

Community Service Associates, Inc.  
 Board Meeting Minutes  
 Tuesday, March 15, 2016

CSA Chairman, Mark Griffith, called the CSA Board of Directors meeting to order at 3:00 p.m. in the large conference room of the Sea Pines Community Center.

**1. Roll Call**

Present:	Carolyn Adams	Barry Barth	Steve Birdwell
	Cary Corbitt	Paul Crunkleton	Mark Griffith
	Mark King	Charlie Miner	James Richardson
	Scott Richardson	Beverly Serral	Bob Sowers
	Rich Speer	Michael Tucker	
Absent:	David Borghesi	Bob Gossett	Don Sigmon
Staff:	Bret Martin	Toby McSwain	Beau Barnett
	David Henderson	Victoria Shanahan	Amanda Sutcliffe-Jones
	Jeanne Pearse		

**2. CSA Reports**

- a. CSA President's Operation Report – CSA President, Bret Martin, updated the Board on the following items:
- The Friday meetings between Hargray, CSA and property owners experiencing difficulties with the installation of Hargray's Fiber Optic Cable Project only had three property owners in attendance on March 11<sup>th</sup> to have their issues addressed. The frequency of future meetings will be based on the number of complaints received.
  - Work has begun on the new trolley kiosk located in South Beach.
  - The timeframe for beach re-nourishment at Tower Beach has been re-scheduled between July 15<sup>th</sup> and August 24<sup>th</sup> due to delays with the contractor. CSA has relayed to the Town that this is not a good timeframe because it encompasses the busiest time of tourist season.
  - There are some changes in the trolley routes during the RBC Heritage tournament for 2016. The trolley will be operating a route through Club Course to transport property owners to the tournament and the HOA has been notified.
  - There are 34 signs in the Beach Trust Property that have not been removed. Letters have been sent requesting their removal. On Monday, May 23, 2016 the signs will be removed from the property. One sign stating, "Do not go into the dunes" has been left in place due to its

appropriateness and the Sea Pines Foundation Board will be consulted as to its disposition.

- Mr. Martin and Mr. McSwain have met with representatives of SRS Engineering to discuss the traffic counts on Greenwood Drive. Another meeting will be scheduled discuss this issue further incorporate some other ideas.
  - The pool agreements for property owners to use the Harbour Town and South Beach pools have both been renewed for another year.
  - The storm water repairs at Beach Lagoon have been completed and the Town of Hilton Head has agreed to reimburse CSA for the work.
  - The RFPs for the hydrology study work is expected to go into May, however, the timeframe may be extended for some additional work.
- b. **ARB Liaison Report** – An update on the Density Unit Report was given and Mr. Richardson said the ARB has been very busy reviewing plans for five new homes and many other projects. Mr. Richardson also said that more trees than permitted were removed on N. Calibogue Cay Road and the contractor is facing a major fine and mitigation will be imposed. This issue is ongoing.
- c. **Joint CSA/ASPPPO Short Term Rental Committee** – Ms. Serral said the committee had met on March 1<sup>st</sup> and set the date for the spring meeting date with the rental agents for March 29<sup>th</sup> at 3:00 p.m. The meeting will be held in the Sea Pines Community Center. An article appeared in the spring issue of the community newsletter on short-term rentals and helpful hints on what to avoid when renting your home in Sea Pines. Committee Co-chair, Bill Johnson, will provide a short presentation on rentals at the May 4<sup>th</sup> Community Coffee meeting. The *Rental Pass Program* is continuing to be monitored for violations.
- d. **Communications Committee** – Mr. Tucker said the committee currently consists of committee chairmen and staff and he will be adding residents to the committee as needed. A meeting was held with property owners involved in the recent controversy over the proposed trolley stop on S. Sea Pines Drive. To avoid future issues of this nature, the committee is considering implementing a new source of information for property owners to contact called “*Whether Truth or Rumor*” (WTOR) and may have a recommendation for the CSA Board in May. A draft of a new communications policy was proposed and distributed to the committee for review and their comments are due back by April 15<sup>th</sup>. Once the committee has finished their review it will be submitted to the Board for their review and approval.

