

Community Services Associates, Inc.
Board of Directors Meeting
November 16, 2018

On Friday, November 16, 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	Mark Griffith
	Bill Johnson	Mark King	Charles Miner
	James Richardson	Scott Richardson	Stu Rodman
	Donald Sigmon	Bob Sowers	Michael Tucker

Via Teleconference: Jim Kaskie

Absent: Steve Birdwell

Staff:	Sandra Archer	Bret Martin	Victoria Shanahan
	Amanda Sutcliffe-Jones		

Call to Order

The meeting was called to order by Mark Griffith, Chair, at 10:00 a.m., Eastern time.

Establishment of Quorum – Carolyn Adams

With the majority of Board Members present, quorum was established.

On behalf of the Chair and the Board of Directors, David Borghesi and Paul Crunkleton received appreciation for their years of service. Their terms will end December 31, 2018.

Ratify Approval of the September 25, 2018, Board Meeting Minutes

A motion was made by Carolyn Adams, to ratify approval of the September 25, 2018, Board of Directors meeting minutes. The motion was seconded by Bill Johnson and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved the minutes of the September 25, 2018, Board of Directors meeting minutes, as finalized by email”.

CSA Reports

President’s Operations Report – Bret Martin

- Phase I, Greenwood Drive project, Club Course Drive to Governor’s Road: Greenwood Drive is open, but the project not complete. Areas to be addressed include: grading, paving, landscaping, among others.

- Phase II, Greenwood Drive project, Governor's Road to Plantation Drive: will not begin in 2018. Contractor unable to staff project through the Holidays. Phase II could begin early 2019, budget contingent.
- Referendum survey will be sent to the community shortly.
- Property owners will soon receive information regarding beachwalks, repair, rebuild.
- Conversations continue with Publix
- Tree damage presentation, to address tree assessment, anticipated to be presented in early December.
- Election ballots mailed November 1, 2018. Very few issues received to date. Issues included: not an ASPPPO member, incorrect address in system. Election results are expected to be available within the first ten to twenty days in December, 2018.
- CSA Board of Directors Organizational Meeting will be held January 10, 2019 and the first regular Board Meeting is scheduled for January 22, 2019.
- Executive Session will include Board review of new attorney, to address contracts.

ARB Liaison – James Richardson

- Total Dwelling Units allowed by Covenant are 5,890. As of October 31, 2018, represented are: "Class A" - total lots remaining, 93; total homes, 3745; "Class B" - multi-family dwelling units, 1989 and uncommitted dwelling units, 63.
- The September 2018 Status Report reflects: new single family residences – 7; additions/alterations – large 8, small 23; pools – 4; commercial – 1; miscellaneous – 81; demo – 1; new single family residence starts – 1.
- The ARB will present a slideshow, summary of 2018, at the next CSA Board Meeting, January 22, 2018.

CSA Short Term Rental Committee – Bill Johnson

- The committee last met October 29, 2018.
- The primary objective of the committee is to find a solution for transportation to the beach, for residential property owners.
- A search for bicycle rack vendors continues. Committee is seeking options to provide owner managed rental houses, a tool to keep yards and driveways tidier.
- Outreach to various management companies continues, to improve.

Communications Committee – Barry Barth

- A Committee Fair will be held early 2019. More property owners are sitting on committees than in the past.
- Greenwood Drive, bridges and projects have been communicated to the community
- New to SeaPinesLiving.com: Community Guide Book, land use records data base, compilation of community covenants.
- Board elections for ASPPPO and CSA are underway. Ballots were mailed November 1, 2018 and are due back (postmarked) by December 1, 2018. Owners must have been a member by October 1, 2018, to be eligible.
- A referendum survey will be available for community feedback, shortly.
- During Executive Session, Committee and Board agendas, meeting minutes, will be reviewed to ensure compliance with legal counsel recommendation.

Gate Entry Committee – Cary Corbitt, Charles Miner

- The Committee last met October 25, 2018.
- A revenue data comparison was presented. Quantity of passes issued were slightly down. Short term rental pass revenue increased significantly, based on several programs introduced.
- There will be no route changes or additions, to the 2019 trolley routes.
- The Short Term Rental Committee requested to use Lot 8 and two trolleys, not in use, to transport non-Resort rental guests, property owners and timeshare owners to the beach, from March 24 – September 3, 2019. Funds from the Trolley Lot Improvement fund, to create a buffer surrounding lot 8, were requested. The motions were approved by Committee. Funding was not approved.

Governance Committee – Charles Miner

- The ASPPPO Bylaws final draft, approved by the ASPPPO Board, will be posted on SeaPinesLiving.com, Survey Monkey, for further community feedback.
- The Restated Bylaws will be voted on by the membership, at the Annual Meeting, April 30, 2019.

