

Community Services Associates, Inc.
Finance Committee Meeting
September 18, 2018

On Tuesday, September 18, 2018, a regular meeting of the Community Services Associates, Inc., (CSA), Finance Committee, was held at the CSA Administration Building, Conference Room, 175 Greenwood Drive, Hilton Head Island, SC 29928.

Roll Call

Present:	Carolyn Adams Lee McCollum Michael Tucker	David Borghesi Stu Rodman Ray Warco	John Farrenkopf Richard Speer
Via Teleconference:	David Herskovits	Lee Ann Leahy	
Ex-Officio:	Mark Griffith		
Absent:	Lisa Laudermilch	John McEnery	Larry Movshin
Staff:	Sandra Archer Bret Martin	Russell Fredericks Victoria Shanahan	David Henderson

Call to Order

The meeting was called to order by David Borghesi, Chair, at 9:00 a.m., Eastern Time.

Ratify Approval of the May 15, 2018, Meeting Minutes

The May 15, 2018, Finance Committee meeting minutes were approved by email. Lee McCollum made the following motion, seconded by Carolyn Adams and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Finance Committee, approved the minutes of the May 15, 2018, meeting, as finalized by email”.

Financial Update

Acceptance of YTD/June 30, 2018, Financial Statements – Victoria Shanahan

- The YTD/November 2017, statements were reviewed.
- June 30, 2018, financial statements were provided due to ongoing complete system overhaul. Formatting of financial statements is in process and statements will be forwarded as available.
- Adjustment to the statement needs to be made: dredging costs need to be reduced.
- Market value investments have declined. Fair Market Value is currently in excess of and nearing par value, \$116,000.

The balance sheet as of June 30, 2018, was reviewed. Total assets, on an accrual basis, were \$22,651,389, a decrease of \$933,049, over the same period last year.

The income statement as of June 30, 2018, YTD, was reviewed. Actual revenues over expenditures were \$4,167,684, compared to budgeted \$3,093,848, resulting in a negative variance to budget of (\$1,073,836).

A motion was made by David Borghesi to accept the unaudited YTD, June 30, 2018, financial statements as adjusted. The motion was seconded by Richard Speer and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Finance Committee, accepted the unaudited YTD, June 30, 2018, financial statements, as adjusted”.

Unfinished Business

Status of the Real Estate Acquisition – Bret Martin

- Several site concepts were developed and the Gate Reconfiguration, Traffic Committee will review, approve and recommend an option to the Board at the September 25, 2018, meeting.
- The concept to be recommended to the Board must address the following: relocation of pass office staff and the sale and issuance of passes. The option should also provide capability to encroach into non-conformity area and allow for expansion, as necessary. The approved option will serve as a guideline to the architects.

Trolley Update – Victoria Shanahan

- A trolley presentation, detailing trolley inception and history through to 2018, was provided to the Gate Entry Committee.
- Trolley service began in 1997, was outsourced from 1999 – 2003 with Live Oak, using diesel trolleys and brought back in-house. The cost of leasing versus purchasing trolleys was researched. Results showed that purchase of the trolleys was more cost effective.
- After all operating costs and marketing funds accounted for, the trolleys generate excess funds which are put back in to the General Fund, at approximately \$500,000 a year.

New Business

Delinquent Property Owner Account Write-Off – Victoria Shanahan

- Approval was needed from Finance Committee to write off expenses in excess of \$10,000. There are currently two properties in excess of \$10,000 in arrears.

2019 Budget Workshops - October – Victoria Shanahan

- Two separate Finance Committee Budget Workshops will be held, prior to the next Finance Committee Meeting, November 6, 2018. Proposed dates are October 11, 12 or October 29, 30. Confirmed dates will be forwarded.

Budget Amendments – Decals/IDs, Trolleys, Greenwood Drive, Sea Pines Drive/ Greenwood Intersection – Victoria Shanahan

Sea Pines Drive/Greenwood Intersection

- Contractor bids have exceeded total and an amendment to budget, 2018, is necessary.
- Contractor, Lane Construction, was responsible for the Fraser Circle and Plantation Drive projects.

- Phase I – Club Couse Drive – Greenwood Drive, both lanes of Greenwood Drive closed, will reopen after completion, expected 3 – 4 weeks, weather permitting.
- Phase II – Governors Road – Plantation Drive, alternating traffic, night work, expected 2 – 3 weeks, weather permitting.
- Phase I begins September 24, 2018, followed by Phase II. Entire completion of project expected at seven weeks.
- Project highlights: comprehensive drainage, improved Greenwood/Plantation Drive intersection, improved turning capability Club Course/Greenwood Drive, 1,800 linear feet of drainage replaced, 800 linear feet of new pipe installed, road shoulders and ditches regraded.
- Approval needed from Executive Committee and Board of Directors, for budget amendment. Currently in seven year plan. Phase I - \$1,871,000, Phase II – 2 variables, alternating traffic and night work at an extra cost of \$85,000. Phase I complete in budgeted amount, Phase II exceeding budget \$500,000 - \$600,000.

Trolley

- Three trolleys will be purchased for 2019, at a cost of \$150,000 each. Trolley features include: 30 – 32 passenger capacity, longer chassis than current models to accommodate reach porch for storage, air conditioned and seat belts. Gate Entry Committee voted to keep the color red.
- Trolleys need to be ready for RBC, Heritage Tournament, 2019 and purchase cost has been approved.
- A deposit, \$111,000, is required for trolley purchase and has not been budgeted for. An amendment to budget, 2018, is necessary.

Decals, IDs

- In conjunction with ABDI, RFID decals will be used. Decals currently cost \$0.60, new decals to cost in excess of \$15.00 each, at a total cost of \$180,000, to include all users, i.e., property owners, commercial, staff, etc. Decals will need replaced at 4 – 5 years and at new vehicle purchase.
- Commercial vehicles will purchase decals in January 2019, Residential Property Owners to purchase later in the year.

A motion was made by Lee McCollum, to approve amendment to the budget, 2018. The motion was seconded by John Farrenkopf and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Finance Committee, approved an amendment to the budget, 2018, in the amount of \$788,000, to cover the increase in costs for Greenwood Drive project, \$600,000 and ABDI decals, \$180,000”.

Forecast of MR&R and Capital – David Borghesi

- CPI is currently 2.4% for June 2018. If that holds, the Residential Property Owner assessment, 2019, will increase by \$25.00.
- The Gate Fee generates \$480,000 net, annually, after marketing contributions. 2017 generated \$500,000.

- There were 849 more daily passes sold August 2018 as compared to August 2017, which resulted in an increase of \$70,000 in one month.

Adjournment

With no further business to come before the Board, Chair Borghesi adjourned the meeting at 10:10 a.m. The next scheduled meeting, of the CSA Inc., Finance Committee, is Tuesday, November 6, 2018, 9:00 a.m., at the CSA Administration Building.

With no further business to come before the Board, Chair Borghesi adjourned the meeting at 10:10

Respectfully Submitted,



David Borghesi
Chair