

Community Services Associates, Inc.
Board of Directors Meeting
May 22, 2018

On Tuesday, May 22, 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	David Borghesi
	Cary Corbitt	Paul Crunkleton	Bob Gossett
	Mark Griffith	Bill Johnson	Mark King
	Charles Miner	James Richardson	Scott Richardson
	Stu Rodman	Donald Sigmon	Michael Tucker
Absent:	Steve Birdwell	Bob Sowers	
Staff:	Sandra Archer	Bret Martin	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.

Ratify Approval of the March 27, 2018, Board Meeting Minutes

A motion was made by Carolyn Adams, to ratify approval of the March 27, 2018, Board of Directors, meeting minutes. The motion was seconded by Mark King and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the minutes of the March 27, 2018, Board of Directors meetings, as finalized by email”.

CSA Reports

Operations – Bret Martin

- The purchase of Gallery of Shops closed Friday. Project architect will be selected and work with appropriate committees. Town approval on plans are necessary before teardown will begin.
- June 7th, 1:30 p.m., Sea Pines Community Center, a presentation on gate re-configuration will be held. Community will be asked for feedback.
- Community survey received strong response. Results are posted on website.
- Meetings will be scheduled with contractors for Piping Plover project. Announcements will be made to community, regarding truck deliveries.
- Resolutions to amend budget, 2018, for beach patrol vehicle and Deer Island bridge reparation, were on agenda.
- A tree analyst will begin survey of trees damaged by Hurricane Matthew, in open space, beginning the first week of June.
- The Town has completed the sand fencing project in Sea Pines. Planting of sea oats is ongoing.

- ABDI agreement is complete and representatives are on-site.
- Processing weekly passes at gate is working well. A new process was implemented to address Marriott pass distribution. Owner and guest names are provided in advance and passes delivered.
- There is no official identification guide to ribbon colors on trees. Blue/green ribbons indicate a simple tree survey, red/orange indicate trees to be removed. Surveyors may use different colors for other purposes.
- Entrance gate digital signage is nearing completion.
- The 2018 RBC Heritage Tournament was successfully held in April.
- Dead and dying trees continue to be removed from Lot 4, as a result from Hurricanes Matthew and Irma. Clean-up of the lot shows the area was used as a dumping ground for many objects.
- Follow-up on trolley incident is ongoing.

ARB Liaison – James Richardson

- Total Dwelling Units allowed by Covenant are 5,890. As of April 30, 2018, represented are: “Class A” - total lots remaining, 99; total homes, 3739; “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.
- The Island Packet, Letter to the Editor, spoke negatively to both a construction project and those who approved said project, to install a sea wall in front of adjacent beachfront properties. To clarify, the project has met all ARB, State, DHEC, OCRM and Town requirements.

CSA Short Term Rental Committee – Bill Johnson

- Options for beach transportation for owners and non-owners, due to new parking policy at the Sea Pines Beach Club, are under review.
- There are 1200 non resort, rental property owners, with parking access only at the Plantation Golf Club, with a \$10 parking fee. Dropping off belongings at the Beach Club is no longer available. When parking at Plantation Club is at capacity, there is nowhere else to park.
- Committee recommends to Board to fund a trial trolley route, to the Beach Club. Trolley could be stationed at Lot 8 and subject to same restrictions as Harbour Town trolley. Trolley would be available for: relative decal, Owner ID and weekly rental pass holders. The trolley would not be available for day trippers. The route could begin immediately. The projected cost would be \$40,000 to include drivers, signage and attendant.
- The Gate Entry Committee previously vetted and tabled the recommendation. Before recommendation can be presented to the Board, approval from the Finance Committee is required.
- The Board would consider an e-vote, once all parameters are met.

Communications Committee – Barry Barth, Amanda Sutcliffe-Jones

- The Committee followed the 3E approach: exploring, evaluating and executing.
- Exploring: opportunities for community involvement in meetings via webinar and conference call.

- Evaluating: best method to communicate newly proposed recommendations to the Strategic Plan.
- Executing: digital sign implementation; preparation for Community Survey Results presentation; development of New Owner Guidebook; release of committee agenda on website.

