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Community Service Associates, Inc.
Board Meeting Minutes
Tuesday, January 26, 2016

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.

1. **Roll Call**

Present:	Barry Barth Cary Corbitt Mark Griffith Beverly Serral Rich Speer	Steve Birdwell Paul Crunkleton Charlie Miner Don Sigmon Michael Tucker	David Borghesi Bob Gossett James Richardson Bob Sowers
Absent:	Carolyn Adams	Mark King	Scott Richardson
Staff:	Bret Martin David Henderson Jeanne Pearse	Toby McSwain Victoria Shanahan	Beau Barnett Amanda Sutcliffe-Jones

2. **CSA Reports**

- a. CSA President's Operation Report – CSA President Bret Martin updated the Board on the following items:
 - Fences are in place around Fraser Circle for the road re-surfacing project
 - Parking Lots 2, 3, 4 and 8, in the utility easements are being prepared for the delivery of rock and will be hydro-seeded afterwards
 - Hargray will be present at the Sea Pines Community Coffee meeting on February 3rd to address property owner concerns
 - Work on the installation of the trolley kiosk at South Beach has begun and the Gate Entry Committee have been asked to re-evaluate the proposed kiosk at Lawton Stables at their February 25th meeting
 - The Town's beach re-nourishment project will begin on Monday and should be completed by the end of March 2016. Lot One at South Beach will be used for parking and barges will be used for storage of materials
 - A letter has been mailed to all residences along the *Beach Trust* property to remove their *No Trespassing* signs within 90 days. That period has been met and staff will begin to enforce the policy by removing any remaining signs.
 - CSA's reserve study should be completed by the end of February
 - Three firms have been requested to submit a proposal to perform the engineering study on Sea Pines' storm water drainage system.

- Beau Barnett, the Director of Maintenance, has scheduled a meeting with SRS Engineering at the end of February to review their proposal for the intersection of Office Park Road and Greenwood Drive
- Property Owner Decals are not opening the gate arm at Tower Beach and owners are being asked to use their Property Owner ID cards instead. A pedestal will be installed to make the process easier.
- The dates of future events were announced:
 - February 18 – Property Owner Survey Results – Community Center
 - March 3 – Blood Drive - Community Center
 - March 23 – Wellness Bus - Community Center
 - April 2 – Party in the Pines – Forest Preserve

- b. **Committee Reports** – Chairman Griffith asked the committee chairmen for any updates, but since the new committees' membership had not been approved yet and had not met, no updates were available.

However, the 2015 membership of the Finance Committee had met on January 22nd. Neil Funnel and Jeff Herriman had served their six-year term limit and thanked for their many years of service. Mr. Borghesi further stated that CSA's insurance would be renewed in January and gave a brief synopsis of his committee's goals for 2016. The Revenue Task Force, chaired by one of the Finance Committee members, is continuing their work and had met again this morning.

He also distributed a copy of an addendum to the 2016 Budget that explained the deficit and proposed it be posted on the website. The addendum reflected the necessity to purchase a new tub grinder in the last quarter of 2015, of which the balance of \$670,000 was to be paid in 2016. Assessments for 2016 only increased by a mere .02%. Most homeowner associations do not budget for such a large expenditure in one year. The addendum also expressed his concern of future revenue generated from assessments not being in line with rising maintenance costs.

3. **New Business**

- a. **Acceptance of the Un-audited November 2015 Financial Statement** – A copy of the un-audited financial statement was included in the Board package and was reviewed. CSA's current assets of \$11.3M at the end of November are ahead in comparison to the \$10.9 M in November of last year. Investment balances have

remained about the same. Mr. Borghesi made the following motion, seconded by Mr. Speer and was unanimously passed:

“RESOLVED, the CSA Board accepts the un-audited year-to-date November 2015 financial statement as submitted.”

- b. **Approval of Fund Transfer into the Designated Emergency Fund Balance for 2015** – The Finance Committee was recommending the transfer of \$300,000 from the Designated Capital Replacement Fund Balance to the Designated Emergency Reserve Fund Balance to meet the \$2.5 M required by the Financial Policy, effective as of December 31, 2015. Mr. Speer made the following motion, seconded by Mr. Richardson and was unanimously passed:

“RESOLVED, the CSA Board approves the recommendation of the Finance Committee to transfer \$300,000 from the Designated Capital Replacement Fund Balance to increase the Designated Emergency Reserve Fund Balance to \$2.5 M effective December 31, 2015. This increased balance represents approximately 27% of the 2016 budgeted operating expenditures as defined.”

- c. **Ratification of the Approval of the November 24, 2015 and January 8, 2016, Meeting Minutes** – The meeting minutes of the November 24, 2015 and the January 8, 2016, meetings were approved by email. Mr. Crunkleton made the following motion, seconded by Mr. Richardson and was unanimously passed:

“RESOLVED, the CSA Board ratifies the approval of the November 24, 2015, and January 8, 2016 Meeting as finalized by email.”

- d. **Approval of Standing Committees, Task Forces and Their Membership** – Copies of the standing committee rosters and task forces proposed for 2016 had been included in the Board package and were reviewed. Mr. Sowers made the following motion, seconded by Mr. Miner and was unanimously approved:

“RESOLVED, the CSA Board approves the CSA Standing Committees, Task Forces and their membership as presented.”

- e. **Approval of the Interim ASPPPO and CSA Service Agreement for 2016** – Mr. Martin said the agreement had been revised to reflect that the CSA President has the authority to oversee CSA staff performing the services provided for ASPPPO and authorizes him to sign documents as directed by the ASPPPO Board or its President. The dollar amounts are the same as approved in the budgets of

both entities. He proposed this updated agreement be presented to the ASPPPO Board to use in the interim until a permanent agreement approved by legal counsel was in place. Mr. Miner made the following motion, seconded by Mr. JR Richardson and was unanimously passed:

“RESOLVED, the CSA Board approves the proposed agreement as presented to be used until a permanent agreement was established.”

