

**Community Services Associates, Inc.**  
**Board of Directors Meeting**  
November 21, 2017

On Tuesday, November 21, 2017, a regular meeting of the Community Services Associates, Inc., (CSA), Board of Directors, was held at the Sea Pines Community Center, 71 Lighthouse Road, Hilton Head Island, SC, 29928. The meeting was called to order at 3:00 p.m. Chairman Griffith, presided.

**Roll Call**

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

**Ratify Approval of the September 26, 2017 Meeting Minutes**

A motion was made by Carolyn Adams, to ratify approval of the September 26, 2017, CSA, Board of Directors, meeting minutes. The motion was seconded by David Borghesi and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the minutes of the September 26, 2017, Board of Directors meeting, as finalized by email”.

**Chairman’s Opening Comments**

Chairman Griffith announced that an Executive Session will be called during the meeting. Questions will be taken following adjournment.

**CSA Reports**

**CSA Operations** – Bret Martin

- The deer management plan has been cancelled due to Hurricane Matthew.
- Several surveys have been conducted with the community.
- The 2018 Residential Property Owner Assessment will be mailed out in the coming weeks and due January 12, 2018.
- The final assessment for Hurricane Matthew damage was 4.7 million and \$115,000 from Hurricane Irma. Beach boardwalk repair, tree damage mitigation, continues.
- The salvage harvest project in the Sea Pines Forest Preserve is ongoing and will finish in the next couple of months.
- The new signs at the gate entrance have received positive feedback
- Tower Beach staff will be reduced during the slower season and increased as needed.

- Dates to remember: November 24 – Holiday Lighting, December 6 – Community Coffee, December 12 – ARB Open Meeting, 1 p.m., Holiday Open House at Tower Beach, 3:00 – 6:00 p.m. and December 16 – Wreaths Over America, Six Oaks Cemetery, 12:00 p.m.
- The 2018 Budget is ready and will be presented to the Board today, for approval.
- The lease agreement for the Community Center is up for approval by the Board.
- A reminder that December 1, 2017, is the deadline to vote in the upcoming election.
- CSA is working with Richard Matthews and the Town of Hilton Head Island, to address the conditions and find remedies of the residence located at 40 Sandfiddler Road. An exterminator was sent to the location this past Friday.
- The hydrology study has been downloaded to the Town’s GIS system. This provides many useful features and allows the Town to identify inlets and determine where water should flow.

ARB Liaison – J. Richardson

- Total Dwelling Units allowed by Covenant are 5,890. As of October 31, 2017, represented are: “Class A” - total lots remaining, 106; total homes, 3732; “Class B” - multi-family dwelling units, 1989 and uncommitted dwelling units, 63.
- The October 2017 Status Report reflects: 10 deposits – 1 new house re-built, 1 pool, 1 demo and 7 alteration/addition deposits. There were 7 major alterations, 3 pools, 19 minor alterations and 1 demo application.

Joint ASPPPO/CSA Short Term Rental Committee – Beverly Serral

- The committee last met November 7, 2017.
- The number of weekly passes is up 2,195 over the same time last year. There was 46,235 in 2017, as compared to 44,040, in 2016.
- 2018 objectives include: implementation of new pass policy, limiting number of passes per reservation to property’s hardscape parking areas. Additional cars could be parked overnight in the trolley.
- In 2018 additional meetings will be scheduled with owner managed properties, i.e. VRBO.

Communications Committee – Chairman Griffith

- The committee is exploring outsourcing newsletters to a 3<sup>rd</sup> party publisher.
- The creation of a Sea Pines Community brochure is under consideration.
- The agenda for the upcoming December Community Coffee is in progress.
- The marketing video of the community has been released with enthusiastic feedback.
- Surveys on a variety of topics will be forthcoming in the new year.
- Communication to the community, regarding the upcoming election, is ongoing.
- The newsletter is expensive to produce and news stale by the time it is distributed. An e-version newsletter needs to be considered.
- Policies for the use of digital signage, at the ocean and main gates, need to be developed and a communication center maintained at the CSA Administration Building.
- A new email template has been designed and implemented.

Gate Entry Committee – Cary Corbitt

- The Committee last met October 12, 2017.
- Bicycle rental companies, outside of the gates, are not accurately reporting the number of bikes brought into the community. Revenue is approximately \$30,000 - \$35,000 per year and it is expected that another \$25,000 - \$20,000 is not accounted for. A meeting will be held with company owners in spring 2018, to address this issue. In the past, company owners turned down the option of paying a flat, yearly fee.
- Trolleys will be outfitted with a more discreet, tip holding container.
- Two gate entry workshops were held this year.
- A new re-designed gate pass brochure will be available in 2018. The current brochure, at 60 pages, is too large. Maps seem to provide the most beneficial information.

A motion was made by Charles Miner to approve the amendments to the Gate Entry Policy. The motion was seconded by Richard Speer and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved amendments made to the Gate Entry Policy, as submitted”.

