

Community Service Associates, Inc.
Minutes of May 19, 2009 Board Meeting

President McLauchlin called the May meeting of the CSA Board of Directors to order at 3:00 p.m., in the CSA Conference Room.

1. Roll Call

Present:	Don Carlson	Don Sigmon	Fred Wynn
	Bob Sowers	Blaine Lotz	John McLauchlin
	George Minot	Mark King	Nikki McNamee
	Mike Hellman	Norman Harberger	
Absent:	Cary Corbitt	Audrey King	Bob Gossett
	Steve Birdwell	Kathy Carter	
Staff:	Cary Kelley	William Leitner	Jeanne Pearse
	George Breed	Frank Nettles	

2. CSA Operations Oversight Reports

a. **Maintenance** – The Finance Committee postponed approval of the installation of a post and chain fence in the Sprunt Pond area at a cost of \$7,000 pending Beautification Committee review.

The Maintenance and Finance committees recommended augmenting the already-approved 2009 repaving program, to include the roads scheduled for repaving in 2010. This is to take advantage of sharply lower repaving prices which, based on recent bids, would allow the 2010 work to be accomplished at a savings of \$81,000 compared to 2008 prices. Mr. Minot made a motion to approve the additional expenditure of \$610,919 in 2009 to cover the expanded repaving program as presented. Of the required funds, \$240,000 will come from the Infrastructure Fund, with the rest coming from funds carried over into 2009. The motion was seconded by Mr. Hellman and was unanimously approved. Mr. Kelley will ask the contractor to guarantee the bid price.

b. **Beautification** – Mr. Ed Pinckney is making progress on the Vision Workbook’s table of contents and the project is moving forward.

c. **Security** - A copy of the Security Bridge Report was included in the Board package.

The Security and Finance Committees recommended approval of \$4,000 to upgrade the dispatch radio system to digital service, to maintain the communications link with the Beaufort County Sheriff’s office. The Sheriff’s Department recently upgraded their system to digital service. Mr. Hellman made a motion to approve the expenditure of \$4,000 out of the Capital Equipment Expense Budget. The motion was seconded by Mr. King and was unanimously approved.

d. **Finance** – Corrections were made to the Finance Committee minutes. A copy of CSA’s “most

likely” full year financial outlook was included in the board package. Mr. Minot said the forecast is somewhat better than anticipated. The Finance Committee will continue to monitor revenue and expenses closely. Early 2010 is the period of greatest uncertainty, this being when the majority of CSA’s property owner assessment revenue comes in. Additional foreclosures between now and then would adversely affect assessment revenue.

e. **Community Outreach** – The new committee’s first meeting will be held next week. One of the committee members is working with CSA staff member Tracey McNeill to improve the website. Mrs. McNamee is also working with Mrs. McNeill to improve the audio visual capabilities in the CSA building and the community center.

3. **Approval of the Meeting Minutes**

Board members reviewed the April 28, 2009 meeting minutes. A motion was made by Mr. Minot to approve the minutes as amended. Mr. Hellman seconded the motion and it was passed unanimously.

4. **Matters for Board Decision**

a. **Defibrillator Policy** – A property owner has requested reconsideration of the current policy of not having defibrillators in Security patrol vehicles. The existing Board-approved policy is to have defibrillators available in the CSA Building, the Welcome Center and at those businesses where strenuous activity takes place. Mr. Kelley highlighted the reasons for the existing policy; 1) the South Carolina Law Enforcement Division (SLED) does not authorize Security officers to perform duties of an emergency medical technician, 2) the timely response and professional training by the town Emergency Medical Technicians (EMT) stationed within Sea Pines, and 3) the likely increase in CSA liability insurance premiums. Following discussion, it was the sense of the board that the supporting factors remain valid and the present policy should be continued.

Mr. Kelley is to draft a clear statement of the policy and the reasons for it. The draft will be e-mailed to Board members and will be discussed further at a future meeting. Mr. McLaughlin will meet with the property owner to explain the Board’s position. It was noted that the cost of defibrillators has declined, so individual ownership is now a practical alternative for property owners with medical conditions that might lead to a need for the device. It was decided to place a link on the website showing where defibrillators can be purchased

b. **S. Calibogue Cay Encroachment Policy** – The Board package included background information on this matter: four options for dealing with the issue, applicable covenants and a separate proposal submitted by Mr. Carlson.

The merits of the various options were discussed. It was noted that a number of similar encroachments exist along Calibogue Cay Road, some of which have existed for decades. Following discussion, Mr. Lotz made a motion to approve Mr. Sampson’s proposal to exchange an area on the roadway side of his property for the open space near the seawall. The motion was seconded by Mr. Minot. Subsequently, the motion was amended to provide for a similar swap offer to other owners on S. Calibogue Cay Road who have un-approved encroachments. This could potentially settle all S. Calibogue encroachment issues in a permanent and uniform manner; but acceptance of the property swap will not be mandatory for other property owners. The motion

motion as amended was unanimously passed.

