

Community Services Associates, Inc.
Board of Directors Meeting
March 27, 2018

On Tuesday, March 27, 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:	Carolyn Adams	Barry Barth	Steve Birdwell
	David Borghesi	Cary Corbitt	Paul Crunkleton
	Bob Gossett	Mark Griffith	Bill Johnson
	Mark King	Charles Miner	James Richardson
	Scott Richardson	Stu Rodman	Donald Sigmon
	Bob Sowers	Michael Tucker	
Staff:	Sandra Archer	Bret Martin	Toby McSwain
	Victoria Shanahan	Amanda Sutcliffe-Jones	

Call to Order

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

- With expansion of committee membership, to include many new members, Chairs were directed to advise their members, to address all questions, concerns, requests, etc., through the Committee Chair.

Ratify Approval of the January 11, 2018, Organizational and January 23, 2018, Board Meeting Minutes

A motion was made by Carolyn Adams, to ratify approval of the January 11, 2018, Organizational and January 23, 2018, 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 January 11, 2018, Organizational and January 23, 2018, Board of Directors meetings, as finalized by email”.

CSA Reports

Operations – Bret Martin

- Discussions continue with Publix regarding potential purchase of Gallery of Shops. A 4th extension has been granted. If required, a Special Meeting could be called in May, to hold an Executive Session.
- Improvement to the gate experience continues to be studied. The community survey input will be reviewed. Response to the survey has been encouraging. Those who have not responded, will be prompted to do so.
- The Assessment collection, 2018, is 93%, which is consistent with 2017.

- To date, there has been approximately \$5,000,000, in Hurricane Matthew related expenses. Tree mitigation, dune re-nourishment, boardwalks and lot 4 landscaping, are still outstanding. Hurricane Irma expenses are approximately \$133,000.
- The Town of Hilton Head has begun beach restoration, but is yet to begin in Sea Pines. The Town legal committee will meet shortly, regarding jurisdictional lines.
- The new CSA storm water crew is in force and work is impressive. The harvest project continues in Sea Pines Forest Preserve, as ground conditions prove favorable. Progress along Lawton Canal is challenging and slowed due to stable horse rides.
- Harold Holden, Project Manager ERP/CRM and Marie Sinkiewicz, Document Administrator, are welcomed to the CSA administrative staff.
- A change in the distribution of gate passes, for private renters, is forthcoming.
- Due to additional objectives and criteria, the Town recently advised that some scheduled storm water projects, may not get completed this year, or moved into 2019. This is great concern to the community.
- The 2018 RBC/Heritage Golf Tournament will be held April 9 – 15, 2018.

ARB Liaison – James Richardson

- Total Dwelling Units allowed by Covenant are 5,890. As of March 1, 2018, represented are: “Class A” - total lots remaining, 105; total homes, 3733; “Class B” - multi-family dwelling units, 1989 and uncommitted dwelling units, 63.
- The March 2018 Status Report reflects: 4 new house starts – 3 new lot starts and 1 lot rebuilt; 3 new pools; 6 alternations/additions, 1 dock and 1 demo application.

Joint ASPPPO/CSA Short Term Rental Committee – Bill Johnson

- The Committee met March 6, 2018, but did not meet quorum.
- The committee will bring new ideas to the Board in 2018.

Communications Committee – Barry Barth, Amanda Sutcliffe-Jones

- The Committee last met March 21, 2018.
- There are 5 new residential property owner members on the committee, as well as all CSA department heads. During the meeting, the charter, 2018, was reviewed and approved. A summary from the meeting will be posted on the website, www.seapinesliving.com.
- The Annual Meeting, 2018, will be held April 30, 2018, 3:00 – 5:00 p.m., at the Sea Pines Country Club. Seating will be limited to 350. Event Brite invitations will be forthcoming to reserve a place.
- Proxies will be mailed April 2, 2018, with a return date of April 23, 2018. Quorum must be met to hold the Annual Meeting.
- The community survey was sent to all members whose email is in the CSA data base. The third party provider will make a presentation to the community.

A motion was made by Barry Barth, to approve survey results be released and made available to the community, by posting on the website, as available. The motion was seconded by Michael Tucker and unanimously carried:

“RESOLVED: The Community Services Associates, Inc., Board of Directors, approved the release of presentation results of the CSA 2018 Sea Pines Property Owner Email Survey, to be posted publically on the www.seapinesliving.com website, once they are made available to CSA by the survey vendor”.

