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**CSA Finance Committee
Meeting Minutes
Tuesday, May 17, 2016
CSA Main Conference Room**

1. Roll Call

The May meeting of the Finance Committee was called to order at 9:02 a.m. in the main conference room of the CSA Building by Chairman Dave Borghesi.

Present:	Dave Borghesi	Carolyn Adams	Maryann Bastnagel
	Rich Speer	Lisa Laudermilch	John Farrenkopf
	Lee McCollum	Michael Tucker	Ray Warco

Absent: Rob Marsac

Ex-officio: Mark Griffith

Staff:	Bret Martin	Victoria Shanahan	David Henderson
	Beau Barnett	Kristine Wasilewski	

2. Approval of the March 8, 2016 Meeting Minutes

A copy of the March 8, 2016 meeting minutes was included in the committee's package and reviewed. Mr. Farrenkopf made the following motion, seconded by Mr. Tucker and unanimously passed:

“RESOLVED, the Finance Committee approves the March 8, 2016, meeting minutes as submitted.”

3. Review and Acceptance of March 2016 Financial Statement

A copy of the March financial statement was included in the committee's package and reviewed. Mr. Borghesi made the following motion, seconded by Mr. Speer and unanimously passed:

“RESOLVED, the Finance Committee recommends the Board of Directors accept the March 2016 financial statement as presented.”

4. New Business

a. Approval of two Morgan Stanley investment accounts into one account -

A proposal was made to merge the operational and designated Morgan Stanley accounts into one account. This merger makes sense as there is no longer a requirement for tax purposes to have two segregated accounts. Mr. Borghesi

stated that our current investment policy statement requires two segregated accounts and that he proposes we suspend the investment policy requirement solely related to the two account requirement. Mr. Borghesi made the following motion, seconded by Mr. Speer and unanimously passed:

“RESOLVED, the Finance Committee recommends the Board of Directors accept the merger of the two Morgan Stanley accounts (operation and designated) into one as presented.”

- b. **Changes in the accounting department and financial impact of those changes** - Ms. Shanahan provided a status of the Finance Department staffing situation. A final interview has been scheduled for a candidate to be added to the accounting department.
Ms. Shanahan is confident the accounting department can manage effectively with a three person team.
- c. **Request for input on investment alternatives for Six Oak Cemetery Perpetual Care Trust** - Mr. Borghesi reported presently there is \$600 – \$700K invested. Mr. Borghesi and the CSA Staff did an analysis separating the corpus of the trust and the earnings. Only the earnings are spendable. The Trust receives 10% from the cemetery sales. The Finance Committee was presented with three different investment options and agree with recommending to purchase the IShares Select Dividend EFT (DVY).
- d. **Initiatives with BB&T and others regarding banking services** - Ms. Shanahan gave an update on the discussions with our primary bank, BB&T, as to operational services that could improve efficiency without increasing cost of service.
- e. **Tax status – Effective date of IRS acceptance (8-3-2015)** - Mr. Borghesi informed the committee that the tax status change for an exempt entity was formally approved by the IRS in its March communication. CSA previously claimed exempt status filing Form 990 for the year ending in December 31, 2014. The change and resulting exempt status were effective as of August 3, 2015. Based upon our consultant’s recommendation, CSA will continue as if the effective date was December 31, 2014. No further action is required at this time.
- f. **Approval of external auditors and fee proposal for 2016-2017 audit and tax services** - We have received correspondence from our auditors Elliott Davis, Decosimo, dated March 31, 2016, detailing their service fee for the 2016-2017 tax year. The fee schedule for audit and tax services was reviewed and the

committee believes the services provided have been excellent as well as reasonably priced and feel there is no need to look at other providers.

5. **Old Business**

- a. **Revenue Task Force Report** - Mr. McCollum, who leads the Revenue Task Force, gave an overview of their work and resulting report. Their objective is to determine additional sources of revenue for CSA. Any revenue enhancement recommendations need to correspond with funding requirements of a 5 year forecast and the recent Reserve Study. The committee expects to review the Reserve Study and 5 year forecast in June. A draft of the Reserve Study was received by the CSA Staff and will be reviewed in detail. The Revenue Task Force Report will be presented at the Board of Directors Meeting in June.
- b. **Status of Six Oaks Cemetery lien release** - Mr. Martin said the CSA Board, at their March 15, 2016 meeting, to formally approved the release of the lien with Beaufort County against Six Oaks Cemetery.

6. **Adjournment**

With no further items to discuss, Chairman Borghesi made a motion to adjourn the meeting at 10:30 a.m. The motion was seconded by Mr. Tucker and was unanimously passed.

Respectfully submitted,


Dave Borghesi
Chairman

The next meeting is scheduled for June 14, 2016 at 9:00 a.m. in the main conference room of the CSA Building.