- e. **Gate Entry Committee** – Mr. Corbitt said the trolley routes were slightly revised for 2016 during the RBC Heritage tournament and the summer season. The names that appear on the trolleys were changed to colors that match the colored routes depicted on the trolley maps. This was done in an effort to make it easier for passengers to track the trolleys and their routes.

Parking Lots One and Two have been repaired with rock and will be hydro-seeded with grass to cover the bright white rock.

The committee was asked by the CSA Board to again review the proposed improvements at the Lawton Stables trolley stop and bring back a recommendation to the Board. It had decided at the committee's February 25<sup>th</sup> meeting to not do any improvements and discontinue the stop altogether.

However, following the meeting, discussion was held with the renter at Lawton Stables who requested the stop not be discontinued, that she would promote the trolley stop and asked for more time. An informal discussion was held between the committee members who decided to recommend continuing the stop for summer season of 2016 without any major improvements and in September, review the amount of usage by passengers and make a final decision at that time. It was also noted the proposed location of this trolley stop may be moved slightly down from its current location and that area will still need to be stabilized to prevent it from becoming muddy and for safety reasons. It was the sense of the Board to proceed with the stop for the summer season and make a decision in the fall of 2016. Funds had been budgeted for the improvements at the Lawton Stables trolley stop and Mr. Corbitt made the following motion, seconded by Mr. Speer and was unanimously passed:

“RESOLVED, the funds budgeted for the Lawton Stables trolley stop are to be set aside and not spent for other projects until a decision is made on the trolley stop improvements at the end of 2016.”

A new trolley route in the Club Course area is planned during the tournament for use by property owners. The homeowner association was contacted and no objections were raised.

The Gate Entry Committee would like to expend funds out of their Marketing Budget to sponsor the Heritage Foundation and will receive advertising to

promote the trolley and businesses in Sea Pines. Mr. Miner made the following motion which was seconded by Mr. King and was unanimously passed:

“RESOLVED, the CSA Board approves the expenditure of up to \$10,000 out of the Gate Entry’s Marketing budget to become a sponsor of the Heritage Foundation for 2016.”

Special buses will be used to transport tournament spectators from Coligny Plaza and the Town’s Beach Parking Lot on Pope Avenue and will run until 9:30 p.m. This is an effort to help businesses on the south end of the island by keeping spectators in this area since general parking for the tournament is now located on the north end of the island. Mr. Corbitt said the committee was also requesting the CSA Board permit spectators free access back into Sea Pines by presenting their tickets at the gate after tournament play was over. Mr. Corbitt made the following motion, seconded by Mr. King and was unanimously passed:

“RESOLVED, the CSA Board approves free access back into Sea Pines to spectators who show their tournament tickets at the gate after tournament play is over.”

- f. **Circle to Circle/Traffic Task Force Update** – The results of the traffic study performed by the Town of Hilton Head reflected an unsatisfactory delay of 150 seconds at Sea Pines Circle. Options to improve delays have been reviewed and discussed. However, the main issue that needs addressed is the Town of Hilton Head correcting or resolving traffic delay issues before any future construction is permitted. The Circle to Circle Committee of the Town has held several meetings and another is scheduled for April 6<sup>th</sup> and an update will be provided at the May CSA Board meeting.
- g. **Governance Committee** – Mr. Speer said the committee had successfully revised the CSA By-laws in 2015 and the CSA By-law sub-committee had reached its goal. Any covenant revisions were on hold until the ASPPPO and The Sea Pines Resort conclude their negotiations. In 2016, focus would be placed on the Leadership Sub-committee and the CSA Compensation and Benefit Review sub-committee goals.
- h. **Government Liaison** – Nothing to report.
- i. **Maintenance, Enhancement and Major Projects Committee** – An update was provided for the on-going and completed projects, the biggest project being the

Fraser Circle renovation which is almost complete. Many of the completed projects have realized a cost-savings, however, some new un-budgeted projects have arisen and need to be addressed for safety and security measures. These will be discussed more under the re-allocation of funds that is on today's agenda.

- j. **Safety and Security Committee** – Mr. Tucker said a sub-committee had been created to address and review a request to permit bicyclists from outside the gates access into Sea Pines. The request had originally been submitted to the Gate Entry Committee, but was deferred to the Safety and Security Committee for their input. The sub-committee is to present its findings to the committee at their May 11<sup>th</sup> meeting.

