

Community Service Associates, Inc.  
Board Meeting Minutes  
September 22, 2015

CSA Chairman, Mark Griffith, called the CSA Board of Directors meeting to order at 3:00 p.m. in the large conference room of the Sea Pines Community Center. Mr. Griffith announced that the Finance Committee and the CSA Board would now both meet in October, the CSA Board meeting is scheduled for Friday, October 23<sup>rd</sup> at 3:00 p.m.

**1. Roll Call**

Present:	Carolyn Adams Paul Crunkleton James Richardson Don Sigmon Mark Yarbrough	Steve Birdwell Mark Griffith Scott Richardson Rich Speer	David Borghesi Charlie Miner Beverly Serral Michael Tucker
Absent:	Cary Corbitt Joe Kernan	Mark King	John Trunck
Staff:	Bret Martin David Henderson	Toby McSwain William Leitner	Beau Barnett Tracey McNeill

**2. CSA Operations Oversight Reports**

a. **CSA President Operation Report** – Mr. Martin’s report covered several items:

- Victoria Shanahan has been hired as CSA’s new Director of Finance and Administration, she will begin working on October 5<sup>th</sup>. Victoria is a Hilton Head Island resident who previously worked for the Town and is a certified CPA.
- The Reserve Study for CSA will be done by an outside professional contractor.
- The survey of Six Oaks Cemetery has been almost completed so a business plan can be created. There are over 600 more spaces in inventory available to sell, more than previously estimated. Financially, the cemetery has been self-sustaining and not required assistance from CSA.
- The IRS has confirmed receipt of CSA’s application to be tax exempt. It may take an additional six months before a decision is made.
- An action plan for the cyber segment of the Risk Management Study has been received and issues are being addressed.

- The property owner survey is being launched on October 5<sup>th</sup> and owners will receive a post card reminder through the mail to complete the online survey.
- An online *Landscape Preference* survey was emailed to 600 property owners. Property owners were asked to select their preference from a selection of three different types of landscaping methods: natural, formal or mixed.
- The traffic study performed by the Town of Hilton Head has been completed and reflected improvements should be made. New designs proposed for Office Park Road can be viewed online at the Town's website.

Discussion was held on the large financial responsibility of the Town and the available funding in their budget for drainage projects. Mr. Martin will keep an open line of communication with them on this issue.

- **Board Orientation**

Tracey McNeill, IT Manager for CSA, was present to give an overview of her job responsibilities, achievements so far for 2015 and future goals. A brief overview is as follows:

- Handles computer and software, office equipment, phone systems and provides technical support for all departments
- Upgraded technical equipment in the CSA Conference rooms and community center in 2015
- Microsoft software upgraded to Office 365 and Share Point to improve access and sharing of documentation
- Daily guest pass sales process upgraded to electronic system to improve the tracking of sales and reports
- Property owner ID cards and decals are now incorporated into the property owner database
- In the process of upgrading CSA's phone system to VOIP which will also combine the Maintenance area and the community center all on one system
- Future plans are to upgrade current GIS mapping software to enable viewing of specific areas and details within Sea Pines. These details will be placed on the website and shared with CSA personnel who can view from their iPad while on the job site. The current accounting software will be reviewed and evaluated with the new Director of Finance.

- b. **ARB Liaison Report** – Mr. JR Richardson said the ARB is currently reviewing the plans to demolish and re-construct the Fire House Station located on Lighthouse Road in Sea Pines. The Density Unit report for September will be available in a couple of weeks. However, the August 31<sup>st</sup> report reflects five new homes are currently under construction leaving 130 residential vacant lots remaining for a total of 3,839 *Class A* or single family dwelling units. There are 62 uncommitted dwelling units that are assigned to The Sea Pines Resort.
- c. **Joint ASPPPO/CSA Short Term Rental Committee** – Mrs. Serral said the committee will meet in October.
- d. **Communications Committee** – Mr. Griffith said the post card inviting property owners to participate in the online survey will be mailed out in October. Owners who do not have computer access can participate by using one located inside the CSA Building. A voice recording will be used to contact those property owners who have not yet participated.
- e. **Gate Entry Committee** – The signage at the Greenwood Gate entrance was discussed. It was determined some improvements needed to be made and a sub-committee composed of Charlie Miner, Bob Gossett, Steve Birdwell and Michael Tucker as Chairman was formed to come up with a new design and wording for the signage. At the first meeting of the sub-committee, Mr. McSwain was asked to contact a professional contractor to come up with a design meeting their specifications.

