referendum, to begin in 2022, to be used for critical infrastructure needs only;
- Commercial property owners and The Resort may opt to contribute;
- Staff and Board will continue with preparation to initiate Special Tax District, should it be necessary.

A motion was made by David Ellis to support the resolution, "Approval – Referendum, 2020". The motion was seconded:

**“RESOLVED**, that the Board of Directors hereby directs CSA Staff to begin the process for holding a Referendum Vote to be conducted as soon as reasonably possible after December 15, 2020, in accordance with the 1974 Declaration Of Covenants And Restrictions By Sea Pines Plantation Company, Inc., (**“1974**

**Covenants**”) as amended, which Referendum Vote shall contain the following terms:

- The annual residential assessment described in Paragraph A of Article III of the 1974 Covenants shall be increased by \$600.00 after adjustment for the year 2021 in accordance with Paragraph A(2) of Article III of the 1974 Covenants and the 2021 annual residential assessment as so increased and adjusted shall be the base annual residential assessment for 2022 and all annual residential assessments thereafter;
- Funds collected from the increase approved by this referendum (as such funds may be increased from time to time in accordance with Paragraph A(2) of Article III of the 1974 Covenants) shall be restricted to a Critical Capital Needs Fund to be used only for the repair, replacement, addition and improvement of the roads, bridges, bulkheads, leisure trails, storm water facilities and drainage systems located in or servicing the Sea Pines planned community; and
- Expenditures from the Critical Capital Needs Fund shall be reported on in CSA’s annual audited financial statements.
- Changes in the Assessments for the Resort and Commercial Property Owners to be determined prior to the Referendum Vote being finalized”.

Discussion ensued.

A motion was made by Mark King, to amend the resolution to set the assessment at \$450 and to revise the inflation adjustment to a construction related CPI rate. The motion was seconded. Voted in favor: Bill Johnson, Mark King, Scott Richardson, Stu Rodman and Don Sigmon. Voted against: Chair Movshin, Carolyn Adams, Barry Barth, Steve Birdwell, Dave Borghesi, Cary Corbitt, David Ellis, Jim Kaskie, David Pardue, James Richardson, Bob Sowers and Rich Speer. The majority voted against and the motion to amend the original motion, did not carry.

Discussion ensued.

A motion was made by Bill Johnson, to amend the resolution to include a sunset clause. The motion was not seconded and therefore did not come to the Board for a vote.

### **Unfinished Business**

#### **Update on Revenue Task Force Report**

Mr. Bennett provided the following information for Board consideration:

- Referendum, 2020, to address specifically, Sea Pines infrastructure projects. The Gallery of Shoppes, to not be included;
- Data from 2016 Hydrology/Reserves Studies and recent reconstruction bids for North Sea Pines Drive, the most accurate data available, was used to estimate infrastructure needs/costs;

- Reserve Study numbers include cost for milling and asphalt of roads only, does not include costs for critical conditions underneath road surfaces;
- In today's dollars, CSA estimated \$35,000,000 over ten years, for critical infrastructure costs, in addition to amounts included in the Reserve Study;
- Assessment must equate infrastructure needs; \$450 assessment would fall short \$900,000 - \$1,000,000 yearly;
- Recommended residential property owner assessment increase, beginning 2022, of \$600, calculated to achieve \$3.5 million per year;
- Community support needed to address the \$35,000,000 shortfall in funds and pass Referendum, 2020;
- An itemized list of cost estimate aggregates to the \$35,000,000, over a ten year period, was provided.

The motion on the floor, "Approval – Referendum, 2020", was voted on and unanimously carried.

- The Board agreed to move forward with the Sea Pines Special Tax District, should Referendum, 2020, not be successful.

### **Adjournment**

With no further business to come before the Board, Chair Movshin adjourned the meeting at 4:15 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,



Carolyn Adams  
Secretary