

**Community Services Associates, Inc.**  
**Board of Directors Meeting**  
January 23, 2018

On Tuesday, January 23, 2018, 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.

**Roll Call**

Present:	Barry Barth	Steve Birdwell	David Borghesi
	Cary Corbitt	Paul Crunkleton	Bob Gossett
	Mark Griffith	Bill Johnson	Charles Miner
	Scott Richardson	Stu Rodman	Bob Sowers
	Michael Tucker		

Absent:	Carolyn Adams	Mark King	James Richardson
	Donald Sigmon		

Staff:	Sandra Archer	Bret Martin	Jean McElroy
	Victoria Shanahan		

**Call to Order**

The meeting was called to order by Mark Griffith, Chair, at 3:00 p.m., Eastern Time.

**Opening Comments** – Chair Griffith

- Three Board members were elected to serve on the CSA Board of Directors and were announced. Mr. Johnson and Mr. Rodman were welcomed as new CSA Board members and Mr. Richardson returned to a second term of service. The term of service is three years; January 1, 2018, through December 31, 2020.

**Ratify Approval of the November 21, 2017, Meeting Minutes**

A motion was made by Charles Miner, to ratify approval of the November 21, 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 November 21, 2017, Board of Directors meeting, as finalized by email”.

**Ratify Approval of the December 5, 2017, Special Meeting Minutes**

A motion was made by Charles Miner, to ratify approval of the December 5, 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 December 5, 2017, Board of Directors meeting, as finalized by email”.

## CSA Reports

### Operations – Bret Martin

- We are finalizing, with USCB, two surveys that will be sent to the property owners: gate reconfiguration and community. The surveys will be sent independently of each other, to property owners with email addresses on file. Anticipated mail date is February, 2018.
- The 2018 assessment is 70% collected, to date. Reminder letters will follow for those in arrears.
- Lot 4 has had 60 – 70 trees removed, replanting will be needed in the parking area.
- Hurricane Matthew has incurred \$4,830,000 and costs continue. Ongoing plant and tree mitigation is estimated at \$140,000. Costs for boardwalks and possible dune re-nourishment remain.
- The Town of Hilton Head Island will meet January 31, 2018 and address installation of pre-constructed fencing for beach dunes, with potential of fencing along entire shoreline of Hilton Head Island.
- Harvesting continues in the Sea Pines Forest Preserve, as an ongoing project to protect trees and wildlife.
- Community signage guidelines will be presented by David Henderson at the next Community Coffee, February 7, 2018, 9:00 a.m.
- The IT project team has been on site, contract finalized and first payment made. The first phase, which includes ABDI, is anticipated to be complete by September 2018.
- The electronic gate entry board project and discussion with local providers, continues. Utility capacity at each gate site needs to be confirmed, prior to construction of the monuments. The panels to be housed in the monuments, have a 2 week delivery window.
- The current entrance sign at the CSA Administration Building, will not be replaced.

### ARB Liaison – Chair Griffith

- Total Dwelling Units allowed by Covenant are 5,890. As of December 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.

### Joint ASPPPO/CSA Short Term Rental Committee – Bill Johnson

- A meeting was held with local rental managers, January 19, 2018. Approximately 20 companies were represented. A subsequent meeting, previously scheduled for residents, was cancelled due to lack of participation. A report will be distributed to individual renters by Mr. McSwain.

### Communications Committee – Barry Barth

- The first meeting of the Committee is March 21, 2018, the Committee last met in 2017.
- There remain positions open and the Committee will participate in the Volunteer Fair, February 14, 2018.

### Gate Entry Committee – Cary Corbitt, Charles Miner

- The first meeting of the Committee is March 8, 2018, the Committee last met in 2017.
- The Committee will participate in the Volunteer Fair, February 14, 2018. There is the possibility the Committee will expand membership.

Governance Committee – Charles Miner

- The Committee will focus on the re-write of the bylaws. The goal will be to coordinate the bylaws between ASPPPO and CSA, in particular to align the voting process between the two. CSA's bylaws were re-written several years prior.

Government Liaison – Stu Rodman

- Contact with the Town of Hilton Head Island will be ongoing and issues and concerns relating to the community will be brought before the Board.

Maintenance, Enhancement and Major Projects Committee – Chair Griffith

- Completed projects: beach walk repair and resurfacing project at beach access 42a; completed Beach Lagoon dredging; installation of 120 foot Monarch leisure trail; winter storm clean-up; lot 4 tree removal, approximately 60 trees due to salt water intrusion; Lawton Drive leisure trail resurfaced and concrete curbing at Lawton Drive.
- Projects in progress: pothole repair in selected North Sea Pines Drive areas; Greenwood and South Sea Pines Drive intersection, safety improvement; landscape plant material purchased for Monarch leisure trail, submittal of post and chain fence proposal for the Monarch leisure trail, to ARB; installation and lengthening of 2 new boardwalks, # 11 and # 12, to provide adequate access to the beach; executing engineering design for Greenwood Drive road resurfacing; evaluating recommendations from landscape architect for lot # 4 landscape plant material; collecting bids for installing 2 - 3 timber bridges on South Sea Pines Drive and cutting back perennial plants.
- Upcoming projects: crosswalk stamping on South Sea Pines Drive and South Beach; survey and execute engineering plan for North Sea Pines Drive and leisure trail; resurfacing project and possible road and leisure trail widening; mulch open spaces in selected areas to prepare for RBC Heritage Tournament, March 5 – April 6, 2018; change flower beds throughout Sea Pines community beginning March 19, 2018 and bid solicitation for Deer Island Bridge rehabilitation.

Safety and Security Committee – Stu Rodman

- A meeting will be held with Mr. Tucker shortly, so as to familiarize with the current status of the Committee and the projects both ongoing and forthcoming.