Gate Entry Committee – Cary Corbitt, Charles Miner

- 2017 gate pass revenue was reviewed and statistics are available.
- Easement and conveyance rights for Marriott Grande Ocean owners and guests, are under discussion, with Marriott.
- Relative Decals and Significant Other Policy was reviewed. The recommendation to provide Significant Others with property owner rights, was not approved.
- Recommended that CSA pursue legal opinion regarding legal rights granted to the Sea Pines Resort and Sea Pines Center, out of the 1988 bankruptcy.
- Recommendation from Short Term Rental Committee, to provide additional trolley to the Beach Club was not voted on.
- Bicycle company delivery fee, \$1 per bicycle brought into Sea Pines, approved and to be implemented as soon as possible.

Governance Committee – Charles Miner

- ASPPPO Task Force is in process of ASPPPO bylaws review and re-write. Draft will be posted to website for community feedback. Final draft will be brought to Board for approval, prior to next election.
- There will be a thorough review of the Security Department.
- Richard Speer was appointed to ASPPPO Governance Task Force.

Government Liaison – Stu Rodman

- The Town of Hilton Head Island has hired Josh Gruber, to the position of Assistant Town Manager.
- The Town has completed the budget, 2019. Reassessments are done every 5 years and is due next year. Overall values have increased 10% since last assessment, which should lead to a lower rate.
- The School Board was not successful with the referendum. Contributing factors to the loss, no longer apply and the potential to call another one, is possible.
- American Airlines begins jet service, from Hilton Head Island to Charlotte, July 5, 2018. It is expected that Delta, United and another small airline, will follow suit. The potential exists for an additional 100,000 – 150,000 high end visitors, to frequent the island, at a \$150,000,000, impact. All private jets will be able to fly on to the island, creating a healthy environment for corporate hospitality. New York and Washington consultants are currently working with FAA for airport destinations. Expansion of airport parking would be determined on monies received from FAA. Hilton Head airport has less parking requirements that a normal airport would.

Maintenance, Enhancement and Major Projects Committee – James Richardson

- The Committee followed the 3E approach: exploring, evaluating and executing.

- Exploring: lagoon dredging; future road reconstruction/paving needs, for all Sea Pines roads; tree care program, tree removal, costs.
- Evaluating: Otter Road, Club Course drainage channel, pipes full of dirt, machinery and in house crew make a huge difference; Deer Island Bridge, replace at \$1.5 million, or repair at \$376,000. A portion of the repair will survive the 10 year life span after which the bridge will be rebuilt; Lighthouse Road leisure trail expansion to opposite side of road, Lawton Canal trail bridge, leisure trail widening from Beach Club to Lighthouse Road.
- Executing: road improvements.

Safety and Security Committee – Stu Rodman

- The Safety and Security Committee held their first meeting in March. Prior issues from 2017 were reviewed. Currently, no issues are in front of the Committee.

Finance Committee – David Borghesi

- The Finance Committee reviewed March 31, 2018, financial statements, at the last Committee meeting.
- Gate pass privileges, for delinquent property owners, were eliminated April 19, 2018. The Committee recommended to move this date earlier in 2019. Privileges will be reinstated after payment collected and credited to account.
- The investment portfolio is reviewed 3 times yearly. Results of the review indicated that no adjustments to the portfolio were required. The results/recommendation were shared with the Executive Committee. The Committee strives to be conservative with risk analysis, observe credit quality and limit concentration of any one portfolio issuer, to 5%.
- Budget, 2018, amendments to include: reparation of Deer Island Bridge, \$276,000 and purchase of beach patrol vehicle, staffing, \$70,000.

Acceptance of Financial Statements, YTD/March 31, 2018, Unaudited – David Borghesi

The balance sheet as of March 31, 2018, was reviewed. Total assets, on an accrual basis, were \$24,218,734, a decrease of \$891,591, over the same period last year.

The income statement, for March 31, 2018, YTD, was reviewed. Actual revenues over expenditures, were \$5,258,295, compared to budgeted \$4,472,797, resulting in a positive variance to budget, of \$785,498.

The income statement, for the month ended March 31, 2018, was reviewed. Actual revenues over expenditures, were (\$126,544), compared to a total net income of (\$379,473), for the same period in 2017, resulting in a \$252,929 increase, year over year.