Government Liaison – Stu Rodman

- The penny tax and transportation referendum recently passed. Funds allocated for improvement will include the section from Moss Creek to the Cross Island.
- The County tends to support sales tax for road infrastructure. The next area, to address expansion and infrastructure needs, will be Bluffton. Sea Pines Circle could be considered in the next referendum, expected at thirty months out.
- United Airlines has announced their arrival, at Hilton Head Island airport. The next announcement expected is Delta, via Atlanta. Noise has not been a factor, to date.
- The Mitchellville Project has received \$400,000 in funding, combined, from County and State.
- The Town has agreed to closure of the Hilton Head Island Municipal Court. The court will merge with the Magistrate Court in Bluffton.
- There has been a decline of 30% in property values over 15 years, on an inflation adjusted basis.

Maintenance, Enhancement and Major Projects Committee – James Richardson

- Greenwood Drive reconstruction project update: Phase I, Club Course Drive to Governor's Road, roadway is open. To be completed: additional roadside grading, turf and irrigation installation, mulch and pine-straw application, landscaping, permanent line striping, reflective pavement marker installation, crosswalk stamping and additional construction work.
- Two timber bridges have been constructed on Sea Pines Drive. A third bridge, Greenwood and Sea Pines Drive, is currently under construction.
- Gull Point and Audubon Pond railroad tie removal project completed. Landscape enhancements are in process.
- Holiday lighting installation in progress, readying for November 23, 2018, start.
- Deer Island Bridge repair project to begin soon.
- Spotted Sandpiper road resurfacing project, to begin spring, 2019.

- Approval received for allocation of Hurricane Matthew funds, to facilitate reconstruction of eleven boardwalks, affected by the storm. Construction to be in 2019.
- North Sea Pines Drive reconstruction/repaving, from Ocean Gate to the intersection of Lighthouse Road to include road widening and infrastructure improvements. Start date to be determined. Future road reconstruction and paving needs for all roads in Sea Pines is under review.
- All projects subject to availability of funds.

Safety and Security Committee – Stu Rodman

- Diverting truck traffic to use Fraser Circle and not Plantation Drive, has been discussed. Signage would be installed to this effect. Cars would still use Plantation Drive.
- Upon completion, Phase II, Greenwood Drive reconstruction project, will help alleviate traffic issues at the Plantation Drive and Greenwood Drive intersection.

Finance Committee – David Borghesi

- The Finance Committee last met November 6, 2018.
- Two workshops were held in October, to prepare for budget, 2019, approval.

Acceptance of Financial Statements, YTD/September 30, 2018 – David Borghesi

The balance sheet as of September 30, 2018, was reviewed. Total assets, on an accrual basis, were \$21,637,415, a decrease of \$242,738, over the same period last year.

The income statement, for September 30, 2018, YTD, was reviewed. Actual revenues over expenditures, were \$3,068,155, compared to budgeted \$1,981,251, resulting in a positive variance to budget, of \$1,086,904.

The income statement, for the month ended September 30, 2018, was reviewed. Actual revenues over expenditures, were (\$610,109), compared to a total net income of (\$609,427), for the same period in 2017, resulting in a \$682 decrease, year over year.

A motion was made by David Borghesi, to accept the financial statements, YTD/September 30, 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/September 30, 2018, unaudited, as presented”.

Approval, Residential Property Owner Assessment, 2019 – David Borghesi

A motion was made by David Borghesi, to approve the Residential Property Owner Assessment, 2019. The motion was seconded by Stu Rodman and unanimously carried.

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved an increase over the 2018 Assessment, bringing the 2019 Residential Property Owners Annual Assessment, on an improved lot from \$1050.00 to 1076.00 and the 2019 Residential Property Owners Annual Assessment, on an unimproved lot, from \$626.00 to \$641.00”.

Approval to Access Line of Credit – David Borghesi

- A forecasted deficit of \$1,430,883, together with the acquisition of 14 Greenwood Drive, Gallery of Shoppes, will require short term borrowing. A line of credit, through Morgan Stanley using existing investments as collateral, is available.

A motion was made by David Borghesi, to approve Bret Martin and Victoria Shanahan to draw down on the Morgan Stanley line of credit. The motion was seconded by Stu Rodman and unanimously carried.

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved Bret Martin and Victoria Shanahan, to draw down on the Morgan Stanley line of credit, not to exceed \$2,000,000, in short term borrowing, to be repaid with 2019 assessment as funds are received”.

Approval, Budget, 2019 – David Borghesi, Victoria Shanahan

The budget, 2019, was reviewed. Budgeted Net Income, December 31, 2019, is (\$73,439).

- The 2019 budget was described as bare-bones. Enhancement or addition to infrastructure and preventative maintenance on tree care, stormwater systems and gate reconfiguration have been indefinitely deferred, based on a lack of adequate revenues.
- Policy requires 30 – 40% funded in reserves, within a business cycle of seven years. The budget, 2019, meets this requirement. Projects currently in the Reserve Study will remain and initiated. New additions will not be approved.

A motion was made by David Borghesi, to approve the Budget, 2019. The motion was seconded by Stu Rodman and unanimously carried.

“**RESOLVED**, Community Services Associates, Inc., Board of Directors, approved the Budget, 2019, as presented, with an operating deficit of \$71,439 and capital expenditures of \$740,082”.