Also, a copy of the revisions being proposed Gate Entry Policy was distributed to the board members for review and to be voted on at a future meeting.

- f. **Government Liaison** – Mr. Scott Richardson said the *Tax Committee* is going to be re-instated to address the new tax reform bill being introduced in legislature that would look at reconstituting property vs sales tax and questioned whether CSA should be involved. He also expressed his concern over the increasing costs of flood insurance. No action was taken.
- g. **Governance Committee** – Mr. Speer said the CSA By-law Sub-Committee undertook a complete review of CSA By-Laws. Mr. Karl Becker is a member of this sub- committee and was recognized for his suggestions and participation to clarify and update the by-laws. Their draft was reviewed by outside legal counsel and a copy was distributed to the CSA Board for their review and vote on its approval at their October meeting.

The Board Nominations and Board Orientation Sub-committee are revising the board orientation process into a 2 ½ day event. The schedule of the board nomination process is also being defined and will be presented to the Executive Committee at their October meeting. This sub-committee is also working on a leadership program for future board candidates. More will be forthcoming on this program.

The Covenant Revisions Sub-committee is continuing their work on covenant revisions that will address only specific areas.

- h. **Maintenance, Enhancements and Special Projects Committee** – Mr. JR Richardson said it was the first meeting with Mr. Beau Barnett, the newly hired Director of Maintenance. The committee reviewed several additional projects and expenditures for 2015 which had the Finance Committee's support and were on today's agenda for board approval. One of the additional expenditures was for the purchase of a new tub grinder and he stressed its importance to provide a debris pickup service for the community. Mr. Barnett had proposed a new administrative plan that includes being proactive instead of reactive, the hiring of additional maintenance personnel to provide better service and the purchase of new software that will allow property owners to input work orders on-line and track their status. The cost of the plan is \$136,000 and will be included in the draft budget.

A survey was developed and sent to 600 randomly selected property owners requesting their preferences on landscaping in Open Space: either formal, natural or a mixed-type of settings. The results will be used in factoring a plan for the Greenwood Gate Corridor. Up-lighting the Legacy Oak located in the Fraser Circle was discussed and different types of lighting were viewed on-screen as well as being viewed by property owners at the August Community Coffee meeting. The ceremony to commemorate the Legacy Live Oak Program will be held at 9:00 a.m. on October 1<sup>st</sup> at the Liberty Oak in Harbour Town. A sub-committee was formed to improve and address holiday lighting.

- i. **Marketing Task Force** – A copy of the Marketing Task Force proposal was distributed to the board members. Mr. Tucker said that a Marketing Task Force was formed or was a part of the Long Range Strategic Plan. He asked the board to send him their comments before October 14<sup>th</sup>, when the plan would be submitted to property owners at a special community coffee meeting. A video of the plantation that included all the amenities was being filmed by a drone and was being paid for by 14 participating entities. Once completed, all property owners would have access to the video.

Mrs. Adams said that some detrimental items for realtors were: having to pay for access to show Sea Pines property, something that other plantations don't do. The other issue was not having access to show Tower Beach to prospective buyers as a property owner amenity.

- j. **Safety and Security Committee** – Mr. Tucker said the committee met and covered some of the highlights of the meeting:

- Seven new body cameras for the patrol officers were purchased and have the ability to be synchronized with the cameras installed in the patrol vehicles.
- Patrol officers are now certified to use radar to enforce speed limits and tickets will be issued for violations.
- Recommendations from the sub-committee working on improving the safety of leisure trails identified four major intersections that should be covered with a stamped material in the crosswalk to alert drivers to slow down and reduce accidents.

- k. **Finance Committee** – A copy of the meeting minutes was included in the Board package. Mr. Borghesi covered the forecast of CSA's finances and at year end, they should be in line with last year end finances. Currently, the projected CPI would only allow the 2016 residential assessments to be increased by \$2. The costs of future enhancements being considered will exceed the future revenue stream and a sub-committee has been formed to look at ways to increase revenue. Mr. Borghesi again stressed the importance and need for a Reserve Study to determine appropriate funding for the maintenance and replacement of CSA's physical assets.

### 3. **New Business**

- a. **Acceptance of Un-audited August 2015 YTD Financial Statements** – A copy of the un-audited August YTD financial statement was included in the board package and reviewed. Mr. Borghesi made the following motion which was seconded by Mr. Speer and was unanimously passed:

“RESOLVED, the CSA Board accepts the unaudited August YTD 2015 financial statements as submitted.”

