

Community Service Associates, Inc.  
Meeting Minutes  
February 25, 2014

President Ryan called the meeting of the CSA Board of Directors to order at 3:00 p.m., in the main conference room of the Community Center. He welcomed the board members and spectators to the February meeting of the CSA Board. President Ryan began by noting that great things are accomplished through civility and commitment, and collectively using these measures, problems and issues could be solved within the community. He further commented this was going to be a seminal year with the renovation of Tower Beach, The Sea Pines Resort's projects and a new CSA Executive Vice President.

**1. Roll Call**

Present:	Carolyn Adams Mike Jordan Charlie Miner Michael Tucker	David Borghesi Joe Kernan Scott Richardson Chris Widnell	Cary Corbitt Rob Marsac Charles Ryan Mark Yarborough
Absent:	Steve Birdwell Don Sigmon	Mark Griffith John Trunck	Mark King
Guest:	Karl Becker		
Staff:	Ward Kirby William Leitner	Frank Nettles Jeanne Pearse	Toby McSwain Tracey McNeill

**2. CSA Operations Oversight Reports**

- a. **Finance Committee** – The Unaudited December 2013 financial statements were reviewed and discussed in detail:
- The Operating Fund, cash and investments net of deferred revenue at the end of 2013 was \$2.3 million vs. the \$2.4 million at yearend of 2012.
  - The Infrastructure Reserve Fund, made up of three components: cash, investments at fair market value and receivables from operating the trolley increased \$773,000.
  - Operating Fund ended the year \$227,000 positive to budget.
  - The infrastructure spending was over by \$177,000 due to carry-over projects for Tower Beach and the CSA Administration Building.

Mr. Borghesi made the following motion which was seconded by Mr. Tucker and was unanimously passed:

"RESOLVED, the CSA Board accepts the unaudited December 2013 financial statement as submitted."

Mr. Borghesi then updated the board on the progress made 2013 - 2014:

#### **Investments**

- Approximately \$4 million of the 2014 assessments have been invested.
- CSA is investing current operating funds in longer maturing securities so the Infrastructure Reserve Fund will have cash securities maturing in the 4<sup>th</sup> quarter and will be able to buy those 2017-2019 securities from the Operating Fund at a time when the Operating Fund needs cash to meet normal requirements. The intent was twofold: (1) increase investment income by buying securities with a longer maturity date at a greater rate of return in February rather than waiting until the 4<sup>th</sup> quarter and simply reinvesting Infrastructure Reserve Fund maturities. (2) invest in securities that mature in years where the Infrastructure Reserve Fund has holes (laddering effect), this way CSA will have shortened the average maturity dates and will have ready access to a constant amount of funds.
- CSA invests in high quality fixed named securities; therefore Morgan Stanley Smith Barney provided a line of credit against those securities at a very favorable interest rate should there be a need. Currently CSA can borrow up to \$8.2 million at a rate of 1.07%.

#### **Other Items Initiated**

- Understandable financial reports
- Forecast year end results on a monthly basis
- Forecast monthly cash requirements
- Track daily cash balances to develop a history and help us better use our cash resources.

**2014 Budget Amendment** – The Finance Committee is recommending amending the budget to allow for additional liability insurance and for consulting fees related to the open position of CSA's Executive Vice President. Mr. Borghesi made the following motion which was seconded by Mr. Miner and was unanimously passed:

“RESOLVED, the CSA Board approves amending the 2014 budget in the amount of \$170,000 for the items as presented.”

- b. **Gate Entry Committee** – A copy of the meeting minutes was included in the board package. The committee had reviewed their charter and made one recommended change to clarify the make-up of the committee's membership. The trolley's routes and schedule for 2014 is in the process of being revised based on manpower and the trolley's operational costs. Adjustments in the trolley stops have also been made to accommodate some of the future renovations at the Harbour Town Golf Clubhouse and the ongoing renovations at the Plantation Club and Sea Pines Beach Club. The committee reviewed their budget, decided how their marketing funds would be expended and has also requested the Finance Committee place \$30,200 in funds from the estimated amount generated from the 20% out of the \$1 Gate Fee increase to be put aside for future trolley lot improvements.



- c. **Landscape and Maintenance Committee** – The committee had requested the Finance Committee approve \$20,000 in unbudgeted funding for their new project at Stoney Baynard Ruins. Mr. Kirby was asked about the scope of work. The work is above normal routine maintenance for the area and includes fencing, clearing of brush and tree trimming. The committee also has future plans to stabilize the ruins, clear an area out to create a view to the sound and make more of a park-like setting. The Finance Committee had recommended the CSA Board defer the approval of \$8,000 for the fence because no approvals for permits had been sought yet. The board asked if the adjoining neighbors had been contacted for input on clearing the area, and if a preservationist or historical society had been consulted. The answers to these questions were uncertain and Mr. Marsac made the following motion which was seconded by Mr. Widnell and was unanimously passed:

“RESOLVED, the CSA Board tables the request to fund the unbudgeted amount of \$20,000 for the Stoney Baynard Ruins Project until the specifics of the project can be fully vetted.”

