

Community Services Associates, Inc.
Long Range Strategic Planning Committee Meeting
August 25, 2017

On Friday, August 25, 2017, a regular meeting of the Community Services Associates, Inc., (CSA), Long Range Strategic Planning Committee, was held at the Sea Pines Community Center, small conference room. The meeting was called to order at 3:05 p.m. Chairman Tucker presided.

Roll Call

Present:	David Herskovits	Mark King	Charles Miner
	John Parsons	Stu Rodman	Paula Scanlon
	Michael Tucker	Jack Ward	
Absent:	Diederik Advocaat	Steve Birdwell	David Borghesi
	Bill Johnson	Tom Lennox	
Staff:	Sandra Archer	Bret Martin	

Ratify Approval of the July 14, 2017 Meeting Minutes

The July 14, 2017, Long Range Strategic Planning Committee, meeting minutes were approved by e-mail. John Parsons made the following motion, seconded by Jack Ward and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Long Range Strategic Planning Committee, approved the minutes of the July 14, 2017, meeting, as finalized by e-mail”.

Unfinished Business – Chairman Tucker

Mrs. Scanlon commented that after researching information on Charles Fraser, his vision, mission and master plan of developing Sea Pines, it would be prudent to separate statements into three distinct categories: mission, vision and value statements. A draft copy will be forwarded to Committee members.

Mission: Build upon Charles Fraser’s innovative vision and value in a master plan.

Vision: Sea Pines is one of the most prestigious resort and residential communities, living in harmony with its exceptional natural beauty.

Values: Innovation, land stewardship, history/heritage, nature, community/lifestyle.

New Business

Transportation Task Force Update – Chairman Tucker

Chairman Tucker presented an update on behalf of Mr. Johnson. Transportation Task Force has met twice. Objectives of the Task Force include finding transportation, which efficiently moves both inside residents and outside guests, within the community. Parking is at a premium inside the gates and transportation solutions are critical. Areas of opportunity to study include: elevation of effectiveness of the trolley, review of Palmetto Dunes’ transportation system and

potentially work in conjunction with the Town, as they are research methods of outside transportation on the island.

Community Center Task Force Update – John Parsons

The members of the Community Center Task Force met in July. Discussion on the general philosophy of a community center ensued. Task Force will need to identify what the project will entail, to be able select appropriate sites of location for the center. Mrs. Sutcliffe-Jones, CSA Communications Director, will conduct a survey during October/November, 2017, to obtain community feedback. Task Force will continue to visit other sites, plantations, communities, i.e., Palmetto Bluff and Hilton Head Plantation, for comparisons.

Chairman Tucker commented that the meeting schedule of every three weeks of the Committee, is proving beneficial. Both the Transportation and Community Center Task Forces have been asked to meet more frequently, as they are critical in bringing back recommendations to the Committee.

Finance Initiative – Bret Martin

Mr. Martin stressed the importance of a 5 year plan, which has been developed and in effect. At the request of the Finance Committee, additional objectives have been added creating a 7 year plan and a 25 – 30 year storm water plan is in effect, as well.

The majority of the original objectives in the Finance plan have been completed and policies are in place. Following a Reserve Study, based on current assets and day to day operating costs, remaining funds are moved to a Reserve Fund. There is approximately \$2.5 million in the Emergency Reserve Fund. With plans in place and Revenue Task Force in effect, what is needed now are new ideas for increasing the revenue stream.

Chairman Tucker stated that with the organizational structure now in place, we are ready to move forward with a 5 year conceptual plan, originally approved in early 2015. Certain initiatives will have significant impact on the revenue stream. Included would be the ½% transfer fee, which would generate approximately \$1.2 million.

Mrs. Scanlon stated that there should be several ways to raise money. An example would be to approach National Geographic for a Forest Preserve sponsorship.

Mr. Martin will add an Appendix of completed projects to the Reserve Study, per the request of Mr. Ward, provide updates on funding for storm water and summarize finance and governance initiatives, as outlined today, for the committee. Focus will center on the revenue side, starting with fundamentals of revenue increases, to include the real estate transfer fee, increases to assessment and gate fees. Another source of revenue can be obtained by introducing new services, with cost, to the community.

Mr. Miner stated there are 3 target sources to increase the revenue stream: Increase commercial fees/commercial square foot assessment, per the term sheet; increase the Sea Pines Resort fee to .75%, per the term sheet and implement a real estate transfer fee. These actions, in conjunction

with the long term budget, allow the Board the knowledge to determine the amount of assessment required by residential property owners, to meet the needs of the community.

Chairman Tucker stated that with the referendum postponed, the Board has to move forward with the necessary projects within the community. One such project, storm water repair and maintenance, requires \$1.6 million per year.

Mr. Martin stated there is currently a dredging permit in place, valid for 5 years. Brackish water will be kept in the pit, remediated for use as necessary and incorporated with mulch, to spread where growth is not wanted. The DHEC permit expires in April 2018 and will be renewed to coincide with the Army Corps permit, which expires in 2022.

Mr. Martin stated that the Town has budgeted and confirmed, they will contribute \$650,000 for storm water in 2017 and \$400,000 in 2018. All storm water work will be contracted out. Pipe cleaning will be brought in house and will help save in the overall cost. There are over \$3.7 million in projects yet to be completed.

Governance Initiative – Bret Martin

Governance has created a 2 day orientation for newly elected Board members, which is offered in January. In an effort to enlighten the community further, on CSA and Board of Directors' functions and responsibilities, Governance presented an educational forum series, representing all CSA departments, to residential property owners. Attendance was low at all sessions.

As a community, of which 60% are non-residents, strategy needs to include whether this is a community where owners want to live, or will Sea Pines become an owner or renter community, of primarily investment interest. It is necessary to create a reason for people to want to reside in the community, using all assets: commercial, resort and residential.

The majority of Committee members present, shared the opinion that a review of the covenants is necessary. The philosophy of the present Board of Directors, is not to dissect covenants but to deal with issues as they arise. The task of legal review and summary of the covenants is monumental and has been entertained by previous Board of Directors. The legal cost to review the 980 pages of covenants would cost upwards of \$100,000.

It was suggested that a Task Force could prove beneficial to review, understand, but not to change, the covenants. Of interest would be to identify what prohibits certain covenant changes. A potential hindrance in passing the referendum was that owners couldn't look at the covenants to understand them. To have a summary of covenants, available online for owners, would be extremely beneficial.

Mr. Martin mentioned that all CSA documents are currently being scanned and entered into a document system. To date, 60% have been digitally converted.

In closing, Chairman Tucker stated that covenant review will be added to the Long Range Strategic Plan and Mr. Martin will provide summaries on Finance and Governance Initiatives. The next discussions will include "Lifestyle" and "World Class Destinations".

Committee Member Comments

There were no further comments.

Adjournment

With no further business to come before the Committee, Chairman Tucker adjourned the meeting at 4:50 p.m. The next scheduled meeting of the CSA, Inc., Long Range Strategic Planning Committee, is Friday, September 15, 2017, 3:00 p.m., at the Sea Pines Community Center.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Michael Tucker". The signature is written in a cursive style with a horizontal line underneath it.

Michael Tucker
Chairman