- b. **Approval of Un-budgeted Funding Requests** – The Finance Committee was recommending the CSA Board approve the expenditure of \$730,000 to purchase a

replacement tub grinder, due to the high repair bills that were becoming more frequent. Mr. Barnett, the Director of Maintenance had contacted suppliers, one of which offered to rent CSA a tub grinder at \$10,000 per month and apply those costs towards its purchase price of \$785,000, plus provide a trade in value of \$70,000 for the old grinder. The total additional cost of \$730,000 included a concrete pad for the grinder. The balance of \$685,000 could be paid in 2016. Mr. Birdwell said to make sure the location of the new grinder and pad would be placed in the proper zone of the Forest Preserve. Mr. JR Richardson made the following motion which was seconded by Mr. Crunkleton and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation from the Finance Committee to approve the expenditure of \$730,000 for the purchase of a tub grinder.”

CSA staff was also requesting funding for additional surveys, studies and conceptual plans for projects, as well as other needed expenditures that have been identified during the course of completing approved projects. These are needed to determine the costs of the projects so the CSA Board can decide what projects or goals to proceed with and how to fund them, once the property owner survey results are in.

Some of the budgeted projects for 2015 would not be completed this year due to the unavailability of the contractor or delays in obtaining permits. The more significant projects to be deferred are Fraser Circle road reconfiguration, and the Beach Lagoon dredge.

The additional funding was for the following projects and totaled \$492K:

Greenwood Drive Corridor Conceptual Plan	\$20K
Greenwood Drive Corridor Engineer	\$25K
Gatehouse Wood Replacement	\$20K
Beach Lagoon Road's Catch Basin	\$74K
Greenwood Gate Survey	\$18K
Reserve Study Consultant	\$23K
<b>Sub-total of Projects</b>	<b><u>\$180K</u></b>

Additional Funds Needed for Drainage during reconstruction of the Ocean Golf Course on CSA property include:

Beach Lagoon/Ocean Course Fairway Pipes	\$70K
Ocean Course Pipes	\$216K
Ocean Course Drainage Permit	<u>\$26K</u>



<b>Sub-total</b>	<b><u>\$312</u></b>
<b>Total Additional Funding Requested</b>	<b><u>\$492K</u></b>

Some of the drainage repairs have been submitted to the Town of Hilton Head for reimbursement as part of CSA's drainage agreement, but the exact amount of reimbursement is undetermined at this time. However, it was better to expense the drainage projects now while the golf course was under construction. Mr. Borghesi made the following motion which was seconded by Mr. Speer and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation from the Finance Committee to approve the expenditure of \$492,000 for the projects as submitted and to be expensed as budgeted items.”

- c. **Approval of Trolley Kiosk and Two Pads** – The Finance Committee had been requested to approve the construction of three new trolley kiosks and pads. The design has been approved by the ARB and the Town. It would cost \$82,000 in additional funding to erect three of the five kiosks currently contemplated. The pad alone cost \$19,000 each. Construction at three stops being proposed are located at: Lawton Stables, one at the corner of Greenwood and S. Sea Pines Drive, and the third at South Beach. Total cost for the construction include \$36,000 for each stop, plus \$19,000 for concrete pads at Lawton and Sea Pines Drive due to currently unsafe conditions. The total construction cost of \$146,000 exceeds the remaining approved funding of \$64,000 (after soft costs) and their request was made for an additional \$82,000 in approved funding.

The Finance Committee was recommending to construct only one kiosk and two pads which would cost a little over the current approved expenditure.

Discussion was held upon learning that a different design had to be created for the trolley kiosks at the Plantation Club and Harbour Town due to the current kiosk design not fitting in aesthetically. The CSA Board questioned if all the kiosks should have the same design to have a more uniform look throughout the plantation and to send this issue back to the Gate Entry Committee. Mr. Sigmon made the following motion which was seconded by Mr. Crunkleton and was unanimously passed:

“RESOLVED, the CSA Board approves the expenditure for only two pads for the trolley stops.”

- d. **Ratify Vote on Approval of the June 24, 2015 Meeting Minutes** – The CSA Board voted on approval of the June 24, 2015, meeting minutes by email to expedite their release on the website and property owner review. Mr. Sigmon

made the following motion which was seconded by Mrs. Serral and was unanimously passed:

“RESOLVED, the CSA Board approves the meeting minutes of the June 24, 2015, meeting as finalized by email.”