- f. **Approval of Encroachment Agreement for Lot 110, Heritage Woods II** – The property owner of Lot 110, Heritage Woods II has requested CSA approve landscaping plantings at the rear of their lot to help screen a new pool they proposed to build. The ARB and the Director of Maintenance, per the *Encroachment Policy for Property Owners to Landscape in Open Space*, have both reviewed the proposed landscaping plan and have not raised any objections. Mr. Crunkleton made the following motion, seconded by Mr. Corbitt and was unanimously approved:

“RESOLVED, the CSA Board approves an encroachment for landscaping plantings in the Open Space in the rear of Lot 110, Heritage Woods II as presented.”

- g. **Creation of a Public Art Initiative Fund Within Sea Pines** – Mr. Borghesi had submitted a request to the Executive Committee to present the concept of creating a Public Art Fund within Sea Pines to the CSA Board at their meeting today, and they had agreed. The purpose of the program was to raise funds and obtain artists to participate. He proposed the art displays or sculptures would create interest, draw tourists and was in-line with the Long Range Strategic Plan to create a sense of community. He asked for a general consensus of the CSA Board to pursue this type of endeavor. He presented photos and brochures explaining the program and what other communities were doing. It would need to be determined if Sea Pines property owners had enough interest to participate. Discussion was held and Mr. Richardson made the following motion, seconded by Mr. Tucker and was unanimously approved:

“RESOLVED, the CSA Board approves the creation of a Public Art Initiative Task Force with Mr. Borghesi as its Chairman to pursue determining the interest of the community in the program.”

4. **Old Business**

- a. **Sea Pines Circle Traffic Study Update** – Mr. Griffith said he appointed Paul Crunkleton as Chairman of the CSA *Traffic Task Force*. Mr. Gant, Chairman of

the Town's *Circle to Circle Committee* will appoint Mr. Crunkleton as a member of his committee at their next meeting. This will ensure an open line of communication exists between those two entities and the CSA Board.

The Sea Pines Circle failed the traffic study, a copy of which can be viewed on the Town's website. Mr. Griffith said it needed to be determined what the Town of Hilton Head's responsibility was to the LMO. He and CSA President Martin had met with attorney Chet Williams who was well versed with the Town's LMO, and had asked for a letter outlining what the Town's responsibility was. Mr. William's letter basically stated that the Town has no responsibility and Mr. Griffith suggested obtaining a second legal opinion on this issue. Some property owners have expressed that CSA should take action against the Town, so that the Town would be responsible to rectify the problems before permitting any new development, such as the USCB campus. It was noted that the meeting minutes of the *Circle to Circle Committee* could be viewed on the Town's website. No action was taken.

- b. **Update on CSA Board Priorities for 2016** – Mr. Griffith suggested the CSA Board place communications at the top of their priorities for 2016. Mr. Tucker is Chairman of that Committee and Mr. Barry Barth is Co-chairman. Their goal is to get as much information out to the community and create a sense of transparency and disclosure that has not existed before. Mr. Tucker added that the committee also plans asking for input from the community as well.

Mr. Griffith said the Reserve Study for CSA should be completed by the second quarter. This should determine all the assets of CSA and when they need repairs and/or replacement. Storm water drainage issues also need to be addressed so it can be determined what work needs to be done and the associated costs. There is a storm water drainage agreement with the Town of Hilton Head and they may be responsible to reimburse CSA for some of the work.

Mr. Griffith also noted that representatives of the ASPPPO Board have been in long on-going discussions with representatives from The Sea Pines Resort who wish to expand the number of hotel rooms permitted in Sea Pines. ASPPPO has expressed their desired changes and this may result in moving forward with a referendum, and possibly a second referendum. It was also noted that work on making access into the community more efficient is continuing.

5. **Board Member Comments**

- a. **Landscape Survey Results** – Mr. Crunkleton asked about the results of the *Landscape Preference Survey* of 600 people and if it would have any value to present it separately from the survey of all the property owners. Mr. Martin said

yes it provided valuable information on its own and the results would be shared with property owners at a future community coffee meeting.

- b. **Long Range Strategic Plan** – Mr. Crunkleton referred to the Long Range Strategic Plan and said it was important the Board remember the points made during the presentation of the plan and quoted the information from one of power point slides that had been presented to the community.

“When making decisions, CSA should always ask four basic questions:

1. Do the majority of our citizens support this decision?
2. Does this vote make good financial sense?
3. Does this vote enhance the *lifestyle* of our citizens?
4. Do we offer enough transparency as to why this action is being proposed?”

- c. **Communications Forum Meeting** – Mr. Tucker said a Communications Forum meeting with property owners is to be held on February 24th, 9:00 a.m. at the Sea Pines Community Center. All property owners are invited to attend.

He further stated the Communications Committee consists of committee chairmen and staff who will be meeting every month and will be exchanging information on the projects they are working on. This information will then be disseminated throughout the community.

- d. **Governance Committee** – Mr. Speer said the *Board Orientation Program* for 2016 went well and was very informative. Property owners can view the Power Point presentation that was given during the orientation on the website. A *Leadership Program* is being developed to broaden the scope of new board members. More information will be forthcoming at future meetings.

6. **Adjournment**

With no further business to discuss, the meeting adjourned at 4:00 p.m.

Respectfully submitted,



Mark Griffith
CSA Board Chairman