

Meet Your 2020 ASPPPO Board Candidate:

Dana Guazzo



Candidate Name: Dana Guazzo

Running For: ASPPPO Board

Candidate Category: Candidate by ASPPPO Nominating Committee

Candidate Biography:

I relocated from NJ to Sea Pines with my husband, Frank, in 2015. I am a founding member of the ASPPPO/CSA Land Use Management Committee and a Club Course POA Board Director. I attend All Saints Episcopal Church and volunteer for Family Promise of Beaufort County. As an amateur artist, I am a member of the Hilton Head Art League and the Artists of Sea Pines.

I received my education from Rutgers University (MS/PhD Pharmaceutical Sciences) and the University of Kentucky (BS Pharmacy). Following employment as a research scientist for three pharmaceutical firms, I became an independent consultant with a clientele of over 50 pharmaceutical and medical device companies located in the US, Europe and Japan. I served on expert panels for the US Pharmacopeia, and was a career-long volunteer for the Parenteral Drug Association. I authored numerous scientific publications and was a global advocate for higher product quality standards.

Why I Wish to Serve the Sea Pines Community:

I moved to Sea Pines for its natural beauty, distinctive real estate options, and peaceful living. As a new resident, I have been committed to doing all I can to preserve these qualities. Sea Pines is challenged by being an aging community with properties threatened by insidious decay aggravated by economic downturns, inclement weather, and even negligent owners. Seeing this, I doggedly persevered to resolve the bank-owned nuisance property poster child located at 40 Sandfiddler Road. Ultimately, the ASPPPO/CSA Land Use Management Committee was formed and a full time Land Use Monitor was hired. But more work is needed and our budget is tight. As an ASPPPO Board Director and your representative, I will make it my priority to pursue creative cost-effective options that will help ensure the value of Sea Pines residential properties, making it a place you and your family will want to come home to.

Questions from the Community:

1. Are you a full time Sea Pines resident? How long?

Answer: I am a full time Sea Pines resident. My husband and I purchased our home in 2012. Sea Pines has been our sole residence since 2015.

2. Do you have any commercial interests within Sea Pines e.g., own, operate, or are employed by a SP business or profession, own SP rental property, etc.

Answer: Neither my husband nor I have any commercial interests of any kind. Both Frank and I are retired; neither of us are seeking employment. We own no other property other than our home in Sea Pines.

3. Several studies have been completed recently that have identified a number of infrastructure issues that need to be addressed in our aging community. How would you propose to address and fund the maintenance repairs that have been identified?

Answer: I agree with study findings that indicate our aging infrastructure issues must be addressed. To that end, I would support reevaluating our budget so that those items of highest priority are addressed first. Items that are not truly “critical” should be delayed or eliminated. Then a proposed budget with timelines should be developed that more clearly details what funds are needed for specific projects, and for how long. To fund these needs I support first looking into new funding sources. For example, Sea Pines Resort rental properties not owned by them should not receive free gate passes. Also, I am in favor of rethinking the Greenwood gate entry reconfiguration plan that necessitates a costly renovation of the Gallery of Shops, plus expensive ongoing maintenance of this site. In fact, given the improvements already made to the flow of incoming traffic through the Greenwood gate, and given our budget constraints, I feel we should consider selling the Gallery of Shops. After addressing the above, I am in favor of proposing to the community a new referendum that will fund the revised budget for the allocated timelines.

4. Are you for or against a Special Tax District? What are your views about the propriety of the proposed special tax district?

Answer: I am against a Special Tax District (STD). STDs are a clear attempt to raise money by bypassing our covenants which require funds to be raised via a referendum. While a referendum is challenging to pass, our covenants require a high bar for referendum approval to ensure strong endorsement by residential property owners. In contrast, an STD would be established solely by a simple majority of SC registered voters (those owners who already pay lower state taxes than those who live out-of-state). STD proponents claim all Sea Pines residential owners will have a voice eventually, as all will be allowed to vote on the taxation percentage to be applied (yet again, by simple

majority). However, the assumption is being made that these same tax-payers agree with the STD approach itself.