- d. **Long Range Strategic Planning Committee** – The committee met on February 4<sup>th</sup> and after deliberation, decided on four major initiatives to further develop.
- To Create And Maintain A Trusted Governance Model That Equitably Reflects Community Contributions
  - To Maintain And Foster An Environment Which Assures The Economic Viability Of The Plantation.
  - To Develop Policies And Programs That Will Enhance The Quality Of The Sea Pines Lifestyle
  - To Initiate A Community-Wide Partnership Aimed At Establishing Sea Pines as a “World Class Resort And Residential Destination”

Each of the four groups will meet and report back at the next meeting schedule for March 4<sup>th</sup>. Mr. Tucker also stressed the importance of a property owner survey and recommended one be held. He would also like to hold an Open Forum meeting on March 26<sup>th</sup> to present the Strategic Planning Committee’s December 5<sup>th</sup> findings to the public.

- e. **Joint ASPPPO/CSA Short Term Rental Committee** – A copy of the meeting minutes was included in the board package. A charter for the committee was created and the committee members approved it at their meeting. A brochure with rules and regulations for Sea Pines is being created for distribution to short term rental visitors. It is hoped this will help dispel some of the problems between permanent residents and rental guests. The committee also composed a letter that was mailed to property owners who are renting their homes on the Vacation Rental By Owner (VRBO) website and circumventing the rental pass program by not paying for passes. They are waiting to see what kind of response is received.
- f. **Joint ASPPPO/CSA Waste and Recycle Committee** – The contract to provide waste removal and recycling between Republic Waste and the Town of Hilton Head

Island will expire on April 1, 2014. Property owners will have the option to stay with Republic Waste at a higher cost or find another company. A committee was formed by CSA and ASPPPO to investigate the possibility of having one universal waste hauling provider in Sea Pines.

The committee went out for, and received bids back from multiple waste hauling companies, however, the discounted prices for using one universal waste hauler was not much lower than the price obtained by property owners on their own. Additionally, in light of the large amount of business coming to these companies, their ability to provide quality service presented an unknown factor. The task force did not feel it could reliably assure residents of the most important issue, "their ability to perform", and recommended the boards wait for an additional six months to see how the companies fare.

The CSA Board had earlier endorsed the committee's recommendation to provide property owners with a list of contacts for waste hauling companies and their prices so they could arrange for their own service. The committee Chairmen had also met with the Presidents of the various POAs within Sea Pines and encouraged them to select one universal waste hauler for their specific areas and other streets near them. The committee will wait six months and see how the companies fared on the quality of their service and price. Based on the information gathered, it will be determined if one universal waste hauling service should be recommended or considered.

- g. **Safety and Security Committee** – A copy of the meeting minutes was included in the board package. One major item noted was a change in the security initiatives put into place by the PGA for this year's RBC Heritage. The new rules will be in the newsletter or can be viewed on the website: [www.SeaPinesLiving.com](http://www.SeaPinesLiving.com).

The other issue Mr. Marsac wanted to bring to attention was that the two schools located within Sea Pines have not joined the Rapid Responder Program. This program is crucial to the Security Department since they would more than likely be the first on the scene if an event occurred. The program lays out the blueprints of the school, would enable security to have live TV access and sets a protocol in place. The schools have not placed a high priority on the program saying they could not afford the expense.

The last item was Phase II, Leisure Trail Safety. Mr. Marsac is working with Mr. McSwain to improve signage on the leisure trails.

### 3. Old Business

- a. **Marriott Access Agreement** - A meeting had been held with representatives from the Marriott who felt they were paying too much in their current agreement. At the conclusion of the meeting, the Marriott paid their full amount as stated in their agreement.
- b. **Update on CSA's Special Projects** - Mr. Kirby reported that both Tower Beach and the CSA Building renovations are progressing.



- **Tower Beach** - Tower Beach is on schedule for a completion date of mid-April. The roofing on the pavilion is in place and the boards are being installed on the boardwalk. Work has started in the parking lot. During the renovation, some additional items came to light such as security cameras, an additional beach walk, lighting, electronic gates and additional landscaping around the area of the water tower. These items total up to \$89,000. Mr. Borghesi made the following motion which was seconded by Mr. Marsac and was unanimously passed:

“RESOLVED, the CSA Board approves the capital expenditures of up to \$100,000 for the additional improvements at Tower Beach.”

- **CSA Administration Building** - The CSA Building when completed will provide property owners with one-stop shopping for decals, ID cards, mailboxes, etc.
- c. **Calibogue Cay Dredging** – The Calibogue Cay POA is raising some low spots in their dredge spoil site and will be hauling the old spoils away. They plan to dredge this fall.
  - d. **Update on The Sea Pines Resort’s Renovations** – Mr. Corbitt gave an overview of their projects:
    - The Plantation Golf Clubhouse will be completed by late March.
    - The Sea Pines Beach Club should re-open by late May or early June. The work on its beach walk should be completed by next week.
    - The Harbour Town Golf Club will close after this year’s tournament and for renovation.
    - Heron Point Golf Course will be closed beginning May 5<sup>th</sup> through September 30<sup>th</sup> to enlarge the greens.

