

Community Services Associates, Inc.
Board of Directors Meeting
June 26, 2017

On Monday, June 26, 2017, a regular meeting of the Community Services Associates, Inc., (CSA) Board of Directors, was held at the Sea Pines Community Center, main conference room. The meeting was called to order at 3:00 p.m. Chairman Griffith presided.

Roll Call

Present:	Carolyn Adams	Barry Barth	Steve Birdwell
	Cary Corbitt	Paul Crunkleton	Bob Gossett
	Mark Griffith	Mark King	Charles Miner
	James Richardson	Scott Richardson	Beverly Serral
	Don Sigmon	Bob Sowers	Richard Speer
Conference Call:	David Borghesi	Michael Tucker	
Staff:	Sandra Archer	Bret Martin	Jean McElroy
	Victoria Shanahan		

Ratify Approval of the May 23, 2017, Meeting Minutes

The May 23, 2017, CSA, Board of Directors meeting minutes, were approved by email. Carolyn Adams made the following motion, seconded by Paul Crunkleton and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the minutes of the May 23, 2017, meeting, as finalized by email”.

CSA Reports

CSA President’s Operations Report – Bret Martin

- The Palmetto Bay Road fencing project has been completed, trees have been removed.
- Follow-up is required and continues with beach boardwalks. Mr. Fredericks, Director of Maintenance, will coordinate.
- Recent heavy rains have clogged drains with pine straw and other debris and are in the process of being cleared.
- A work order system, which both requests and confirmations are emailed, will be returning shortly.
- The Service Agreement between ASPPPO has been approved and is in effect.
- During a think tank with Town of Hilton Head Island, a survey for residents on current status of the Island was mentioned. The survey is still available online.
- The Gate Task Reconfiguration Committee Task Force met with civil engineers and discussed options and solutions to existing gate issues. There will be workshop open to property owners
- Have received 1 bid on WIFI at Tower Beach and solicited another from Time Warner Cable/Spectrum, we are working with Converged Services.
- Tower Beach has new hours of operation and is staffed from 8:00 a.m., until 9:00 p.m.

- The Town of Hilton Head has \$7,500,000 budgeted for beach re-nourishment, mid-August, which will encompass the Tower Beach and surrounding areas.

ARB Liaison Report – James Richardson

- There have been no changes or updates since the last Board meeting. There are 5 single family houses under construction, 10 large and 23 small projects, 2 pools and 63 miscellaneous projects.
- The ARB will hold a meeting on September 12, 2017, in the Sea Pines Community Center.

Joint CSA/ASPPPO Short Term Rental Committee – Beverly Serral

- The Short Term Rental Committee met on May 17, 2017.
- The number of weekly rental passes sold, through April 2017, generated \$16,411 in sales. This is an additional 1,066 passes sold over the same period in 2016.
- Larger homes that might need to accommodate 7 – 8 vehicles and do not have appropriate parking space was reviewed. The Committee recommends that the number of rental passes issued per property, reflects the number of parking spaces available on hardscape/properly assigned property spaces. Guests could order additional passes, but would have to park in the trolley lot. It is important that cars are not parked on streets and in yards. The Committee will recommend to the Gate Entry Committee, at the next meeting, to approve the parking restrictions per household and make effective January 1, 2018.
- The Committee will also recommend, at the next Gate Entry Committee, to prohibit entry to wheeled trailers brought in by guests.

Communications Committee – Barry Barth

- The Communications Committee met on June 21, 2017.
- Highlights in the MEMP report, given by Mr. Fredericks on behalf of Mr. J.R. Richardson included: storm clean-up, split rail fencing installed, flower change out, mulching of trolley lots and road patching.
- The Independence Day event, at Tower Beach, sold out in 1 day. Wristbands will be issued from the CSA building and owners can pick up with proof of identification. Transportation will be provided by the trolley and Tower Beach will be patrolled during the event. There will be an update on the website with all the details.
- The quarterly newsletter was discussed as well as it's mode of delivery. The use of a digital option requires further discussion.
- There was discussion of CSA having an opt-in directory for owners to select their preferred mode of receiving communication.

Gate Entry Committee – Cary Corbitt

- There were no updates since the last meeting.
- The Committee will next meet on August 10, 2017.

Circle to Circle/Traffic Task Force Update – Paul Crunkleton

- Upscale food trucks are in operation and located at 2 mid-island beaches. The feedback to date has been very positive.