In short, an STD does nothing to strengthen Sea Pines; instead, it will harm our community. Significantly fewer owners will be able to dictate practices that impact all. The current practice of Sea Pines self-governance will be weakened as taxation money management may rest, in part, in the hands of those outside Sea Pines. Some of the monies taxed must be applied toward a government service fee. There is no history of STDs used successfully by other gated communities in our area. And an STD approach for raising funds would further erode property owners' trust in our governing boards' ability and intent to best serve those who elected them.

5. Why does Sea Pines not have real estate transfer fee? I think almost every community has one including the town. According to my numbers, Sea Pines would have collected over \$750,000.00 last year. Do you support a real estate transfer fee in Sea Pines?

Answer: I do not support a real estate transfer fee. I understand that this could be a source for funding and that other communities in our town have such a fee. But it is also my understanding that such fees are most commonly paid by the seller, rather than the buyer, which means significant moneys are, again, taken out of the pocket of property owners. Rather than impose real estate property transfer fees I feel there are other sources of funding we should look at first.

6. Did you support the terms of the Critical Infrastructure Referendum? If you did not support the terms of the previous referendum, please clarify which ones, if any you would change to gain your support?

Answer: No, I did not vote for the Critical Infrastructure Referendum. This was a very difficult, painstaking decision for me. The easy choice would have been to vote "yes," as I am a great supporter of Sea Pines, and I am happy to pay more to address our infrastructure needs. But in the end, I remained unconvinced of a few key points.

First, I felt additional funding sources should have been considered, including mandating weekly gate pass purchases from Sea Pines Resort rental properties not owned by the Resort. Second, I was unconvinced that a detailed plan of monies needed per specific projects over specific timelines had been clearly defined. I was unconvinced that all projects included in the referendum were truly "critical", nor was I convinced that CSA had taken a hard look for ways to minimize costs.

Lastly, I did not feel the Gallery of Shops purchase and gate reconfiguration plan was a responsible use of our resources, nor did I feel this served a "critical need". I

understand the Gallery of Shops purchase was driven in part by the Resort's decision to no longer lease the Welcome Center gate pass office to CSA. I also understand that a survey of owners considered gate entry congestion a matter of "highest priority". However, I found this a bit misleading, as no survey asked if owners would be willing to sacrifice repair of critically failing roads/sewers or flooding lagoons in order to gain improved gate access, and at a cost of millions of dollars. And finally, I was concerned that the board purchased this property based on the risky assumption that the purchase and renovation costs would be covered by a future referendum. Given the failed referendum, I believe Sea Pines should divest themselves of this property.

Once these issues are addressed, I would be willing to support a future referendum.

7. Is your primary responsibility the good of residential property owners or of Sea Pines Plantation? Do you believe your primary role on the Board is to advocate for the interests of the Sea Pines residential property owners, or the broader interests of all Sea Pines property owners?

Answer: I am running to serve as an ASPPPO Board Director. The responsibilities of the ASPPPO Board of Directors are stated in the restated and amended ASPPPO by-laws (passed by the Board on 9/19/19, and scheduled to be voted on by the membership for final approval.) Article IX states the following:

"The Board shall have the power and duty to: ...

k. Cause ASPPPO to act as a proper party to institute any legal proceeding at law or in equity to seek enforcement of all Covenants and Agreements as the representative of the Owners;

l. Cause ASPPPO to act as guardian of the Agreement that limits the number of hotel rooms that can be built in Sea Pines Plantation (The 1984 Hotel or Settlement Agreement);

m. Represent the rights and interests of Owners by monitoring the CSA budget to ensure it operates in the interest of Owners; ..."

"Owner" is defined as the owner of real estate of residential lots or family dwelling units, other than the Resort. Therefore, based on the above, I understand my primary responsibility is to Sea Pines residential property owners.

