

**Community Services Associates, Inc.**  
**Finance Committee Meeting**  
November 12, 2019

On Tuesday, November 12, 2019, a regular meeting of the Community Services Associates, Inc., (CSA), Finance Committee, was held at the CSA Administration Building, 175 Greenwood Drive, Hilton Head Island, SC 29928.

**Roll Call**

Present:	Carolyn Adams Lisa Laudermilch Stu Rodman	Scott Calahan Lee McCollum Ray Warco	John Farrenkopf Larry Movshin
Via Phone:	Lee Ann Leahy	John McEney	
Absent:	David Herskovits	Richard Speer	Michael Tucker
Guest:	Barry Barth	Bill Johnson	
Ex-Officio:	Mark Griffith		
Staff:	Bret Martin Tracey McNeill	Victoria Shanahan	David Henderson

**Call to Order**

The meeting was called to order by Stu Rodman, Chair, at 9:00 a.m., Eastern Time.

**Outgoing Committee Member**

The Committee wished to recognize and thank Carolyn Adams who is leaving the Committee after 6 years of service.

**Ratify Approval of the September 17, 2019 Meeting Minutes**

The September 17, 2019, Finance Committee meeting minutes were approved. Lee McCollum made the following motion, seconded by Lee Ann Leahy and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Finance Committee, approved the minutes of the September 17, 2019, meeting, as submitted”.

**Financial Update**

**Acceptance of Unaudited YTD/October 21, 2019 Financial Statements** – Victoria Shanahan

- The YTD 2019 financial statements were reviewed.

The balance sheet as of October 31, 2019, was reviewed. Total assets, rounded to the thousands, on an accrual basis, were \$20,335, a decrease of \$730 compared to the same period last year. A total fund balance of \$19,285 was reported, a decrease of \$204 over the same period last year.

The income statement as of October 31, 2019, YTD, was reviewed. Actual revenues, rounded to the thousands, over expenditures were \$2,683 resulting in a positive variance to budget of \$1758.

The YTD/October 31, 2019 Financial Statements were approved. Ray Warco made the following motion, seconded by Larry Movshin and unanimously carried:

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, approved the YTD/October, 31 2019 Financial Statements, as submitted”.

### **New Business**

#### **2019 Forecast** – Victoria Shanahan

- The current forecast for year ending 2019 shows income of \$290,853 which is \$844,462 greater than budgeted. Funds from unspent marketing, unrealized gains and unspent administrative dollars contribute to this variance.

#### **2020 Assessment** – Victoria Shanahan

- The annual increase on CPI is currently at 1.7% resulting in a 2020 improved property assessment of \$1095 and an unimproved property assessment of \$652. Mr. Farrenkopf moved to recommend the 2020 assessment, Mr. Warco seconded and the motion passed unanimously.

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends to the CSA Board that the 2020 assessment be increased to \$1095 for an improved property and \$652 for an unimproved property”.

#### **2020 Budget** – Victoria Shanahan

- Ms. Shanahan began the discussion stating that the proposed budget was completed with the increase in daily gate passes to \$9 effective August, 2020. The committee discussed the budget and Mr. McCollum made a motion to recommend approval of the 2020 budget. The motions was seconded by Mr. Warco and the motion passed unanimously with Mr. Movshin abstaining.

**“RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends the CSA Board approve the 2020 budget as presented.”

After additional discussion Mr. Movshin made a motion to recommend an increase to the budget for MR&R to include items listed in the Long Range Strategic Plan and critical infrastructure, as well as to recommend that the CSA Board suspend the reserve policy. Mrs. Adams seconded and was put to a vote, the motion did not pass.

Special Assessment Credit Discussion – Victoria Shanahan

- The 2020 assessment bills will contain a credit for the Hurricane Matthew Special Assessment. The credit amount determined for residential property owners is \$112.92 for improved properties and \$67.33 for unimproved properties. Mr. Movshin made a motion to include this credit on the 2020 Assessment bill. Mr. Warco seconded and the motion passed unanimously.

“**RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends the CSA Board approve a credit be issued as part of the 2020 Assessment bill. The credit amount determined for residential property owners is \$112.92 for improved properties and \$67.33 for unimproved properties.”

Reserve Study Update – Victoria Shanahan

- After review, the Reserve Study submitted had many errors. The errors were reported to the vendor and we are waiting for an update.

Investment Review – Victoria Shanahan

- CSA Financial Policy states that investments below BBB+ cannot exceed 10% of the portfolio. Currently investments are at 16%. Nordstrom and Schwab should be sold to offset.

Status of the 2018 Income Tax Returns – Victoria Shanahan

- Mr. Williams submitted the 2018 tax returns before the November 15, 2019 deadline. Thanks to the committee members who assisted in reviewing the return.

Old Business

Request for Assessment Balance Fee – Tracey McNeill

- Finance staff requested that that Finance Committee recommend to the CSA Board that CSA enact a Request for Assessment Balance fee to be charged for balances requested by closing attorneys for properties under sales contract. The Committee agreed on a \$200 per request. Mr. Movshin moved to recommend the 2020 assessment, Mrs. Laudermilch seconded and the motion passed unanimously.

“**RESOLVED**, the Community Services Associates, Inc., Finance Committee, recommends to the CSA Board that CSA enact a Request for Assessment Balance fee of \$200 to be charged for balances requested by closing attorneys for properties under sales contract”.

**Beach Trolley - Committee**

- The Committee held discussion on the Beach Trolley funding. Mr. Movshin made a motion to recommend to the CSA Board that Beach Trolley be included in the CSA budget. Mr. Farrenkopf seconded and the motion then went to a vote. After discussion it was determined to support the future recommendation of the Short Term Rental Committee concerning the additional fee.

**Adjournment**

With no further business to come before the Committee, Chair Rodman adjourned the meeting at 10:30 a.m.

Respectfully Submitted,

Stu Rodman  
Chair