Circle to Circle/Traffic Task Force – Paul Crunkleton

- The Task Force has merged with Gate Configuration Task Force and continues to review engineering studies.

Governance Committee – Richard Speer

- The Committee has focused on an assessment and strategic plan for the ARB and Safety and Security Department.

Government Liaison – Scott Richardson

There was no new business to report.

Maintenance, Enhancement and Major Projects Committee – James Richardson

- Monarch Leisure Trail
- Holiday lighting installation
- Catch basin installation at Baynard and Braddock Cove
- Lagoon dredging program – Beach Lagoon dredging underway
- Beach boardwalk repair
- Seeding and mulching trolley lots
- Entrance beautification, flower change out, railroad ties removal
- Roadways - Greenwood Drive and South Sea Pines intersection, Greenwood Drive and Club Course Drive resurfacing/rebuilding, Plantation Drive permanent line marking.
- Deer Island Bridge can be repaired, with a 15 year life span, at a cost of \$100,000.

Safety and Security Committee – Michael Tucker

- Task Force is looking at the parking policy in Sea Pines. When addressed, POAs responded they do not approve parking on T-streets.
- Reminders need to be posted advising people to obey speed limits.

- The majority of people stopping on South Sea Pines Drive to drop off/unload, was determined to be property owners.
- The history of the safety concerns at South Sea Pines and Greenwood Drives intersection and subsequent remedies, was discussed.

A motion was made by Carolyn Adams to approve the Greenwood Drive/South Sea Pines Drive Intersection Reconfiguration. The motion was seconded by Paul Crunkleton and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the removal of the current post and chain located on South Sea Pines Drive, with the exception to the post and chain near Beach Access # 26, which will remain. The Board approves the installation of two timber bridges across the lagoon at Beach Walk # 25 and # 26, to include asphalt and stamped crosswalks to connect to the current leisure path. Also, installation of a stamped crosswalk and asphalt at Beach Walk # 24, to connect to the current leisure path. The Board proposed to keep the current stop sign at Greenwood Drive and South Sea Pines Drive intersection, as vehicles prepare to turn right onto South Sea Pines Drive. However, the stop line will be moved forward to allow visibility for drivers making this turn. The Board approved the installation of warning signs on South Sea Pines Drive, in both directions of traffic, to alert vehicles of “Pedestrian Crossings Ahead”. Furthermore, the Board approved the installation of the landscaped median, stop sign, curb cutting and 2 inch overlay at the Greenwood Drive and South Sea Pines Drive intersection, as per the engineer’s recommendations presented by Russell Fredericks”.

- The cost of the project is estimated at \$45,000 per bridge and is included in the 2017 budget.

Finance Committee – David Borghesi

- The Committee last met November 14, 2017.

The balance sheet as of September 30, 2017, was reviewed. Total assets and liabilities/equity fund balances, on an accrual basis, are \$21,880,085, an increase of \$2,689,687 over the same period last year.

The income statement, as of January 1 through September 30, 2017, was reviewed. Actual revenues over expenditures are \$3,506,924, compared to budgeted 892,830, resulting in a positive variance to budget of \$2,614,094. This compares to a total net income of \$2,599,527, for the same period in 2016, resulting in a \$907,397 change, year over year.

A motion was made by David Borghesi, to accept the September 2017/YTD CSA financial statements. The motion was seconded by James Richardson and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved acceptance of the September 2017/YTD CSA financial statements, as submitted”.

- There remains a balance of \$100,000 in the Hurricane Matthew Special Assessment account. Liens have been filed on 24 properties. These property owners have paid neither their 2017 Assessment nor Hurricane Matthew Special Assessment fees.

A motion was made by David Borghesi to approve the 2018 Residential Property Owner Assessment. The motion was seconded by Richard Speer and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved an increase over the 2017 Assessment, bringing the 2018 Residential Property Owners Annual Assessment, on an improved lot from \$1028.00 to \$1050.00 and the 2018 Residential Property Owners Annual Assessment, on an unimproved lot, from \$613.00 to \$626.00”.

- The assessment is based on CPI and was increased 2.12%, to the maximum increase permitted, under the covenants.

A motion was made by David Borghesi to accept the 2018 CSA Budget. The motion was seconded by Michael Tucker and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, accepted the 2018 CSA Budget, as submitted.

A motion was made by David Borghesi to approve a line of credit availability. The motion was seconded by Richard Speer and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved Mark Griffith, Bret Martin and Victoria Shanahan, to have the authority to draw down on the Morgan Stanley Line of Credit, up to \$500,000, as needed, for cash expenditures through year-end, to be paid back as 2018 assessments are collected.

- Ray Warco and David Herskovits met with Elliott Davis LLC, for audit testing on November 15, 2017. There was nothing unusual to report.

