

**Community Service Associates, Inc.**  
**Minutes of March 27, 2007 Board Meeting**

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

**1. Roll Call**

Present:	Wayne Carbiener	Pat Jenkins	Bob Hattersley
	George Minot	Kathy Carter	John Trunck
	John McLauchlin	Don Carlson	Mike Lawrence
	Steve Birdwell	Jim Young	Paul Aikman
	Bob Sowers	Gary Martin	Norman Harberger
Absent:	Joseph Fraser	Bob Gossett	
Staff:	Cary Kelley	William Leitner	Jeanne Pearse

**2. Approval of the Meeting Minutes**

Board members reviewed the February 27, 2007, meeting minutes. A motion was made by Mrs. Kathy Carter and seconded by Mr. Young to approve the minutes as amended. The motion was passed unanimously.

Board members also reviewed the minutes of the March 14, 2007, special board meeting. A motion was made by Mr. Minot and seconded by Mrs. Carter to approve the minutes as submitted. The motion was passed unanimously.

**3. Report of the Executive Vice President - Cary Kelley**

**a. Proposed Policy and Procedure for Handling and Certification of CSA Board Member Elections and CSA Referendums** – Mr. Kelley had previously recommended that the Board adopt a policy requiring that future property-owner votes, whether for a referendum or a board election, be tallied by an independent entity or sub-committee; that is, the tallying of votes should not involve CSA staff or current board or committee members. A draft policy statement to this effect had been enclosed in the Board package. Board members reviewed Mr. Kelley’s draft and requested a few revisions. Mr. Kelley will present a revised draft for Board review at the next meeting.

**b. Proposed Policy and Procedures for Collections of Special Assessments** – The Board discussed the proposed procedures and the matter was referred to the Finance Committee for their review. It was concluded that the Board should be informed of the due process (all attempts to contact an owner) before a lien is placed on the property.

c. **Six Oaks Cemetery Land Survey** – Mr. Kelley assured the board members that, contrary to some rumors or allegations, no one has been buried outside the cemetery’s perimeter. The land in question had been added to the cemetery site. The cemetery plat will be updated when a survey is completed.

d. **Sonberg Litigation** – Mr. Sonberg has offered to dismiss the litigation without prejudice. Legal Counsel recommends that the Board not accept that offer because it allows Mr. Sonberg to reintroduce the same action any time within the next three years. Following discussion, Mr. Minot made a motion to reject Mr. Sonberg’s offer to settle without prejudice. Mr. Hattersley seconded the motion and the motion was passed by a vote of 10-4. Mr. Lawrence then made a motion to make a counter offer to dismiss the litigation with prejudice. The motion was seconded by Mr. McLaughlin and was passed unanimously.

e. **Sea Pines Golf Course Renovation Encroachment onto Open Space/Land Swap**  
Mr. Kelley said Pete Dye - the Architect designing the renovation - had made some changes which encroached on open space areas. There had also been some pre-existing encroachments that should be addressed. It was the sense of the Board that the extent of all encroachments should be accounted for, and that an equal amount of golf course acreage property should be committed to open space. The key objective is no net loss of open space acreage.

Mr. Kelley also mentioned the need to coordinate the mitigation of trees that had been removed from open space. Sea Pines Resort has already agreed to re-plant in open space in proportion to the amount of tree removal from open space. This matter will be brought back to the Board once a survey has been completed.

f. **New Telephone Equipment** – The upgrading of the telephone system is completed. After-hour messages may now be left for individual staff members.

g. **Montessori School** – Mr. Kelley reported that the Montessori School’s Media Center is not structurally sound and requires renovation. The school has proposed placing temporary classrooms on site while renovations are designed and implemented. They have filed an appeal with the Zoning Board to adopt a master plan change that would allow increased capacity on the site.

Mr. Kelley pointed out that our covenants do not allow for temporary structures. He has asked the Montessori School to submit their plans to the CSA Board for review and approval prior to moving forward. Mr. Kelley has asked Walt Nester, CSA Legal Counsel, to contact Chet Williams, Montessori Legal Counsel, to clarify the situation and determine the appropriate action to be taken.

h. **Maintenance of the Lands End Groin** – The Town of Hilton Head has agreed to take over the maintenance and upgrading of the groin at Lands End as part of their Beach Re-nourishment Program. A formal agreement has been prepared and it has been sent to the Town. The Board asked that this information be included in the Newsletter.

#### 4. **Finances**

**a. February Financial Statements** - The Board reviewed the financial statements. Revenue remains ahead of last year's figures for the same period. Payroll and Operating Expenses are under budget for the year. Cash balances are favorable.

**b. Update on Status of the Audit** – The Board reviewed and discussed the draft of the audit. Several comments were referred to the Finance Committee for consideration. The Board will be asked to officially receive the final version of the audit at their next meeting.

#### 5. **Discussion Topics**

**a. Discussion on Covenant Revision Status/Draft #29** – A draft copy of the proposed 1974 amendments, letter to the property owners, ballot and Call For and Notice of Referendum were included in the board package. Board members recommended that the cover letter be limited to one page. Also, the storm recovery language should remain consistent throughout all the documents, and bullet points should be used to shorten, simplify and clarify the documents. The documents will be referred back to Mr. Thompson at CNSG for modification.

**b. Task Force Update** - Mrs. Jenkins said her sub-committee is working to determine the facts needed before any final decisions can be reached on the transfer fee issue. One key piece of information is the likely cost of recovering from natural disasters of various degrees of severity. The commercial entities will be involved in the task force discussions.

#### 6. **Standing Committees**

**a. Capital Improvement and Maintenance Committee** – A copy of the Committee's March meeting minutes was included in the Board package. Mr. Hattersley mentioned the ongoing plans to improve the bike trails in the Club Course area. This project is part of the *CSA Three Year Maintenance Plan*. Some Club Course residents are against the improvements while others favor them. Mr. Hattersley plans to meet with the Club Course POA on April 19<sup>th</sup>. He will bring back a recommendation to the CSA Board in May whether or not to keep this project in the Three Year Plan.

**b. Security Committee** – A copy of the Committee's meeting minutes were included in the Board package. Mr. Kelley reported that the Security Committee had asked that the Finance Committee approve an expenditure of \$7,800 for the upgrade of hardware that connects the newly installed fiber optic cable to the camera equipment located at the Greenwood and Ocean gates. The camera system will not function as planned without the new hardware. Mr. Breed proposed using unspent funds from the Security Department's Capital Expenditures for this purchase.

Mr. Carbiener pointed out that the Capital Expenditures budget is composed of specific line items, with specific funds for each item. Unused funds from one line item are not available for other line items or for additional capital items. The proposed expenditure must be considered on its own merits as a new capital expense item.

Following discussion, Mr. Birdwell made a motion to approve the expenditure of \$7,800 for the hardware upgrade. Mrs. Jinkins seconded the motion and it was unanimously passed. It is understood that this is an unbudgeted expenditure.

7. **President's Comments**

a. **Phase II of the Community Center Task Force** – Mr. Carbiener said that Mrs. Kathy Carter had agreed to chair the task force for phase II.

8. **Board Member Comments**

a. **Beach Club Parking Lot Renovation** – Mr. Minot inquired about the status of the Beach Club parking lot renovation. Mr. Birdwell said revised plans must still be re-submitted to the ARB. Actual work on the renovations will not begin until the heavy visitor season is over.

9. **Adjournment**

With no further business, the meeting adjourned at 4:30 p.m. The next scheduled meeting date is Tuesday, May 1, 2007, at 3:00 p.m., in the CSA Board Conference Room.

Respectfully submitted,

Norman Harberger  
Secretary