The committee is also reviewing the design of the intersection of S. Sea Pines Drive at Greenwood Drive. Complaints had been received that drivers were trying to make the turn onto Greenwood Drive at too high a rate of speed from one direction and/or from the other direction, not following the road markings and making the turn too sharply and actually turning into the lane of oncoming traffic coming down Greenwood Drive. A traffic engineer has been consulted and solutions are being reviewed.

A lengthy discussion was held on burglaries and property owners calling in guest or visitor passes for contractors. Sea Pines has now been noted as having the largest amount of burglaries on the island. The burglaries are not forced entry which suggests contractors or sub-contractors are behind the incidents. The sale of commercial decals not only aids in funding road repairs caused by additional traffic, but also helps to track contractors and their coming and goings. Property owners need to be aware of this issue and should be obtaining references for their contractors and questioning how the keys to their properties are being distributed or accounted for. Mr. McSwain and Mrs. Sutcliffe-Jones is working on communicating these facts to the community.

- k. **Finance Committee** – Mrs. Shanahan said that on today's agenda, the Finance Committee was requesting approval for a change to CSA's accounting policy on investments and also the re-allocation of funds for some un-budgeted projects. She distributed a new format proposed for the January 2016, and future un-audited financial statements that included graphs which provided an overall picture that was easier to comprehend at a glance. She asked for any questions or suggestions to be directed to her.

3. **New Business**

- a. **Acceptance of the Un-audited December 2015 Financial Statement** – A copy of the un-audited financial statement was included in the Board package and was reviewed. The Director of Finance and Administration asked for any questions. No questions were asked and Mr. Speer made the following motion, seconded by Mr. Crunkleton and was unanimously passed:

“RESOLVED, the CSA Board accepts the un-audited year-to-date December 2015 financial statement as submitted.”

- b. **Results of the Financial Audit** – Mrs. Shanahan said a draft of CSA’s audit had been received, had gone smoothly and no adjustments were necessary.
- c. **Proposed Change in Accounting Policy for Investments** – The Finance Committee is recommending to change the way investment income components are currently reflected on the Income Statement because CSA is not actually selling, but re-investing the funds in a laddering effect. It is a more effective way to present what is actually being practiced. Mr. Speer made the following motion, seconded by Mrs. Adams and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation from the Finance Committee to adopt the change in the accounting policy for investments.”

- d. **Approval to Reallocate the Cost Savings of Budgeted MR&R Funds** – Some un-budgeted new maintenance projects have recently arisen that the Director of Maintenance, Beau Barnett, is recommending to move forward with, based on safety and need. The Finance Committee had reviewed the list of the proposed projects and their projected costs. They had also discussed the current deficit in the 2016 budget, the cost-savings realized from other maintenance projects and the reimbursement for drainage work from the Town of Hilton Head. The Finance Committee was recommending the CSA Board approve using, but not exceeding, the unexpended funds realized towards these new un-budgeted projects. Mr. Speer made the following motion, seconded by Mrs. Adams and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation from the Finance Committee reallocating the cost savings from previously budgeted items for 2016 under Major Repairs and Replacements, to be reclassified to other unbudgeted projects.”

- e. **Approval to Release the Registered Lien for Six Oaks Cemetery** – Mrs. Shanahan said that CSA had provided Six Oaks Cemetery with a loan to purchase an additional 2.75 acres of property. In 2009, CSA forgave the balance of the loan, however, the lien was never released officially through Beaufort County. The Finance Committee was recommending the CSA Board formally take action to release the lien. Mr. Barth made the following motion, seconded by Mrs. Adams and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation from the Finance Committee to formally release the lien with Beaufort County against Six Oaks Cemetery.”

- f. **Ratify the Approval of January 26, 2016, Meeting Minutes** – The minutes of the January 26, 2016, meeting was approved by email. Mr. JR Richardson made the following motion, seconded by Mr. Speer and was unanimously passed:

“RESOLVED, the CSA Board ratifies the approval of the January 26, 2016 Meeting as finalized by email.”