It was the sense of the Board that Blaine Lotz, the CSA Liaison to ARB, request the ARB to include language in their guidelines to the effect that anyone considering constructing a seawall should seek prior CSA approval.

c. **Amenities Use – Release Statement** – A property owner had raised objections to the requirement that groups using the Forest Preserve picnic area sign a form releasing CSA from liability. In the discussion that followed, it was the sense of the Board that the release of liability is an appropriate measure. Mr. Hellman made a motion to approve the use of the Release of Liability form. The motion was seconded by Mr. Sowers and was unanimously passed. The Board asked that an explanation of the requirement for the Release Form be included in the newsletter.

d. **Temporary Fencing** –Mr. Kelley displayed two different styles of dark green fence poles with connecting ropes that might be used in construction areas as a temporary measure to prevent improper parking on adjoining properties. Mr. Sowers made a motion that, as an experiment, each of the two styles of fencing be tried at two different construction sites. Mrs. McNamee seconded the motion and it was unanimously passed.

e. **Conflict of Interest Policy** – The policy was reviewed and discussed. A wording change was suggested to clarify that although a “conflicted” person may not vote on an issue, they may participate in discussion of the issue so all points of view will be aired. Mr. Minot made a motion to approve the Conflict of Interest Policy and Disclosure Statement with the suggested modification. The motion was seconded by Mr. Hellman and was unanimously passed.

f. **IRS Revenue Ruling 70-604 Transfer** –Mr. Minot made a motion that under IRS Ruling 70-604 the CSA Board approve the transfer in the amount of \$67,879 for incomplete projects in calendar year 2008 to be carried forward and spent by CSA in calendar year 2009. The motion was seconded by Mr. Hellman and was unanimously approved.

g. **Gate Pass Policy Amendment** – A lengthy discussion was held on the proposed language for Scheduled Non-Profit and Club Sport Events on Page 8 of the Gate Pass Policy. Several issues were raised. The proposed language was referred to the special Gate Policy Restatement Group for further consideration and revision.

5. CSA Executive Committee Report

a. **Legal Issues** : The Coffee litigation is continuing. CSA is still waiting on the actual amended complaint to be filed. Once this is done, CSA will file another motion to dismiss the case.

6. Other CSA Activity Reports

a. **Architectural Review Board** – Mr. Lotz reported that he had informed ARB that the CSA Board would like them to monitor the placement of the port-a-potties and dumpsters on construction sites to permit more parking; the ARB acknowledged, but also believes these parking placement suggestions could be addressed when contractors meet with the security department.

There has been some neighborhood controversy over plans for a seven bedroom home in the Beach Lagoon area. ARB granted conceptual approval with suggested changes; however, they have sent the property owner a letter asking him to restudy some areas of the plans and reconsider certain specifics. The Board asked Mr. Lotz if this information was shared with the neighbors. In this case, it was shared with those who had sent in their queries by email. Neighbors are encouraged to send in their questions by email for just this purpose.

7. **Matters for Board Discussion or Future Decisions**

a. **South Sea Pines Dredging Status** – Mr. King updated the CSA Board on the recent activity of the South Island Dredging Association (SIDA). The property owner representatives of the five areas that need to be dredged have been conducting meetings with affected property owners and Town and County officials. Estimated cost for all Sea Pines dredging needs is roughly \$7.5 million.

It was noted that there are many misconceptions about the nature of the dredge material. Mr. King and Mrs. McNamee are to develop recommendations on best method of making property owners aware of all the pertinent facts.

b. **Sea Pines Foreclosure Update** – Twenty-three Sea Pines homes are currently in foreclosure. Mr. Kelley and Mr. Henderson have been monitoring these properties to insure they are being maintained and not falling into disrepair. Three yards required cleaning up.

Mr. Kelley noted that the Beaufort County website has a listing of foreclosures throughout the County. CSA staff checks the website monthly to insure that our list of Sea Pines foreclosures is complete and current.

c. **Selection, Renewal and Oversight of External Auditors** – The board package included a proposed section of the Financial Policy Manual dealing with the process for selecting CSA's independent auditor and the scope of the audits. Some changes were suggested, mainly to clarify that the full Board chooses the auditor and receives the audit report. Mr. Sowers made a motion to approve the policy with the agreed-upon changes. The motion was seconded by Mr. Hellman and was unanimously approved. The revised policy language will be e-mailed out to the board members.

8. **Adjournment** - With no further business to discuss, the meeting adjourned at 5:15 p.m. The regular monthly meeting of the Board is scheduled for Tuesday, June 23, 2009, at 3:00 p.m. in the CSA Board Conference Room.

Respectfully submitted,

Norman Harberger
Secretary