8. Do you think it a conflict of interest to serve simultaneously on both the CSA and ASPPPO boards?

Answer: I think to serve simultaneously on both boards of CSA and ASPPPO poses potential conflicts of interest. My reasons for this are based on my own independent examination of the Board of Directors' duties and responsibilities as stated in the by-

laws for each of these organizations, as well as my own observations at ASPPPO and CSA board meetings.

The first potential conflict exists with regard to board member allegiance. ASPPPO by-laws clearly establish that board members are solely responsible to residential property owners (see my response to question 7). By comparison, nowhere in the restated by-laws of CSA does it explicitly state that board members must give their allegiance to those who put them in office. One might surmise this to be true, but in fact, at the recent CSA Governance Town Hall meeting of October 2nd Michael Tucker, CSA Board Vice Chairman and Governance Committee Chairman, made it clear that he feels he is responsible for the good of the entire community, not just the residential property owners. I understand that Mr. Tucker and our other dual ASPPPO/CSA elected residential representatives feel this presents no conflict of interest, since it seems logical that what is good for the community as a whole is good for each of the parts. But I am not convinced that this assumption always rings true, nor do I feel this philosophy encourages the robust debate needed for good governance. It is my opinion that a CSA board member who is looking out for all parties within Sea Pines cannot, at the same time, serve on the ASPPPO board where s/he must make decisions, often on the same or similar issues, based solely on what is best for residential property owners.

The second potential conflict lies in matters of financial oversight. ASPPPO by-laws establish that the board must represent the rights and interests of [residential property] owners by monitoring the CSA budget to ensure it operates in the interest of such owners (see my response to question 7). CSA's restated by-laws Article V states that directors are assigned numerous powers related to CSA finances, including but not limited to [text is paraphrased]: establish staff compensation/benefits; pay for community services, attorneys, accountants, etc.; determine, levy and collect assessments; open and maintain bank or other financial accounts; borrow funds for providing or restoring services for Community Properties; adopt annual budgets and keep and maintain financial records; amend gate pass policies. Certainly these are appropriate and legitimate financial responsibilities. However, a CSA board member making decisions on CSA financial matters cannot, at the same time, sit on the ASPPPO board and act as a nonbiased monitor of CSA's budget. You cannot guard against yourself.

9. Do you want ASPPPO merged into CSA?

Answer: I do not want ASPPPO merged into CSA. Losing ASPPPO as an independent organization will only weaken the protections afforded residential property owners. There are nine Class A residential representatives on the CSA board, four Class B

commercial representatives, and four directors assigned by the Resort. Class A directors do not vote as a block. Therefore, it takes only a couple of votes by Class A directors, giving deference to Resort or commercial interests, to move Sea Pines toward a position that could be unfavorable to residential property owners. ASPPPO is the only organization solely committed to protect and preserve the rights of all residential property owners. Rather than support an ASPPPO-CSA merger, I would support a concerted effort to increase ASPPPO membership, and to establish by-laws that prohibit ASPPPO board members from simultaneously serving on the CSA board.

10. Do you believe that ASPPPO and CSA (class A) should have the same directors?

Answer: I do not feel ASPPPO and CSA (class A) should have the same directors. In my opinion, to simultaneously serve on both organizations' boards presents a potential conflict of interest (refer to my responses to questions 7, 8 and 9).

11. If elected, what will you do to make your board more trusted by the entire Sea Pines community?

Answer: Trust is earned. It has been my professional and personal commitment to model integrity and honesty. I don't claim to know all the answers. I never served on a company board of directors, and I never ran a multi-million dollar firm. But I do understand how to research complex problems and analyze information. I am not afraid to dive into complicated documentation. I am eager to listen to others on all sides of any given issue, and I enjoy debate. I invite you to hold me accountable as I work to find answers to issues that can best benefit our residential property owners.

12. With the continued long-term growth of vacation rentals, how do we balance the appeal of Sea Pines as a vacation destination vs a residential community?

