

Community Services Associates, Inc.
Finance Committee Meeting
November 6, 2018

On Tuesday, November 6, 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	David Borghesi	John Farrenkopf
	David Herskovits	Lisa Laudermilch	Lee McCollum
	Larry Movshin	Stu Rodman	Richard Speer
	Ray Warco	John McEnery	
Via Teleconference:	Lee Ann Leahy		
Ex-Officio:	Mark Griffith		
Absent:	Michael Tucker		
Staff:	David Henderson	Bret Martin	Victoria Shanahan
	Tracey McNeill		

Call to Order

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

Quorum

The chair confirmed a quorum was established.

Ratify Approval of the September 18, 2018 Meeting Minutes

The September 18, 2018, Finance Committee meeting minutes were approved. David Herskovits made the following motion, seconded by Lee McCollum and unanimously carried:

“**RESOLVED**, the Community Services Associates, Inc., Finance Committee, approved the minutes of the September 18, 2018, meeting, as submitted”.

Financial Update

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

- The YTD/September, statements were reviewed.

The balance sheet as of September 30, 2018, was reviewed. Total assets, on an accrual basis, were \$21,637,415, a decrease of \$242,738, compared to the same period last year. A total fund balance of \$20,129,362 was reported, an increase of \$245,835, over the same period last year.

The income statement as of September 30, 2018, YTD, was reviewed. Actual revenues over expenditures were \$3,068,155, compared to budgeted \$1,981,251, resulting in a positive variance to budget of \$1,086,904.

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

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

New Business

Approval of the CPI Increase and Resulting Residential Property Owner Assessments – Victoria Shanahan

- The annual increase on CPI is currently at 2.45% resulting in a 2019 improved property assessment of \$1076 and an unimproved property assessment of \$641. CPI data is not currently available for the month of October. Mr. Speer moved to recommend the 2019 assessment, Mrs. Laudermilch seconded and the motion passed unanimously.

“RESOLVED, the Community Services Associates, Inc., Finance Committee, recommends the 2019 assessment be increased to \$1076 for an improved property and \$641 for an unimproved property, and to update the amounts accordingly should the October CPI result in a change to the annual CPI increase before the CSA Board Meeting.”.

Estimated Timing of the Assessment Mailing – Victoria Shanahan

- 2019 assessment bills will be produced as soon as the CSA Board approves the assessment amount. The bills should be uploaded to BB&T for processing the week of November 26.

FY 2018 Forecast – Victoria Shanahan

- The current forecast for year ending 2018 shows a deficit of \$(1,435,000) in results of operations.

Estimated Debt Requirements to Fund FY 2018 Deficit - Chairman Borghesi

- Approximately \$2.6 m is available in maturing investments. Mr. Borghesi recommended using available maturing investments and when that is exhausted borrowing from the available Morgan Stanley line of credit to be paid off with 2019 assessments. The following motion was made by Chairman Borghesi, and seconded by John Farrenkopf and unanimously carried.

"RESOLVED, the Community Services Associates, Inc., Finance Committee, recommends the Board approve the use of available maturing investments and then to use the MSSB line of credit up to \$2,000,000".

FY 2019 Budget Recommendations - Chairman Borghesi

- The proposed 2019 Budget was presented to the Committee and discussions ensued. Additionally, a seven year forecast with resulting estimated Capital Replacement Fund Balance as a percentage of "Fully Funded" reserve requirements was presented and discussed.

A motion was made by Richard Speer, to approve the budget as presented with the Pass Office and other strategic plan expenditures deferred to avoid dramatic cuts to operational expenses and to remain within CSA Reserve Fund Balance Policy. The motion was seconded by Lee McCollum and unanimously carried.

"RESOLVED, the Community Services Associates, Inc., Finance Committee, recommends the CSA Board approve the 2019 budget as presented, with an operating deficit of \$71,439 and capital expenditures of \$740,082.

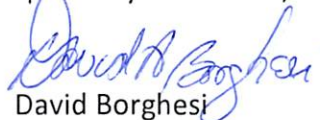
Chairman Borghesi - The Committee

The Committee thanked departing Chairman Borghesi for his dedication and chairmanship of the Committee over the last six years.

Adjournment

With no further business to come before the Board, Chair Borghesi adjourned the meeting at 10:00 a.m.

Respectfully Submitted,



David Borghesi

Chair