A motion was made by David Borghesi, to accept the financial statements, YTD/March 31, 2018. The motion was seconded by Stu Rodman and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved acceptance of the financial statements, YTD/March 31, 2018, unaudited, as presented”.

Approval of Amendment to Budget, 2018, Deer Island Bridge Repair – David Borghesi
A motion was made by David Borghesi, to approve amendment to Budget, 2018, for Deer Island bridge repair. The motion was seconded by Stu Rodman and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved amendment to Budget, 2018, in the amount of \$276,000, to cover costs related to reparation of Deer Island Bridge”.

Approval of Amendment to Budget, 2018, Security Department, Vehicle Purchase, Staffing Level – David Borghesi

A motion was made by David Borghesi, to approve amendment to Budget, 2018, for vehicle purchase and increased staffing level for the Security Department. The motion was seconded by James Richardson and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved amendment to Budget, 2018, in the amount of \$70,000, to cover costs related to purchase of security vehicle, for beach patrol and addition of one full time employee”.

Strategic Planning Committee – Michael Tucker

- The Strategic Plan, last approved in 2015, is in year 4 of application.
- Community feedback, in excess of 2600 comments, emails, were taken under consideration in the development of Strategic Plan, 2018. The plan will be based on community needs and not amenities.
- The community will be presented a conceptual plan, via video and PDF copy and feedback requested. Final Strategic Plan, 2018, will be brought before the Board for final approval.

Approval of Preliminary Conceptual Strategic Plan, 2018 – Michael Tucker

A motion was made by Barry Barth, to approve the Preliminary Conceptual Strategic Plan. The motion was seconded by Bill Johnson and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved presentation of the Conceptual Preliminary Strategic Plan, 2018, to the community, for their validation”.

Traffic/Gate Configuration Committee – Michael Tucker

- Committee was established at the March 27, 2018, Board meeting.
- Three out of four of the largest POA Presidents group, sit on the committee.
- Presentation on gate entry access will be made to the community, June 7, 2018.

Land Use Management Committee – Paul Crunkleton

- ASPPPO Task Force has evolved into an ASPPPO, CSA Committee.
- ASPPPO Task Force, Problem Properties Report, has been distributed to all Board members, for approval.
- The Sandfiddler property is scheduled for foreclosure at the end of May and process will be closely monitored by the Committee

Approval of Land Use Monitor Task Force, Problem Properties Report – Paul Crunkleton

A motion was made by Charles Miner, to approve the Land Use Monitor Task Force, Problem Properties Report. The motion was seconded by Paul Crunkleton and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Land Use Management Task Force, Problem Properties Report, as presented”.

Approval of Land Use Management Committee Charter, 2018 – Paul Crunkleton

A motion was made by Barry Barth, to approve the Land Use Management Committee Charter, 2018. The motion was seconded by Michael Tucker and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Land Use Management Committee Charter, 2018, as presented”.

Approval of Land Use Management Committee Membership Roster, 2018 – Paul Crunkleton

A motion was made by Barry Barth, to approve the Land Use Management Committee Membership Roster, 2018. The motion was seconded by Michael Tucker and unanimously carried:

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Land Use Management Committee Membership Roster, 2018, as presented”.

Unfinished Business

- The gate fee increase is pending, but nearing finalization.

New Business

Approval of Short Term Rental Committee Charter, 2018 – Bill Johnson

A motion was made by Bill Johnson, to approve the Short Term Rental Committee Charter, 2018. The motion was seconded by Paul Crunkleton and unanimously carried.

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Short Term Rental Committee Charter, 2018, as presented”.

Ratify Approval of Encroachment Agreement, Gull Point, Lot 11 – Chair Griffith

A motion was made by Charles Miner, to ratify approval of the encroachment agreement, Gull Point, Lot 11. The motion was seconded by James Richardson and unanimously carried.

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the encroachment agreement, Gull Point, Lot 11, as finalized by email”.

Board Member Comments

- A customary year-end report, issued by the auditors to Board Members, was distributed. There were no matters of great importance. As with prior years, a reclassification adjustment was made, to report investment income as other comprehensive income.
- Legal documents are being drafted for a referendum to be called later in the year. Real estate transfer fee and increased assessments are under review.

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, September 25, 2018, 3:00 p.m., at the Sea Pines Community Center.

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

Respectfully Submitted,



Carolyn Adams
Secretary