Answer: Sea Pines' appeal as a vacation destination has much to do with the calm, tree-lined residential streets and trails that spark that "maybe someday I could live here" dream we all first experienced as visitors. That appeal is lost if our communities are allowed to deteriorate due to age or neglect. For those of us already living here, such deterioration lowers property values and is esthetically frustrating. As Sea Pines continues to age and the proportion of vacation rentals continues to rise, property management oversight becomes increasingly critical to the health of our community. My goal as an ASPPPO board member is to co-chair the Land Use Management Committee (LUMC) of which I am currently a member. The LUMC, organized less than 2 years ago, has the reputation of being a highly effective committee of dedicated volunteers. The LUMC has successfully addressed numerous nuisance residential properties by putting in place aggressive protocols for action. A full-time Land Use

Monitor position has been created. But more work is needed. Future efforts will be focused on strengthening enforcement capabilities and on equipping our full-time Land Use Monitor with appropriate data management tools.

13. Do you believe that the both of the boards should always follow Roberts Rules or an equivalent as a matter of procedural consistency?

Answer: Yes, I believe Roberts Rules or an equivalent should be followed by both boards for procedural consistency.

14. What are your views about access to tower beach?

Answer: I choose not to answer this question as the recent ASPPPO Board proposal to amend Tower Beach access rules has since been rescinded.

15. Do you believe that the Board's job includes enforcing the covenants, and if so, by what means?

Answer: Yes, the ASPPPO Board's job includes covenant enforcement, and if necessary, by taking legal action. Specifically, Article IX of the amended and restated by-laws (scheduled for approval by member vote) states: *"The Board shall have the power and duty to: ... k. Cause ASPPPO to act as a proper party to institute any legal proceeding at law or in equity to seek enforcement of all Covenants and Agreements as the representative of the [residential property] Owners; ..."* [text added mine].

16. Have you reviewed the opposing memorandum of Terri Weiss regarding the proposed revisions to the bylaws, and if so, what are your views as to each item specified in my memorandum? (b) If you have not yet reviewed it, (i) will you do so, (ii) will you provide comments about the items enumerated in the memorandum, and (iii) will you be willing to re-open evaluation by the board regarding the proposed bylaws?

Answer: Yes, I have reviewed the opposing memorandum of Terri Weiss regarding the proposed by-law revisions. I respectfully decline to offer commentary at this time as I do not feel sufficiently informed to offer educated statements on all her points. However, I will say that I agree with some of T. Weiss's recommendations which seem to be a matter of common sense. For example, I agree that removal of a board member should only be "for cause", such as outlined in the CSA by-laws (Article V Section 7). As currently written no stated reason for removal from office is mandated.

Overall, it is clear to me that much thought went into the creation of the proposed by-laws. I anticipate that the by-laws will be approved by the membership as written. However, I would propose to the board that by-law revision be seen as a continuous process, whereby a body of informed volunteers are charged to meet perhaps quarterly

for the purpose of identifying areas for text improvement and revision. Upon board approval, such by-laws updates/revisions can be a regular part of each annual meeting vote.

17. Do you believe Sea Pines Resort rental properties not owned by them should receive free gate passes?

Answer: No, I do not believe Resort rental properties not owned by them should receive free gate passes.

18. It is a real shame that so many in this community are so self-centered and short cited to impede the process to better our great community. Are there ways to take baby steps to get done what should be done?

Answer: I am sad to read that the person asking this question sees our neighbors in such a negative light. I have not met anyone who does not love living or vacationing here and who does not want to preserve this island treasure for generations. I haven't met a CSA employee who doesn't enjoy working here. Every board member and committee volunteer I have met spends many hours dedicated to Sea Pines service. We differ in what tasks we think need to be done, when they should be accomplished, and how to best fund them. I am convinced that if folks on both sides of the issues are willing to meet face-to-face, get to know and understand each other, share our concerns and hopes, and hold each other accountable, we can make tremendous strides toward finding common ground and moving ahead. As a driver of the Land Use Management Committee, I have seen how this can work. I would challenge others to do the same.