Finance Committee – David Borghesi

- The Committee last met January 16, 2018. Topics of discussion included: financial statements, investment portfolio, Committee membership, Committee Charter and purchase of Gallery of Shops.
- The Executive Committee requested a 2018 Budget amendment, \$72,000, to engage a consultant to assist CSA in community communications, related to any proposed referendum, which was approved via email subsequent to the January 16, 2018, Finance Committee meeting.

A motion was made by Paul Crunkleton to approve amendment to the CSA Budget, 2018. The motion was seconded by David Borghesi and unanimously carried:

**“RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved amendment to the CSA Budget, 2018, with acceptance of a \$72,000 increase for communication services, relating to a referendum”.

The balance sheet as of November 30, 2017, was reviewed. Total assets on an accrual basis, are \$20,050,950, an increase of \$2,681,278 over the same period last year. Fund balance was \$18,081,424, an increase of \$2,385,606 over the same period last year.

The income statement, as of January 1 through November 30, 2017, was reviewed. Actual revenues over expenditures are \$1,704,821, compared to budgeted (\$157,561), resulting in a positive variance to budget of \$1,862,382. This compares to a total net income of (\$417,064) for the same period in 2016, resulting in a \$2,279,446 change, year over year.

A motion was made by Stu Rodman, to accept the financial statements, YTD/November 2017. The motion was seconded by Scott Richardson and unanimously carried:

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

- The Investment Policy dictates review 3 times yearly. The MSSB portfolio at December 31, 2017, showed a balance of approximately \$10,500,000, which includes \$1,000,000 in cash.
- Cash was transferred in January, to the Special Assessment account related to Hurricane Matthew, in the amount of \$600,000 and invested in insured CDs. Interest from Special Assessment funds, are accounted for as a reduction of special assessment related expenditures.
- Additional transactions in January included the liquidation of two corporate fixed income investments as a result of below acceptable credit ratings for the portfolio taken as a whole. CSA purchased four additional corporate fixed income investments with an A- or better credit ratings, with an aggregate par value of \$660,000. The Finance Committee concurred with the recommendations received.
- Special Assessment funds related to Hurricane Matthew, \$600,000 cash, was transferred to a separate account at Morgan Stanley and invested in insured CDs. The interest from these Special Assessment funds, are accounted for as a reduction of expenditures.
- Funds held at Morgan Stanley have increased over 2017 and will be used toward 2017 projects that will carry over to 2018.
- On advice of MSSB, CSA liquidated its investment in General Electric, subsequent to the Finance Committee meeting on January 16, 2018. Proceeds were reinvested in other corporate fixed income securities.

Long Range Strategic Planning Committee – Michael Tucker

- The Committee last met January 5, 2018.
- At the March 2018 Community Coffee, the Committee will present and seek validation from property owners as to the Long Range Strategic Plan. Results will be forwarded back through the Committees, to eventually bring before the Board, for approval.

### Traffic/Gate Configuration Committee – Michael Tucker

- The Traffic and Gate Configuration Task Forces have merged and formed a committee. The Committee will continue to study available gate options.
- Membership includes: ASPPPO President, CSA Chair, CSA President, CSA staff, Commercial, Resort representation and POA representation from Club Course, Greenwood Forest and South Beach areas. Following the Committee Fair, to be held February 14, 2018, the Committee will consider other property owners for inclusion on the Committee.
- Meeting dates will be called in advance, as soon as appropriate.

### Unfinished Business

#### Update on Gallery of Shops – Bret Martin

- Maintaining continuous contact with Publix, Corporate, and met on site 2 weeks ago. Currently awaiting feedback on site details and sketches provided earlier. Expectation is one of the concepts provided, will be accepted.
- The purchase agreement and escrow dates have been extended to February 9, 2018 and purchase date to February 23, 2018. The \$25,000 escrow deposit is not in jeopardy. Dates will be extended further, as deemed necessary.
- Engineers and site planners, in conjunction with the Traffic/Gate Configuration Committee, continue to focus on design. Once design, planning and estimated costs are available, it will be brought to the community.

### New Business

#### Approval of Committee Chairs, 2018 – Mark Griffith

A motion was made David Borghesi to approve the CSA Committee Chairs, 2018. The motion was seconded by Michael Tucker and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approves the Committee Chairs, 2018, as presented: Communications – Barry Barth; Finance – David Borghesi; Gate Entry – Cary Corbitt, Charles Miner; Governance – Charles Miner; Joint Short Term Rental – Bill Johnson, Beverly Serral; Long Range Strategic Planning – Michael Tucker; Maintenance, Enhancement and Major Projects – James Richardson; Safety and Security – Stu Rodman, Traffic/Gate Configuration – Michael Tucker; ARB Liaison, James Richardson and Government Liaison – Stu Rodman”.

#### Approval of Finance Committee Membership, 2018 – David Borghesi

A motion was made by Bill Johnson to approve the Finance Committee Membership, 2018. The motion was seconded by Charles Miner and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the Finance Committee Membership, as submitted”.

#### Approval of Finance Committee Charter, 2018 – David Borghesi

A motion was made by David Borghesi to approve the Finance Committee Charter, 2018. The motion was seconded by Michael Tucker and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the Finance Committee Charter, as submitted”.

**Board Member Comments**

There were no further comments.

**Adjournment**

With no further business to come before the Board, Chair Griffith adjourned the meeting at 3:40 p.m. The next scheduled meeting, of the CSA Board of Directors, is Tuesday, March 27, 2018, 3:00 p.m., at the Sea Pines Community Center.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to be 'M. Griffith', with a stylized, overlapping structure.

Mark Griffith  
Chair