- Signs, where the 278 and Cross Island Parkway intersect, will help promote visitors coming on the island, to frequent mid-island beaches.
- The 2018 budget contains money for marketing efforts to promote mid-island beaches and beach shuttles.
- Traffic Task Force will meet the week of June 16, 2017. The Town did a traffic study and results will be forthcoming once available.

Governance Committee – Richard Speer

- There are currently 2 projects underway, review of the ARB and Security Department. Positions are available if there is an interest to serve on the committee.

Government Liaison – Scott Richardson

- Mr. S. Richardson attended the most recent Town Meeting with Mr. Martin. During the meeting, cards were distributed with information to take the online survey. There was also discussion on the workforce housing dilemma.

Maintenance, Enhancement and Major Projects Committee – James Richardson

- The bridge at Sea Lofts is out for bid.
- Other highlights were mentioned under the Communication Committee update.

Safety and Security Committee – Bob Gossett

- Mr. S. Richardson has been added to the Safety and Security Committee.
- A proposal, to include the installation of stop signs, has been made to address safety concerns, at the intersection of South Sea Pines Drive and Greenwood Drive. The installation of stop signs, at the intersection, is currently on hold awaiting further research.

Finance Committee – Victoria Shanahan

- The Finance Committee met on June 20, 2017.
- The financial impact of Hurricane Matthew on CSA was \$4,500,000. The majority of the property owner assessments have been received and efforts to collect outstanding balances is underway. Less than 100 property owners are on payment plans.
- The insurance claim for Hurricane Matthew is still in progress. On June 19, 2017, Liberty Mutual agreed to offer \$165,000, representing \$15,000 for lost revenue and \$46,000 for third party contractors. Liberty Mutual did not clear the additional costs requested, incurred by CSA's internal work force, for extended hours necessary to recover from the storm. To this effect, a demand letter has been submitted to recoup those costs in the amount of \$61,737.
- The Finance Committee voted unanimously to approve \$106,331, in operations costs, for additional expenses for the maintenance department. The cost included a stump grinder and a gyro-trac.
- The April 30, 2017 financial statements were discussed.
- Balance Sheet Unaudited - Total asset and liability fund balances are \$24,325,752. This compares to \$21,436,035 at April 30, 2016, resulting in a \$2,889,717 increase, year over year.

- Income Statement Unaudited – Total net income is \$5,099,973, compared to budgeted \$3,880,326, resulting in a positive variance to budget of \$1,219,647. This compares to a total net income of \$4,838,880 for the same period in 2016, resulting in a \$261,093 increase, year over year.
- There has been a significant increase in daily gate fees, \$100,000 over budget. On June 1, 2017, the commercial gate entry fee increased from \$6.00 to \$10.00. As well, the purchases of contractor annual decals increased, most likely due to the rise in the commercial daily gate fee, resulting in \$156,000 in sales, over budget.

Long Range Strategic Planning Committee – Bret Martin

- The committee has met several times and reviewed the strategic plan currently in place. The last meeting centered on the timeline of expenses/projections available to date.
- Mr. Advocaat presented a process, successfully used, in planning a community. The creation of a task force is under consideration.
- The plan will be brought before the Finance Committee in 2018 for consideration and approval in the 2019 budget.

Unfinished Business

There was no unfinished business to discuss.

New Business

Acceptance of YTD/April 2017 Financial Statements – Victoria Shanahan

A motion was made by Carolyn Adams to accept the April 2017/YTD financial statements. The motion was seconded by Richard Speer and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, accepts the April 2017/YTD financial statements as submitted”.

Amendment to Budget for Capital Expenditures – Victoria Shanahan

A motion was made by Scott Richardson, to approve the amendment to budget for capital expenditures. The motion was seconded by James Richardson and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved amending the budget with an additional \$106,331, for capital expenditures”.

Approval of Finance Committee Membership Amendment – Victoria Shanahan

A motion was made by Barry Barth, to approve the amendment of the Finance Committee Membership. The motion was seconded by Richard Speer and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved amending the 2017 Finance Committee Membership. David Herskovits will be replacing Maryann Bastnagel”.

Acceptance of CSA/ASPPPO Service Agreement – Bret Martin

A motion was made by Richard Speer to accept the 2017 CSA/ASPPPO Service Agreement. The motion was seconded by James R. Richardson and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the 2017 CSA/ASPPPO Service Agreement as submitted”.