Gate Entry Committee – Cary Corbitt, Charles Miner

- The Committee last met March 8, 2018.
- There are 5 new residential property owner members on the committee. During the meeting, the charter, 2018, was reviewed and approved. An overview on gate passes was provided, indicating an increase of 25,000 passes sold in 2017, as compared to 2016.
- A subcommittee was appointed, Paul Handy and Donald Sigmon, to review motorcycle use within the community, in particular, relating to motorcycle use directly from the gate to property owner’s home and vice versa.
- Legal opinion, as to rules applied to timeshare guests, will be reviewed.
- The bicycle contract was reviewed and revision to was agreed upon.

Approval of Amendments to Gate Entry Policy: Bicycle Company Contract; Decal, ID Card Distribution – Cary Corbitt

A motion was made by James Richardson, to approve amendment to the Gate Entry Policy. The motion was seconded by Cary Corbitt and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amendment to the Gate Entry Policy, Bicycle Company Contract, to require each bicycle entering Sea Pines to be charged a \$1.00 fee, instead of only charging for the number of bicycles being delivered, to be implemented as soon as feasible”.

A motion was made by Charles Miner, to approve amendment to the Gate Entry Policy. The motion was seconded by Mark King and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amendment to the Gate Entry Policy to include:

1. Trusts and LLCs, with husband and wife ownership, to be issued Relative Decals and Dependent ID cards;
2. Restrict the Property Owners ID card if delinquent on their CSA annual assessment;
3. Restriction of International Driver’s License that is a substitute, for a valid national driver’s license, for both property owners and non-property owners;
4. Property owners and non-property owners are authorized to apply for a vehicle pass using a valid national driver’s license, that was not issued in the United States”.

Governance Committee – Charles Miner

- The ASPPPO Task Force met on March 24, 2018.
- There are several new committee members, including attorneys. The preliminary work will be rewriting the ASPPPO bylaws. The goal is to have the rewrite complete and approved by membership, prior to the election, 2018.

Government Liaison – Stu Rodman

- A regional storm water authority is under consideration.

- Tourism impact from the RBC Heritage Tournament, is substantial and gaining traction across the county.
- Concerns of the Sea Pines Circle's failure and possible short term solutions, abound. To consider 2 lanes, as is the case on Bluffton Parkway, would be disastrous. Suggestions have included a signaled intersection, an unattractive option.
- The Hilton Head Island airport is nearing completion, with an expected date 3 months out. American Airlines is reported to be showing scheduled regional jet flights. Delta and United Airlines are said to be seriously considering operations from Hilton Head Island. Expansion will allow the private market to operate fully loaded planes and will bode well for Sea Pines to become a corporate destination.

Maintenance, Enhancement and Major Projects Committee – James Richardson

- The Committee last met March 1, 2018.
- Crews are cleaning and removing debris from drains and catch basins. The Town is working on clearing ditches.
- Resurfacing and reconstruction on Greenwood Drive remains to begin.
- Replacement of railroad ties with brick wall, will beautify the intersection of Plantation Drive and Lighthouse Road.
- Discussion continues on re-engineering of Deer Island bridge.
- Projects included: beach boardwalks 11 and 12, Canvasback fence installation, Monarch post and chain, crosswalk stamping, Greenwood and South Sea Pines Drives intersection improvements; lot 4 tree removal and Wren Drive, pipe installation.

Safety and Security Committee – Stu Rodman

- The Committee last met March 14, 2018.
- Speed limits throughout the community will be reviewed.
- Statistics shows that security officers make a significant number of property check calls, on vacationing residents. Should this be a paid service?
- Written requests, from Montessori and Hilton Head Preparatory Schools, for CSA to provide security at their facilities, at a shared cost, will not be entertained.

Finance Committee – David Borghesi

- The Committee last met March 20, 2018.
- The Committee reviewed and accepted the unaudited financial statements for December 2017 and January 2018. Several committee members met with the external audit partner to confirm there were no exceptions to the financial statements. A draft of the audit report is currently under review.
- Insurance renewal presentation for 2018 was given by broker. Annual premium, for similar coverage, with additional policy limits in certain lines, amounted to a 6% increase.
- The IRS Form 990, for 2016, is completed and filed.
- The staff's recommendation of budget amendment to bring forward \$536,000 of uncompleted projects and capital equipment purchase, from 2017 into 2018 was approved. Further budget amendment, in the amount of \$112,500, was also recommended.

