

Community Service Associates, Inc.
Minutes of July 22, 2008 Board Meeting

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

1. Roll Call

Present:	Pat Jinkins	Bob Hattersley	Mark King
	John Mclauchlin	Kathy Carter	Mike Hellman
	Don Carlson	Mike Lawrence	Norman Harberger
	Bob Sowers	Cary Corbitt	Steve Birdwell
	George Minot	Audrey King	Paul Aikman
Absent:	Bob Gossett	Don Sigmon	
Staff:	Cary Kelley	Jeanne Pearse	

2. Approval of the Meeting Minutes

Board members reviewed the June 24, 2008, meeting minutes. A motion was made by Mr. Minot and seconded by Mr. King to approve the minutes as submitted. The motion was approved unanimously.

3. Report of the Executive Vice President - Cary Kelley

a. **CSA Property Inspector** – The ASPPPO Board is investigating a better way to enforce the covenants and correct covenant violations. One suggestion would involve the creation of a CSA Property Inspector position. The current thinking of the ASPPPO Board is that the cost of such a position might be split between CSA and ASPPPO.

Mr. Kelley included in the Board package, a draft of a job description for a Property Inspector. He explained how an inspector would be utilized. The sense of the Board was that the Inspector idea deserves consideration, but members did express concern about the risk of overly ambitious enforcement actions. The Board's comments will be relayed to the ASPPPO Covenant Enforcement Committee.

Mr. Kelley said there is also a need for specific standards to define covenant violations, especially in regards to property maintenance. Standards would serve to maintain consistency and guide staff responsible for enforcement.

b. **Security Issues** – An update on security incidents was included in the CSA Board package. Members found the report informative and helpful. The Board discussed the pros and cons of trying to challenge or respond to misinformation about incidents in the

Island Packet. It was the sense of the Board that such attempts often simply prolong public attention without changing impressions.

c. **CAI Conference** – This year’s South Carolina Community Association Institute Conference is being hosted by CSA and held October 16th and 17th at the Sea Pines Resort Conference Center in Harbour Town. A registration form and agenda was included in the board package. Mr. Kelley encouraged all board members and other community volunteers to attend.

d. **Six Oaks Auditor’s Report** – A copy of Robinson Grant and Company’s report was included in the board package. The Cemetery is in compliance with the South Carolina Perpetual Care Cemetery Board Statutes as of December 31, 2006.

4. **Finances**

a. **June Financial Statements** - The Board reviewed the current financial statements. The overall financial position remains favorable. It was noted that CSA had a CD with Indymac Bank, which was taken over by the FDIC. All CSA funds have been recovered including the interest that had been accrued.

5. **Discussion Topics**

a. **Referendum Official Results** – There was extended discussion of the best way to proceed following the recent defeat of the Infrastructure Funding Referendum by a very narrow margin.

Mr. Harberger made a motion to reinstate the Reserve Task Force to provide a recommendation to the CSA Board on how to proceed and a time frame. The motion was seconded by Mr. Hellman and was unanimously approved.

b. **Review and Approval of the Three Year Maintenance Plan** – Mr. Hattersley referred to the Maintenance Three Year Plan included in the Board package. At this point, this is just a planning document and the Committee is not asking for funds or approval. The plan reflects what the Committee thinks should be done during the three year period based on input from property owners and CSA staff. It is not aligned with the infrastructure plan used by the Reserve Funding Taskforce.

There was discussion of how Maintenance Committee members decide on the priority of projects. Mr. Hattersley and the Maintenance Committee members were thanked for all their hard work.

c. **Review and Approval of the Financial Policy (Chapter 11 Revision)** – The Board had previously approved the Financial Policy Manual except for Chapter 11. A revised version of that Chapter was included in the Board package. Mr. Minot made a motion to approve the revised version of Chapter 11. The motion was seconded by Mr. Aikman and was approved by a vote of 15-1, Mr. McLaughlin abstained.

6. **Standing Committees**

Standing Committee reports were included in the Board package.

a. **Maintenance Committee** – Mrs. King asked what the Harbour Town improvements mentioned in the Committee’s minutes referred to. Mr. Corbitt explained that The Resort is currently examining a range of options for improving the Harbour Town Clubhouse, the tennis courts and the other older facilities in that area. The immediate objective is to get an idea on cost and if they should be remodeled or replaced.

b. **Finance Committee** – Mr. Minot said the Finance Committee members had been given an August deadline for assignments that addressed some financial payment issues. Once the recommendations were approved by the CSA Board, the agreements would be put into place.

Mrs. King asked about the cost-sharing of the security guard at the Sea Pines Beach Club, noting that residents were concerned about the lack of parking space at certain times. It was pointed out that the existing agreement has the prior approval of the CSA Board. Mr. Corbitt described efforts to free up parking space at the Beach Club. For example, the Beach Club employees now park at the Plantation Club. Available Plantation Club parking space is also used for other overflow from the Beach Club.

It was suggested that a notice be published in the newsletter concerning property owner parking at the Beach Club and the fact that Tower Beach Club parking is reserved for property owners.

7. **Board Member Comments**

a. **CSA Company Vehicle Usage** – President Jinkins reported that the Executive Committee has taken steps to correct a recently-discovered oversight concerning compensation and tax requirements when employees are entitled to use CSA vehicles for commuting or personal use. There are six such cases in all. Three involve “qualified” vehicles - special purpose vehicles the employees are required to use for commuting in order to have them available at all times for emergency response, and with no personal use other than commuting. There are no compensation or tax consequences in such cases, but proper documentation must be kept. In the other three cases, CSA is required to include on the employee’s W-2 form the compensation value of using the vehicle for commuting or any other personal use. Vehicle use in those three cases is covered by individual Employee Agreements. CSA will honor the agreements and keep these employees whole by offsetting any tax effects of the imputed compensation. The combined annual cost of correcting this oversight is approximately \$7,500.

8. **Adjournment**

With no further business, the meeting adjourned for the day at 4:40 p.m. The next scheduled meeting date is Tuesday, August 26, 2008, at 3 p.m. in the CSA Board room.

Respectfully submitted,

Norman Harberger
Secretary