#### 4. **New Business**

- a. **Approval of Committee Charters** – The board reviewed the charters for 2014 submitted by the: Gate Entry Committee; the Safety and Security Committee and the Joint Short-Term Rental Committee. Mrs. Adams made the following motion which was seconded by Mr. Borghesi and was unanimously approved.
 

“RESOLVED, the CSA Board approves the committee charters for 2014 as submitted.”
- b. **Request for Expenditure from Landscape and Maintenance Committee** – this item was tabled until more information could be provided.
- c. **Formation of a Legal Committee** - President Ryan has created a legal committee whose members have volunteered to use their legal expertise by assisting CSA with any legal issues. The board discussed the role of the committee and its

membership. It was suggested that ASPPPO be represented on the committee and a charter will be created for the board to approve.

- d. **Pool Agreement Renewals** - Renewal agreements for property owner usage of the pools for 2014, through the spring of 2015 have been received from South Beach and The Resort. There is a slight cost increase in both, but the amounts fit within the figures allotted within the current budget. Mr. Marsac made the following motion which was seconded by Mr. Borghesi and was unanimously passed:

“RESOLVED, the CSA Board approves the renewal of the pool agreements with South Beach and The Sea Pines Resort.”

- e. **Advertising in the Community Newsletter** - The Communications Task Force requested expanding the space for selling advertising in the newsletter. Some of the ads are so nicely laid out that they don't appear to be general ads and contain information that benefitted property owners. Only advertising from businesses located within Sea Pines would continue to be accepted, this would help to increase the revenue generated and not increase the size of the newsletter. This proposal was presented to the ASPPPO Board who did not raise any objections. Mr. Widnell made the following motion which was seconded by Mr. Tucker and was unanimously passed:

“RESOLVED, the CSA Board approves the use of additional advertising space for businesses located within Sea Pines.”

- f. **Tower Beach** - There are 118 lockers for storage of beach chairs and other beach-type paraphernalia. Below is a brief summary of policy:
- Locker rental contracts will be won through a lottery type drawing that will be open to property owners immediately following the April 2 Community Coffee meeting. Winners not present will be notified.
  - Property owners can sign up for the lottery by: using the form on the website, [www.SeaPinesLiving.com](http://www.SeaPinesLiving.com), phoning CSA to sign up: (843) 671-1343 or by email: [lockerlottery@csaseapines.com](mailto:lockerlottery@csaseapines.com).
  - Lockers will rent for \$250 annually. A lottery winner will be able to keep their locker for up to three years.
  - Another lottery will be held in three years to repeat the process, allowing more property owners to take advantage of the lockers.
  - A waiting list will be available for those who wish to sign up for any openings.

#### **Rental Program for the Tower Beach Pavilion**

Property owners interested in using the pavilion for an event will be asked to contact CSA to reserve the pavilion: Tracey McNeill, (843) 671-1343.

Only property owners will be able to reserve the pavilion and must be present on site during the event. The pricing structure is as follows:

	<b>Rental Fee</b>	<b>Refundable Deposit</b>
Rental of Pavilion only	\$50.00	\$100.00
Rental of Pavilion with caterer's kitchen	\$100.00	\$150.00

Parking at Tower Beach will be reserved for only those with a valid property owner decal. The renovation at Tower Beach will not be completed until mid-April, so to be on the safe side, reservations will be taken for events after May 1.

Mrs. Adams made the following motion which was seconded by Mr. Jordan and was unanimously passed.

“RESOLVED, the CSA Board approves the new rental policies and practices for storage lockers and the pavilion at Tower Beach.”

**g. Request for Encroachment Agreements**

- I. Black Skimmer, Lot 22 - A property owner is requesting to plant in open space that is adjacent to the beach walk and their home. The requirements of the Open Space Policy have been met and the property owner has agreed to be responsible for the upkeep or replacement of plantings in the area. Mr. Marsac made the following motion which was seconded by Mrs. Adams and was unanimously approved:

“RESOLVED, the CSA Board approves the encroachment of plantings at Lot 22, Black Skimmer with the provision that the property owner will be responsible for any damage or maintenance of the plantings.”

- II. Baynard Cove IV, Lot 49 - A property owner has requested to dig a culvert and place a drainage pipe at the front of his property in the Road Right-of-Way. The property owner has agreed to be responsible for the upkeep of the pipe and landscaping in the area. Mr. Marsac made the following motion which was seconded by Mr. Tucker and was unanimously approved:

“RESOLVED, the CSA Board approves the encroachment of a culvert and drainage pipe at Lot 49, Baynard cove IV, with the provision that the property owner will be responsible for any damage or maintenance of the drainage pipe.”

**5. Board Member Comments**

Mr. Kirby was welcomed and thanked for filling in as interim COO.

**6. Executive Session**

The board went into executive session at 4:40 p.m.

**7. Adjournment**

The meeting adjourned for the day at 5:07 p.m. the next meeting will be held on March 25, 2014, at 3:00 p.m. in the rear conference room of the Sea Pines Community Center.

Respectfully submitted,



Carolyn Adams  
Secretary