- e. **Distribution of the CSA By-Law Revisions** – A copy of the by-law amendments being proposed were distributed to the board for review before voting on them at the next meeting.
- f. **Distribution of the Gate Entry Policy Revisions** - A copy of the amendments being proposed to the *Sea Pines Gate Entry Policy* were distributed to the board for review before voting on them at the next meeting.
- g. **Acceptance of the Report of the Nominating Committee** – The Nominating Committee Chairman, Mark Griffith said he and his fellow Nominating Committee members: Bob Mang, Charlie Miner, Rich Speer and Michael Tucker had selected four candidates to run in the 2015 CSA Board election. The candidates appearing on the CSA ballot were as follows: Barry Barth, Dave Borghesi, Paul Crunkleton and Bill Johnson. Only the Class A members of the CSA Board participated in voting on the motion. Mr. Speer made the following motion which was seconded by Mrs. Serral and was unanimously passed:

“RESOLVED, the CSA Board accepts the report of the Nominating Committee as presented.”

- h. **Approval of a New Safety and Security Committee Member** – Safety and Security Chairman, Michael Tucker was requesting Bob Gossett be approved as a new member to replace John Trunck who has resigned due to health issues. Mr. Crunkleton made the following motion which was seconded by Mr. Sigmon and was unanimously passed.

“RESOLVED, the CSA Board approves Bob Gossett as a new Safety and Security Committee member.”

- i. **Review of Strategic Marketing Plan** – A copy of the Strategic Marketing Plan was distributed to the board for review before voting on it at the next meeting.
- j. **Approval of Removing the Signage at Greenwood Gate** – The new green directional signage at Greenwood Gate did not meet the expectations of the



committees or Board. Mrs. Adams made the following motion which was seconded by Mr. Tucker and was unanimously passed:

“RESOLVED, the CSA Board approves the removal of the directional signage at the Greenwood Gate.”

- k. **Authorization to Sign the CSI Telecommunications Agreement** - Mr. Martin was requesting authorization to sign an agreement with CSI Telecommunications to negotiate the existing contracts CSA has with telecommunication companies to insure CSA is getting its appropriate amount of fees charged to these companies. Two bidders had been consulted and Mr. Martin was recommending to move forward with CSI Telecommunications. Mr. Borghesi made the following motion which was seconded by Mrs. Adams and was unanimously passed:

“RESOLVED, the CSA Board authorizes President Martin to sign the agreement with CSI Telecommunications.”

#### 4. **Old Business**

- a. **Update on CSA Board Priorities** – CSA Board Chairman Griffith updated the board on the progress of reaching their goals for 2015.
1. Reserve Study for CSA – Contractors have submitted proposals to update the study.
  2. Survey and Resident Data Base – Survey will be sent out in October and we expect to have results in December.
  3. Improve Condition and Maintenance of our Lagoons and Waterways – Sea Pines has a bigger problem than initially anticipated and the board is continuing to move forward on this issue.
  4. Raise Level of Maintenance Care of our Corridors – Moving in this direction and comments from owners have been positive.
  5. Work with the Town to Improve Traffic on Sea Pines Circle and the Greenwood Drive Corridor – The traffic study results for the circle reflected that it failed to meet current standards. A mitigation plan is needs to be developed.
  6. Develop Strategy for Six Oaks to be in a Sound Financial Position – A survey is underway and once completed the inventory and price structure will be evaluated and a business plan created.
- b. **Forest Preserve Update** – The wetland study has been completed and it has been determined that wetlands will not prohibit the improvements as outlined. Mr. Miner would now like to request the CSA Board approve the plan for the Forest Preserve improvements subject to securing funding for the \$1.7 M project.

A Power Point Presentation depicting all the improvements such as improved

restroom facilities, pavilion, fire pit, floating dock for the Alligator Tours, a new dock and the current dock extended to include a gazebo type structure on the end were viewed. The following motion was made by Mrs. Adams and seconded by Mr. Sigmon:

“RESOLVED, the CSA Board approves the concept of the improvements in the Forest Preserve subject to securing a lease from The Sea Pines Resort for Fish Island and an approved funding plan for the project.”

- c. **Update on USCB/LMO Traffic Issues** – Mr. Kernan included a memo updating the board members on the status of the traffic study. Some of the information was also discussed earlier under the Update on *CSA Board Priorities*.

5. **Board Member Comments**

Mr. Birdwell said the Harbour Town Golf Course renovation was completed and is scheduled to re-open on Monday.

6. **Adjournment**

The regular portion of the meeting ended. A question and answer period was held with the audience. The Board went into Executive Session to discuss legal and personnel issues at 4:35 p.m.

Respectfully submitted,



Carolyn Adams  
Secretary