- g. **Approval of the Class A Nominating Committee for 2016** – Chairman Griffith proposed the following board members to act as the *Class A* Nominating Committee for 2016: Dave Borghesi, Rich Speer, Beverly Serral, and Barry Barth. Mr. Crunkleton made the following motion, seconded by Mr. JR Richardson and was unanimously approved:

“RESOLVED, the CSA Board approves the membership of the *Class A* Nominating Committee for 2016 as presented.”

Mr. Griffith said the *Class B* Nominating Committee members for 2016 are: Bob Gossett, Bob Sowers and Don Sigmon.

- h. **Approval of the Committee Charters for 2016** – The charters being proposed for the following committees in 2016 were included in the Board package and were reviewed: Communications Committee; Finance Committee; Gate Entry Committee; Governance Committee; Maintenance, Enhancement and Major Projects Committee; Safety and Security Committee and the Joint CSA and ASPPPO Short Term Rental Committee. Mr. Speer made the following motion, seconded by Mr. Tucker and was unanimously passed:

“RESOLVED, the CSA Board approves the committees’ charters for 2016 as presented.”

- i. **Approval of Additional Committee Members** – Some of the committees’ chairmen recommended the following property owners, respectively as listed below, be added as members to their committee:
- CSA and ASPPPO Short Term Rental Committee – Linda Farrenkopf
  - Maintenance, Enhancement and Major Projects Committee – Cliff McMackin
  - Safety and Security Committee – Mark Faraci

Mrs. Adams made the following motion, seconded by Mr. Crunkleton and was unanimously passed:

“RESOLVED, the CSA Board approves the additional committee members for 2016 as presented.”

- j. **Approval of Posting Committee Member Contact Information** – Mr. Griffith proposed posting the approved committee meeting minutes and the committees’ membership contact information on the CSA website. Mr. Speer made the following motion, seconded by Mr. JR Richardson and was unanimously passed:

“RESOLVED, the CSA Board approves posting the committee members contact information and approved meeting minutes on the website.”

- k. **Approval of Encroachment Agreement for 50 Gull Point Road** – The property owner of 50 Gull Point Road has requested CSA approve an encroachment agreement for existing landscaping plantings, a gazebo and flag pole located in Open Space behind the residence. There had also been a short-hole mini golf course that the property owner will remove and the landscaping restored to its natural vegetative state. The property owner for be responsible for on-ongoing maintenance of the structures and landscaping. Mr. Barth made the following motion, seconded by Mr. Speer and was unanimously approved:

“RESOLVED, the CSA Board approves an encroachment agreement for landscaping plantings, gazebo and flag pole located in the Open Space at the rear of 50 Gull Point Road as presented.”



4. **Old Business**

a. **Sea Pines Circle Traffic Study Update** – Mr. Griffith said that Mrs. Kate Keep, a Sea Pines property owner, has filed litigation against the Town of Hilton Head regarding the LMO for a variety of reasons. Mrs. Keep has asked CSA and ASPPPO to join her in the litigation, however, the CSA Legal Task Force has advised not to join this litigation. It was the sense of the CSA Board not to join this litigation, but instead obtain a second legal opinion on the Town’s LMO from an off-island unbiased legal firm.

b. **Approval of the ASPPPO and CSA Service Agreement for 2016** – Mr. Martin said the agreement had been revised to reflect the CSA President having the authority to oversee CSA staff performing the services provided for ASPPPO and authorizes him to sign documents as directed by the ASPPPO Board or its President. The dollar amounts are the same as approved in the budgets of both entities and proposed the CSA Board approve this updated agreement and it be presented to the ASPPPO Board for their approval. A copy of the proposed agreement was included in the Board package. Mr. Speer made the following motion, seconded by Mr. Crunkleton and was unanimously passed:

“RESOLVED, the CSA Board approves the proposed service agreement for 2016 between ASPPPO and CSA as presented.”

c. **Update on Public Art Initiative Within Sea Pines** –The CSA Board has approved the creation of the Public Art Fund Task Force to research the issues to be addressed in this endeavor and to determine the interest of the community. Mr. Martin said Mr. Griffith had appointed Mr. Borghesi as the Chairman and his fellow task force members are: JR Richardson, Rosemary Kimball, Lisa Laudermilch and Mary Ann Bastnagel.


5. **Board Member Comments**

No comments were made.

6. **Adjournment**

With no further business to discuss, the meeting adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carolyn Adams".

Carolyn Adams  
Secretary