

Community Services Associates, Inc.
Finance Committee Meeting
January 15, 2019

On Tuesday, January 15, 2019, a regular meeting of the Community Services Associates, Inc., (CSA), Finance Committee, was held at the CSA Community Center, 71 Lighthouse Road, Hilton Head Island, SC 29928.

Roll Call

Present:	Carolyn Adams Lisa Laudermitlch Larry Movshin	John Farrenkopf John McEnery Stu Rodman	David Herskovits Lee Ann Leahy Michael Tucker
Absent:	Ray Warco	Richard Speer	
Via Teleconference:	Lee McCollum		
Ex-Officio:	Mark Griffith		
Guests:	Barry Barth	David Borghesi	Bill Johnson
Staff:	David Henderson Tracey McNeill	Amanda Jones Victoria Shanahan	Bret Martin Hayes Williams

Call to Order

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

Quorum

The chair confirmed a quorum was established.

Ratify Approval of the November 6, 2018 Meeting Minutes

The November 6, 2018, Finance Committee meeting minutes were approved. David Herskovits made the following motion, seconded by John Farrenkopf and unanimously carried:

“RESOLVED, the Community Services Associates, Inc., Finance Committee, approved the minutes of the November 6, 2018, meeting, as submitted”.

Financial Update

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

- The YTD/November, statements were reviewed.

The balance sheet as of November 30, 2018, was reviewed. Total assets, on an accrual basis, were \$19,463,950, a decrease of \$587,066, compared to the same period last year. A total fund balance of \$17,746,043 was reported, a decrease of \$335,379, over the same period last year.

The income statement as of November 30, 2018, YTD, was reviewed. Actual expenditures over revenues were \$(1,743,363), compared to budgeted \$(608,360), resulting in a negative variance to budget of \$1,135,003.

No motion was made and the unaudited YTD, November 30, 2018 financial statements were accepted with no objection.

New Business

Sea Pines Forest Preserve Special Assessment Donation – Victoria Shanahan/John Farrenkopf

- The committee discussed the use of special assessment funds for recovery efforts in the Sea Pines Forest Preserve. In 2018 \$138,500 has been spent and will be reimbursed with special assessment monies.

Approval of the Finance Committee Charter – Chairman Rodman

- The Charter for the Finance Committee was reviewed. Mr. Tucker made a motion to approve the charter, Mrs. Leahy seconded and the motion passed unanimously.

“RESOLVED, the Community Services Associates, Inc., Finance Committee, approves the 2019 Finance Committee Charter,”.

Status of Investments and Subsequent Transactions – Victoria Shanahan

- The status of investments was reviewed. While the current overall values of the equity securities has declined in recent months CSA staff believes that our above average return on investment will more than offset unrealized losses incurred.

Proposed Beach Club Trolley – Victoria Shanahan

- To alleviate parking at the Sea Pines Beach Club the Short Term Rental Committee and the Gate Entry Committee recommended that a trolley route be added to run from Lot 8 to the Sea Pines Beach Club for use by short term rental guests and property owners. The following motion was made by Michael Tucker, and seconded by David Herskovits and unanimously carried.

“RESOLVED, the Community Services Associates, Inc., Finance Committee, recommends the Board approve the \$60,000 cost of the Beach Club trolley on a 1 year basis to be reviewed during the off season to determine if the program should continue”.

Old Business

2019 Meeting Schedule - Chairman Rodman

- The proposed 2019 meeting schedule was presented and the dates noted.

Status of the 2018 Independent Audit – Victoria Shanahan

- Preliminary work was performed in late 2018. Final field work is scheduled for March, 2019.

Referendum Update and Vote on Amount Requested – Victoria Shanahan/Bret Martin

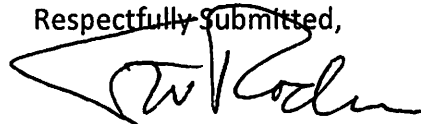
- The committee was presented with an update on referendum discussions. In order to achieve all of the strategic plan objectives without additional revenue there will be a \$16 million shortfall over the next 7 years. To address this shortfall committee recommends adding \$300 to the annual improved lot assessment, increase the Sea Pines Resort's contribution to .75% while not enacting a real estate transfer fee. This new amount will be the base assessment going forward. The following motion was made by Carolyn Adams and seconded by David Herskovits and unanimously carried.

"RESOLVED, the Community Services Associates, Inc., Finance Committee, recommends to address the shortfall of \$16 million over 7 years and stay within the financial policy for fund balances that the Board approve a \$300 increase to the annual improved lot assessment while not enacting a real estate transfer fee to go to the Community for referendum".

Adjournment

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Stu Rodman', is written over a large, stylized, handwritten 'X' or checkmark.

Stu Rodman
Chair