

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

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

1. Roll Call

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

2. Approval of the Meeting Minutes

Board members reviewed the March 25, 2008, meeting minutes. A motion was made by Mrs. Carter and seconded by Mrs. King to approve the minutes as amended. The motion was unanimously passed.

3. Report of the Executive Vice President - Cary Kelley

a. **Review of the Draft Referendum Package** – Mr. Kelley referred to the final drafts of referendum documents that were included in the Board package. The objective is to reach final agreement on these documents today, so the referendum materials can be mailed to property owners.

The Board then reviewed and discussed each of the documents, and agreed on changes to make the documents as concise and clear as possible.

I. **Letter to Property Owners** - Mr. Harberger made a motion to approve the Letter to Property Owners with the minor changes agreed upon. Mr. Hellman seconded the motion and it was unanimously approved.

II. **Call for Referendum Notice** –Mr. Hattersley made a motion to approve the Call for Referendum Notice with the agreed-upon changes. The motion was seconded by Mr. Hellman and was unanimously passed.

III. *Ballot* – Mr. Hellman made a motion to approve the ballot for mailing as submitted. The motion was seconded by Mr. McLaughlin and was unanimously passed.

IV. *Amendment to 1974 Covenants* – It was the sense of the Board that the Amendment document should be shortened by removing the preamble language and the signature pages. Also, details concerning the method of calculating the funding status of the Infrastructure Reserve are to be covered in the CSA Financial Policies Manual and not in the Covenant itself. The Covenant incorporates that policy by reference, specifying that the calculation method approved by the CSA Board on today's date may not be changed as long as the 10% Assessment Surcharge remains in effect.

Mr. Hellman made a motion to approve the Covenant document with the agreed-upon changes and to approve the policy describing the method of calculating the funding status of the Infrastructure Reserve. Mr. McLaughlin seconded the motion and it was unanimously passed.

V. *Press Release for the Local Newspaper* – One minor change was suggested in the Press Release. Mr. Hellman made a motion to approve the Press Release with that change. The motion was seconded by Mr. Hattersley and was unanimously approved.

b. Hilton Head Prep School's Request to Add Plantings at the Athletic Field – Hilton Head Prep has requested permission to add shrubbery, at their expense, near the stands at the athletic field. Temporary irrigation is already installed in the area. The Board reviewed photos of the type and size of shrub to be installed, and a diagram showing the proposed location. Mr. Hellman made a motion to approve the Hilton Head Prep request. The motion was seconded by Mrs. King and was unanimously passed.

c. Communication – Mr. Kelley reported that only two property owners attended his first meeting for new property owners. The monthly "Coffee with Cary" meetings, on the other hand, have been well attended. Attendance has been increasing, with the most recent one involving approximately 40 people.

The new e-mail list of property owners has increased to approximately 2,700. This e-mail list can be used to relay up-to-date information to property owners and will be especially useful for communications in the event of a natural disaster. The Board discussed the desirability of distributing the community newsletter by e-mail. It was concluded that the newsletter should continue to be mailed even if it is also sent by e-mail.

There was discussion of the pros and cons of distributing the board package by e-mail. Mr. Hellman said he would favor e-mail. Others were uncertain, but were willing to have a "trial run" using e-mail.

d. **Board Member Information in the Event of an Evacuation** – Mr. Kelley asked Board members to supply information on how they can be contacted in the event of an evacuation. The contact could be a close relative or friend who would know their whereabouts if a special board meeting had to be convened. He also asked for mobile phone numbers and (if they use a local e-mail service that might be out of operation) an alternate e-mail address. Other potential emergency arrangements were discussed. Mr. Kelley indicated staff would review the evacuation plan and bring any appropriate changes or recommendations to the Board for consideration during the June meeting.

4. **Finances**

a. **March Financial Statements** - The Board reviewed the current financial statements. The overall financial position remains favorable.

Property owners with outstanding balances on their accounts have had their pass codes shut off. Those commercial entities that have not yet paid their assessments have been reminded to do so.

Interest rates on CSA's investments are down to an average of 3.6% as a result of the general decline in interest rates. Mr. Leitner will continue to invest in CDAR's and other short term investments.

b. **Approval of the Audited Financial Statements** – A marked-up copy of the “Financial Statements and Independent Auditor’s Report for December 31, 2007 and 2006” was reviewed and discussed. Mr. Hellman made a motion to approve the audited financial statements as submitted. The motion was seconded by Mr. Harberger and was unanimously passed. It was also recommended that the report be posted on the website.

c. **Approval of the IRS Revenue Ruling 70-604 Carry Over from 2007 to 2008** – The Finance Committee recommended that the CSA Board once again ask the membership to endorse the application of IRS Revenue Ruling 70-604, which will allow the amount of \$228,291 for incomplete projects to be carried forward into the 2008 fiscal year. Mr. Minot made a motion to approve this recommendation. The motion was seconded by Mr. Hellman and was unanimously passed.

d. **Approval to File CSA’s Federal Income Tax Using Form 1120** – The Finance Committee, on the advice of our auditor, recommends using Federal Income Tax Form 1120 to file CSA’s taxes for 2007. This is the filing option that results in the lowest tax obligation. Mr. Minot made a motion to use IRS Form 1120 for CSA’s tax filing for 2007. The motion was seconded by Mr. Hattersley and was unanimously passed.

5. **Discussion Topics**

a. **Appointment of the 2008 Nominating Committee** – A roster of the proposed Nominating Committee membership was included in the Board package. CSA and ASPPO will jointly use the same Nominating Committee. Audrey King was recommended as Chairman and the Committee members are: Bob Bartlett, Don Carlson, Mim Jacob, Sam Pruet, David Rose and Flo Rosse. Mrs. Carter made a motion that the Class A Directors approve the proposed Nominating Committee membership for 2008. The motion was seconded by Mr. Hellman and was approved unanimously.

6. **Standing Committees**

Standing Committee reports were included in the Board package.

7. **Board Member Comments**

a. **Lighthouse Tennis Villa Renovation** – Mrs. Carter reported that there is considerable controversy surrounding the upgrading of nine of the Lighthouse Tennis Villas. These renovations are viewed as a model which could also be applied to the rest of these villas which would end up as a very extensive renovation project. The regime is following the Town's and the ARB's guidelines in this connection.

b. **Recording the ARB Votes** – Mr. Hattersley said he had been informed that some ARB members vote as a block to support plans of large homes that many residents object to. Mr. Carlson said a letter was sent formally requesting ARB to record how each member voted whenever the vote is not unanimous. CSA Board members commented on the pros and cons of such a process. No conclusions were reached.

c. **Compass Rose Park Dedication** – Mr. Corbitt reported that CSA Board members will receive an invitation to attend the dedication of the Compass Rose Park on Saturday, April 26.

8. **Adjournment**

The meeting adjourned at 4:30 p.m. The next scheduled meeting date is Tuesday, May 20, 2008, at 3 p.m. in the CSA Board room.

Respectfully submitted,

Norman Harberger