Presentation by Sea Pines Resort – Steve Birdwell, Cliff McMackin

- Mr. Birdwell stated it is an exciting time for Sea Pines Resort and Plantation. In the 60’s and 70’s Sea Pines was the leader in residential/resort communities.
- In March, 2005, the Goodwin family purchased Sea Pines Resort. Since that time they have invested a significant amount of capital. The next anticipated project is to invest an additional \$70 - \$100,000,000 to expand the Inn & Club at Harbour Town and add or improve other facilities in the Harbour Town area. These new improvements are expected to raise the resort’s facilities to Five Star status. Forbes Travel Guide states there are only 76 Five Star resorts in the United States, of which the Goodwin family is involved with 4. Raising the resort to Five Star status will attract high demographic, affluent travelers as well as greatly increased property values.
- Mr. McMackin commented on the sizeable investment being brought into the community.
- The Resort is committed to Lawton Stables and will continue to offer the petting zoo and pony and trail rides. The pastures across Greenwood Drive will be retained and expanded as well as retaining the Heritage Farm. Every possible location for relocating the tennis facility was reviewed, including within the Sea Pines Forest Reserve. Existing land use restrictions and covenants have dictated Lawton Stables as the only viable location. The Resort is committed to doing the project the “right way” and will build a tennis and stable facility that are world class.
- The Inn expansion is proposed in a resort village feel with a residential scale to match existing buildings.
- Mr. Birdwell reviewed the 2017 ASPPPO/Sea Pines Resort Term Sheet.

Approval of Sea Pines Resort Term Sheet – Mark Griffith

A motion was made by Carolyn Adams to approve the Sea Pines Resort Term Sheet for preparation of a referendum. The motion was seconded by Paul Crunkleton. Mark King and Bob Gossett abstained. Bob Sowers voted against. With the remaining Board Members voting in favor, the motion carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the Sea Pines Resort Term Sheet, for preparation of appropriate amendments to the covenants, by referendum”.

Approval to Call for Referendum Vote – Mark Griffith

A motion was made by Richard Speer to approve to administer the referendum vote called by Sea Pines Resort, LLC. The motion was seconded by Scott Richardson and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, authorizes and agrees to prepare the necessary and appropriate referendum vote documents; to conduct the vote; to contract with a third-party administrator, who shall oversee ballot collection and tabulation; and to take any and all other necessary and

appropriate action to present and conduct the referendum vote in accordance with the applicable covenants and the Bylaws of Community Services Associates, Inc.”.

- CSA has \$35,000 budgeted for referendum facilitation and ASPPPO has budget \$20,000.

Acceptance of CARB By-Laws – Bret Martin

A motion was made by Paul Crunkleton to approve acceptance of the CARB By-Laws. The motion was seconded by Richard Speer and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, accepted the CARB By-Laws as submitted”.

- CARB will provide services to properties that front Greenwood Drive to the Sea Pines Circle, including Office Park and Palmetto Bay Roads. As these areas continue to develop, they will need to seek approval from CARB for improvements, i.e., tree removal. This is for commercial properties and still, not all properties are under these restrictions. CSA will be tasked to administer and will fold in with the ARB.

Approval to Amend Gate Entry Policy – Mark Griffith

- ASPPPO unanimously approved, at the last ASPPPO Board meeting, to increase the gate entry fee to \$10 for daily passes, from Memorial Day through to Labor Day, effective immediately. Requests were made to bring this amendment for vote, at the CSA Board of Director’s June 26, 2017, meeting.
- The Gate Entry Committee has been reviewing this policy since early 2017. Discussion ensued as to postpone the vote, on the daily gate fee increase, until further discussions are held. Chairman Griffith, moved forward with the vote and brought before the Board.

A motion was made by Paul Crunkleton to approve to amend the Gate Entry Policy. The motion was seconded by Richard Speer. Mark King abstained. Bob Gossett, Donald Sigmon and Bob Sowers voted against. With the majority of the Board voting in favor, the motion carries.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the increase of the \$6 daily gate pass to \$10, from Memorial Day through Labor Day, effective immediately, subject to approval by representatives from Sea Pines Resort and Sea Pines Center”.

Board Member Comments

There were no further comments.

Adjournment

With no further business to come before the Board, Chairman Griffith adjourned the meeting at 4:25 p.m. The next scheduled meeting of the CSA Board of Directors, is Tuesday, September 26, 2017, 3:00 p.m., at the Sea Pines Community Center.

A motion was made by Steve Birdwell to adjourn the meeting at 4:25 p.m. The motion was seconded by Paul Crunkleton and unanimously carried.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Carolyn Adams". The signature is written in a cursive style with a large initial 'C'.

Carolyn Adams
Secretary