#### Long Range Strategic Planning Committee – Michael Tucker

- The Committee has met twice since the last Board meeting.
- A Community Center Task Force, Mr. Parsons, chairman, was established. Task Force will research creating a community center, in Sea Pines. A Transportation Task Force, Mr. Johnson, Chairman, was established. Task Force will research moving residents and guests, within the community. Both Task Force will evaluate the feasibility of these projects in Sea Pines.
- The Committee anticipates to have the Strategic Long Range Plan complete by late January 2018 and present to the community in February 2018. The plan will be presented to the Board of Directors for approval, at the March 27, 2018, CSA Board meeting.

#### Unfinished Business

There was no unfinished business to discuss.

**New Business**

Acceptance of YTD/September 2017 Financial Statements – Victoria Shanahan  
Refer to “Finance Committee”.

Approval of 2018 Budget – Victoria Shanahan  
Refer to “Finance Committee”.

Approval of 2018 Residential Property Owner Assessment – Victoria Shanahan  
Refer to “Finance Committee”.

Approval of Line of Credit Availability – Victoria Shanahan  
Refer to “Finance Committee”.

Appointment of 2018 Architectural Review Board Members – Chairman Griffith  
A motion was made by Richard Speer to approve the appointment of the 2018 Architectural Review Board Members. The motion was seconded by Paul Crunkleton and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, jointly approves, with the Association of Sea Pines Property Owners, Board of Directors, Inc., the appointment of Terry Rosser, as an alternate member of the Architectural Review Board. The one year term will begin January 1, 2018 and end December 31, 2018. The CSA Board of Directors also approved the appointment of Susan Dinges, as a full member of the Architectural Review Board. The three year term will begin January 1, 2018 and end December 31, 2020”.

Approval of Amendment to Gate Entry Policy – Cary Corbitt  
Refer to “Gate Entry Committee”.

Approval of 2018 ASPPPO/CSA Board of Directors and Committee Meetings Schedule – Chairman Griffith

A motion was made by Michael Tucker to approve the 2018 ASPPPO/CSA Board of Directors and Committee Meetings Schedule:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the 2018 ASPPPO/CSA Board of Directors and Committee Meetings Schedule, as submitted”.

Approval of Greenwood /South Sea Pines Drive Intersection, Reconfiguration – Michael Tucker  
Refer to “Safety and Security”.

Approval of Amendment to Sea Pines Center Associates, LLC, Lease Agreement Addendum – Chairman Griffith

A motion was made by Paul Crunkleton to approve amendment to the Sea Pines Center Associates, LLC, Lease Agreement Addendum. The motion was seconded by David Borghesi. Chairman Griffith, Carolyn Adams, Steve Birdwell, David Borghesi, Cary Corbitt, Paul Crunkleton, Bob Gossett, Charles Miner, James Richardson, Scott Richardson, Beverly Serral, Bob Sowers, Richard Speer and Michael Tucker voted in favor. Mark King abstained. With the majority voting in favor, the motion carries.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the amendment to the Sea Pines Center Associates, LLC, Lease Agreement Addendum, to read as follows:

**Term of Lease: Is Amended to Read:** Five (5) Years - Tenant shall have right to terminate Lease after Three (3) years subject to Tenant providing Landlord with One (1) year written notice and a certificate of occupancy for a newly constructed Community Center located in Sea Pines.

**Commencement Date: Is Amended to Read:** January 1, 2018

**Expiration Date: Is Amended to Read:** December 31, 2022

**Minimum Rent: Is Amended to Read:**

<u>Lease Year</u>	<u>Rate per Annum per SF</u>	<u>Minimum Rent Per Annum</u>	<u>Rent per Month</u>
1/1/18 to 12/31/18	\$15.00	\$75,960	\$6,330.00
1/1/19 to 12/31/19	\$15.50	\$78,492	\$6,541.00
1/1/20 to 12/31/20	\$16.00	\$81,024	\$6,752.00
1/1/21 to 12/31/21	\$16.50	\$83,556	\$6,963.00
1/1/22 to 12/31/22	\$17.00	\$86,088	\$7,174.00

**Executive Session**

Chairman Griffith called the Board of Directors into Executive Session at 4:15 p.m.

**Board Meeting Reconvenes**

The Board of Directors meeting reconvened at 5:00 p.m.

- o Counsel had advised that CSA is entitled to receive the survey results from Rawle Murdy and that legal action could be taken.

A motion was made by Mark Griffith, to not move forward with legal action, to obtain survey results from Rawle Murdy. The motion was seconded by Michael Tucker and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved to not move forward with legal action to obtain the survey results from Rawle Murdy”.

**Board Member Comments**

There were no further comments.

**Adjournment**

With no further business to come before the Board, Chairman Griffith adjourned the meeting at 5:00 p.m. The next scheduled meeting, of the CSA Board of Directors, is Tuesday, January 23, 2018, 3:00 p.m., at the Sea Pines Community Center.

Respectfully Submitted,



Carolyn Adams  
Secretary