Strategic Planning Committee – Michael Tucker

- The Strategic Planning Committee has not met since approval of the Strategic Plan, September 25, 2018. The next meeting will be scheduled post referendum.
- Referendum results will have direct impact on what the committee will be tasked to review and achieve.

Traffic/Gate Configuration Committee – Michael Tucker

Refer to CSA Reports, President’s Operations Report.

Land Use Management Committee – Paul Crunkleton

- The Committee last met November 13, 2018 and continues to meet on a monthly basis.
- The Committee continues to manage deteriorating properties.
- The Sandfiddler property still provides hardship for neighboring properties. The Committee has pressured the bank to sell the property.

- The Land Use Monitor position, with approved funding, will transition to a full time position. The role will support ASPPPO, CSA and the ARB. Funding approval from all three entities is required. ASPPPO approved their allotted funding at the November 8, 2018, Board meeting.
- Properties and infrastructure are aging. There are more absentee owners. The list of properties in need of attention, while short compared with the number of properties, will increase when the next recession hits.
- The Committee recommended and adopted the Sea Pines Land Use Standards and Procedures of the ASPPPO/CSA Land Use Management Committee. The document is currently under legal review, before Board approval.

Unfinished Business

Ratify Approval, Trolley Color – Chair Griffith

A motion was made by Mark King, to ratify the vote, taken to determine the color of the trolleys. The motion was seconded by Cary Corbitt and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, ratifies the vote on approval of trolley color, to remain red, as finalized by email”.

New Business

Acceptance, Financial Statements, YTD/September 30, 2018 – David Borghesi

Refer to CSA Reports, Finance.

Approval, Budget, 2019 – David Borghesi, Victoria Shanahan

Refer to CSA Reports, Finance.

Approval, Residential Property Owner Assessment, 2019 – David Borghesi

Refer to CSA Reports, Finance.

Approval, Amendment to Gate Entry Policy – Cary Corbitt, Charles Miner

A motion was made by Paul Crunkleton, to approve the amendment to the Gate Entry Policy. The motion was seconded by Scott Richardson and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved amendment to the Gate Entry Policy, as presented. Amendments included:

- Page 3, 1.2.6. Commercial Vendor Decal, d): All commercial vehicles conducting business in Sea Pines are required to display prominently the commercial vendor’s name and telephone number(s) on each side of the vehicle. The lettering may be applied with paint, vinyl lettering or by magnetic material and all lettering and numbering must be at least two (2) inches high. This does not include Real Estate and other professionals stated by the Director of Security”.

Approval, Letter of Engagement, Jones, Simpson & Newton, P.A. – Martin, Shanahan

Refer to Executive Session. Possible Actions Regarding Contracts, Legal, Personnel Matters.

Approval, Board and Committee Meeting Agenda/Minutes Template – Barry Barth, Amanda Sutcliffe-Jones

Refer to Executive Session. Possible Actions Regarding Contracts, Legal, Personnel Matters.

Executive Session

Contracts, Legal, Personnel – Chair Griffith

Chair Griffith called the Board of Directors into Executive Session at 11:10 a.m.

Board Meeting Reconvenes

Possible Actions Regarding Contracts, Legal, Personnel Matters – Chair Griffith

The Board of Directors reconvened at 11:50 a.m.

A motion was made by Stu Rodman, to approve engagement of legal counsel, to investigate the operation of a bed and breakfast within Sea Pines. The motion was seconded by Michael Tucker and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved engagement of legal counsel, to investigate operation of a bed and breakfast from a residential property owner’s house, in Sea Pines”.

Approval, Letter of Engagement, Jones, Simpson & Newton, P.A. – Martin, Shanahan

A motion was made by Carolyn Adams, to approve the Letter of Engagement, Jones, Simpson & Newton, P.A. The motion was seconded by Paul Crunkleton and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved to retain Jones, Simpson & Newton, P.A., per the Letter of Engagement, for contract development, as presented”.

Approval, Board and Committee Meeting Agenda/Minutes Template – Barry Barth, Amanda Sutcliffe-Jones

A motion was made by Barry Barth, to approve a Board and Committee Meeting Agenda/Minutes, template. The motion was seconded by Bill Johnson and unanimously carried.

“**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved Board and Committees maintain a common policy template, based on Robert’s Rules and South Carolina Non Profit Act, for meeting agendas/minutes standards, as presented”.

Board Member Comments

- It was agreed that the 2019 CSA budget has funding to support its allowable costs, to fund a full time LUM position.
- Charles Miner and Stu Rodman, on their own accord and with no affiliation to the CSA Board, met with Alliance in hopes of finding common ground for the upcoming referendum. The meeting proved inconclusive and no common ground found. There is a possibility of one more meeting.

Adjournment

With no further business to come before the Board, Chair Griffith adjourned the meeting at 11:55 a.m. The next scheduled meeting, of the CSA Board of Directors, is an Organizational Meeting, Thursday, January 10, 2019, 9:00 a.m., at the Sea Pines Community Center.

A motion was made by Barry Barth to adjourn the meeting at 11:55 a.m. The motion was seconded by Paul Crunkleton and unanimously carried.

Respectfully Submitted,



Carolyn Adams
Secretary