- A subcommittee charged to review Hurricane Matthew special assessment expenditures, found actual expenditures for 2018 YTD, are approximately \$61,000. Future planned expenditures are estimated at \$125,000, related to latent tree infestation in and around Lot 4.
- \$2,600,000 of 2018 assessments were invested in FDIC certificates of deposit and US Treasury Notes. Maturities fall within the calendar year, predicated as to when operational expenditures are needed.
- Lee Ann Leahy, retiring Price Waterhouse audit partner, was approved as the 9th residential property owner, to serve on the Finance Committee.

The balance sheet as of December 31, 2017, was reviewed. Total assets, on an accrual basis, were \$20,026,924, a decrease of \$4,166,548 over the same period last year.

The income statement, for the year ended December 31, 2017, was reviewed. Actual revenues over expenditures are \$684,606, compared to budgeted (\$1,026,369), resulting in a positive variance to budget of \$1,710,975. This compares to a total net income of \$346,399 for the same period in 2016, resulting in a \$338,207 change, year over year.

- Revenues exceeded budget due to increase in commercial gate fee passes and decals, enacted after the budget was approved.
- Operating expenses were favorable to budget partly due to staffing levels not being met.
- MRR expenditures were favorable to budget due to variance in actual, versus budgeted, costs, as well as projects deferred to 2018.
- The 2017 balance sheet was strong at year-end, due in part to 2017 operational projects rolled to 2018. Expenditures are expected in 2018, to exceed forecasted revenues.

The balance sheet as of January 31, 2018, was reviewed. Total assets, on an accrual basis, were \$24,985,129, a decrease of \$1,930,222 over the same period last year.

The income statement, for the month of January 2018, was reviewed. Actual revenues over expenditures are \$6,114,205, compared to budgeted \$5,995,957, resulting in a positive variance to budget of \$118,248. This compares to a total net income of \$6,345,241 for the same period in 2017, resulting in a (\$231,036) change, year over year.

Acceptance of Financial Statements, YTD/December 2017, January 2018 – David Borghesi
A motion was made by David Borghesi, to accept the financial statements, YTD/December 2017, January 2018. The motion was seconded by Charles Miner and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved acceptance of the financial statements, YTD/December 2017, January 2018, as presented”.

Approval of Amendment to Budget, 2018: Roll Forward, 2017 – David Borghesi
A motion was made James Richardson to approve amendment to the Budget, 2018. The motion was seconded by Carolyn Adams and unanimously carried.

“RESOLVED, Community Services Associates, Inc., Board of Directors, approved the amendment to the budget, 2018, to include \$536,380 of unused 2017 budgeted MR&R and Capital Expenses, to roll forward into the budget, 2018”.

Approval of Amendment to Budget, 2018 – David Borghesi

A motion was made Michael Tucker to approve amendment to the Budget, 2018. The motion was seconded by Carolyn Adams and unanimously carried.

“RESOLVED, Community Services Associates, Inc., Board of Directors, approved the amendment to the budget, 2018, MR&R, in the amount of \$112,500, to include Greenwood Gate Planning, Salt Water Damage/Landscape and Wildlife Management”.

Long Range Strategic Planning Committee – Michael Tucker

- The Committee last met March 19, 2018.
- A copy of the proposed Strategic Plan was provided to the Board. A date for a community presentation will be established. Following presentation and final edits, the Strategic Plan will be brought before the Board for approval.

Traffic/Gate Configuration Committee – Michael Tucker

- The first Committee Meeting has been called for April 4, 2018.

Unfinished Business

There was no unfinished business to discuss.

New Business

Review of RBC Heritage Tournament, April 9 – 15, 2018 – Toby McSwain

- The community is set and ready for the tournament.
- Ticket sales have been strong.
- There will be a change in Uber service. The drop off will be at the Sea Pines Center. Guests will be able to walk to and enter at the 1st green.
- Handicap parking will be available at lot 4. There will be 4 or 5 handicap accessible busses which will provide service directly to the front door of the clubhouse.
- Property owner hangtags will be distributed at the CSA Administration Building.

Ratify Approval of Encroachment Agreement – Mizzenmast Court – Chair Griffith

A motion was made by David Borghesi to ratify approval of the Encroachment Agreement – Mizzenmast Court. The motion was seconded by Carolyn Adams and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, ratifies the vote on the approval of the encroachment agreement, Mizzenmast Court, Lot 6, as finalized by email. Encroachment permits patio pavers extending onto CSA open space”.

Approval of Amendment to CSA SPARC/ARB Service Agreement – Chair Griffith

A motion was made by James Richardson to approve amendment to the CSA/ARB Service Agreement. The motion was seconded by Carolyn Adams and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amendment to the CSA/SPARC/ARB 2016 – 2018, Service Agreement, as presented”.

Approval of CSA Service Agreements: ASPPPO, Sea Pines Forest Preserve Foundation, Sea Pines Resort, Six Oaks Cemetery – Chair Griffith

A motion was made by David Borghesi to approve the CSA Service Agreements with: ASPPPO, Sea Pines Forest Preserve Foundation, Sea Pines Resort and Six Oaks Cemetery. The motion was seconded by Michael Tucker and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the CSA Service Agreements, 2018, between: Association of Sea Pines Property Owners, Inc., Sea Pines Forest Preserve Foundation, Sea Ines Resort and Six Oaks Cemetery, Inc., as presented”.

Approval of Committee Name Change, Strategic Planning – Michael Tucker

A motion was made by Michael Tucker, to approve amendment of the Long Term Strategic Planning Committee. The motion was seconded by Carolyn Adams and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amendment of the committee name change of the Long Range Strategic Planning Committee, to Strategic Planning Committee”.

Approval of Committee Charters, 2018 – Chair Griffith

A motion was made by Barry Barth to approve the Committee Charters, 2018. The motion was seconded by David Borghesi and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the Committee Charters, 2018: Communication, Executive, Gate Entry, Governance, Short Term Rental/Joint, Maintenance, Enhancement and Major Projects, Safety and Security and Strategic Planning, as presented”.

Approval of Amendment to Finance Committee Membership – Chair Griffith

A motion was made by David Borghesi to approve amendment to the Finance Committee Membership. The motion was seconded by Charles Miner and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amendment to the Finance Committee Membership Roster, 2018, to include Lea Ann Leahy, as presented”.

Approval of Committee Membership Rosters, 2018 – Chair Griffith

A motion was made by Carolyn Adams to approve the Committee Membership Rosters, 2018. The motion was seconded by David Borghesi and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the Committee Membership Rosters, 2018: Communications, Gate Entry, Governance, Short Term Rental/Joint, Land Use Monitor/Joint, Maintenance, Enhancements and Major

Projects, Safety and Security, Strategic Planning and Traffic/Gate Configuration, as presented”.

Approval of Residential Nominating Committee, 2018 – Chair Griffith

A motion was made by Bill Johnson, to approve the Residential Nominating Committee, 2018. The motion was seconded by Carolyn Adams and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the Residential Nominating Committee Roster, 2018, to include: Charles Miner (Chair), David Borghesi, Michael Tucker and Mark Griffith (Ex-Officio), as presented”.

Calibogue Cay/Spartina Lake – Chair Griffith

- A project, on privately owned property, has been brought forward to the Board, for awareness. This project requires no action from the Board and no maintenance obligations for CSA. The HOA connected to this property, is in favor of the project.
- The property owner has 3 density units, over approximately 6 acres. Significant tree damage was sustained during recent storms, causing the loss of 240 trees. In an attempt to beautify and provide a remedy, the owner provided a conceptual site plan for the Calibogue Cay Road/Spartina Court lagoon project.
- The plan was favorably received by the Board on all counts and no objections were voiced to the proposed improvements. Bret Martin will send a letter to the owner attesting to this.
- The project will have to comply with any Town, ARB, or governmental agency, that may have jurisdictional rights.

Board Member Comments

There were no further comments.

Adjournment

With no further business to come before the Board, Chair Griffith adjourned the meeting at 4:15 p.m. The next scheduled meeting, of the CSA Board of Directors, is Tuesday, May 22, 2018, 3:00 p.m., at the Sea Pines Community Center.

A motion was made by Bill Johnson to adjourn the meeting at 4:15 p.m. The motion was seconded by Cary Corbitt and unanimously carried.

Respectfully Submitted,



Carolyn Adams
Secretary