

Community Service Associates, Inc.
Minutes of June 27, 2006 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:	Bob Sowers	Pat Jenkins	Bob Hattersley
	Bob Bartlett	Jim Young	Kay Morton
	Norman Harberger	Julius Scott	Don Carlson
	Wayne Carbiener	Mike Lawrence	
Absent:	Kathleen Speer	Paul Aikman	Joseph Fraser
	Gary Martin	Bob Gossett	John Trunck
Staff:	Cary Kelley	William Leitner	Jeanne Pearse

2. Approval of the Meeting Minutes

Board members reviewed the May 30, 2006, meeting minutes. A motion was made by Mr. Bartlett and seconded by Mrs. Morton to approve the meeting minutes as amended, subject to the Secretary's approval of the final, corrected draft. The motion was passed unanimously.

3. Report of the Executive Vice President - Cary Kelley

a. **Tower Beach Usage by Swallowtail and Spicebush Residents/Renters** - Mr. Kelley has written to Mr. King notifying him that the Swallowtail and Spicebush owners can use Tower Beach while renters cannot.

b. **Community Center Usage** – Mr. Kelley said he will have a report on costs and usage of the Center for the next Board meeting. Discussion followed on possible alternatives to the current facility. It was the sense of the Board that a task force should be created to research this issue. The lease will expire in three years, but could probably be extended if needed. Mr. Hattersley volunteered to serve on the proposed task force.

c. **Fish Island Docks Repaired** – Sea Pines Company has paid CSA Maintenance to repair the docks and bridge at Fish Island. Guardrails and handrails were added to the docks as extra safety features.

d. **CSA Receives an Award from the Town** – The Town of Hilton Head presents awards each year to recognize gated communities for the attractiveness of their landscaped entrances. Sea Pines Plantation won honorable mention this year. The plaque will be displayed in the CSA Administration Building.

4. **Finances**

a. **May Financial Statements** - Mr. Leitner reviewed the May Financial Statements with the Board members:

- The Fund balance is approximately \$3.7 million at the end of May.
- The Prime Money Market fund is earning interest between 4.5% and 5%.
- Mr. Leitner is considering reinvestment options CDs maturing in July.
- Gate Pass Revenue is up 5% so far this year.
- The Special Projects line items will be modified to distinguish between budgeted funds and funds actually approved for expenditure by the Board.

b. **Six Oaks Cemetery** – There was lengthy discussion of the financial condition of the Cemetery. A new marketing plan is in place and Mr. Hunter is actively following up on leads. The financial status will continue to be monitored. It is felt that a more prominent sign for the Cemetery would be desirable. Mrs. Morton said she would contact the Sea Pines Women's Club and see if they are interested in contributing towards some additional plantings at the cemetery entrance.

5. **Discussion Topics**

a. **Update on the 1974 and 1988 Covenant Revisions** – Negotiators representing CSA, ASPPO and the Sea Pine Resort have reached agreement in principle on several covenant revisions relating to storm recovery. Mr. Carbiener wants to have Mr. Smoot prepare a preliminary draft of amendments to the 1974 Covenants covering the following issues:

- Provision for a Capital Reserve Fee;
- Provision for a special assessment equal to the annual assessment; and
- Provision allowing the CSA Board the flexibility to increase annual assessments up to the CPI, instead of the full percentage increase in the CPI that the present covenant language requires.

Mr. Carbiener pointed out that the issue of commercial and residential assessments for storm recovery is not yet resolved and would not be part Mr. Smoot's initial draft. Discussion followed on whether to defer all drafting until the commercial assessment issue is resolved. Following that discussion, it was the sense of the Board to proceed immediately with drafting the changes Mr. Carbiener referred to.

Mr. Carbiener then asked the Board to authorize an expenditure of up to \$25,000 to cover costs related to the storm recovery amendments to the 1974 Covenants. These would be charged against the 2006 Budget of \$75,000 for the Covenant Revision Project as a whole. The Finance Committee was recommending approval for this expenditure. Mr. Harberger made a motion to approve expenditure of up to \$25,000 for

potential costs related to amending the 1974 Covenants. The motion was seconded by Mr. Hattersley and was passed unanimously.

b. Request for Additional Funding for the Community Newsletter – The Finance Committee was recommending approval for this expenditure. Mr. Young made a motion to authorize \$1,000 of spending for the Community Newsletter in addition to the funds now budgeted for that purpose. The added funds will allow the Newsletter to be printed in color. The motion was seconded by Mrs. Morton and was unanimously approved.

6. Standing Committees

a. Capital Improvement and Maintenance Committee – The June meeting minutes were included in the Board package. Mr. Hattersley distributed a copy of the proposed Three Year Maintenance Plan for 2007, 2008 & 2009. Board members were asked to review the plan and be prepared to vote on its approval at the next meeting.

The importance of carrying out Sea Marsh drainage improvements during the planned renovation of the golf course was noted.

b. Beautification Committee – A copy of the June meeting minutes was included in the Board package. Mrs. Morton commended Maintenance personnel for landscaping improvements at the CSA entrance drive and in front of the building itself.

c. Finance Committee – A copy of the June's meeting minutes was included in the Board package.

7. President's Comments

a. Mr. Gary Martin's Request – Mr. Carbiener said he received a letter dated May 8, 2006, from Mr. Martin requesting that Mr. Mark King be his designated representative at CSA Board meetings because of Mr. Martin's inability to attend some meetings. Mr. Carbiener is reviewing pertinent covenant requirements before responding to this request.

8. Board Member Comments

a. Pine Trees at the Sea Pines Circle - Mr. Sowers said he heard some pine trees have to be removed from the Sea Pines Circle, and he asked whose responsibility this would be. Mr. Kelley said the Sea Pines Museum and Forest Preserve owns the Sea Pines Circle and CSA maintains it.

b. Sea Pines Center Entrance – Mr. Hattersley asked about the application for an added entrance to the Sea Pines Center that had been reported at a previous meeting. In response, it was reported that the application had been denied, mainly because of traffic and safety concerns. Mr. Martin is now seeking approval to increase the visibility of the Center by trimming back some shrubbery and providing some additional signage. That request is being reviewed.

c. Greenwood Drive Median Cut at Wachovia Bank – Mrs. Morton asked whether there is still a possibility of eliminating the median cut that allows left turns into the Wachovia entrance on Greenwood Drive. Mr. Bartlett said the steps taken so far – reduced speed limit and warning signs – are an effort to find out whether the hazards at this location can be controlled without closing the median. These measures may not be sufficient, so closure of that median cut, and possibly others, remains a possibility.

It was agreed that the Capital Improvement and Maintenance Committee and the Security Committee should investigate this matter promptly and make a recommendation to the Board. Mr. Kelley will follow up with the Town in this connection.

d. Benches at Kiosks – Mr. Bartlett recommended that the Sea Pines Women’s Club be contacted to see if they wanted to place benches near the information bike kiosks.

9. **Executive Session** – At 4:15 p.m., all non-Board members were excused and the Board went into Executive Session to discuss Mr. Cary Kelley’s annual performance review. The Board was unanimous in its favorable opinion of Mr. Kelley’s performance and potential. A salary adjustment recommended by the Executive Committee was unanimously approved by the Board. President Carbiener was asked to inform Mr. Kelley of the outcome of the Board’s review.

10. **Adjournment**

With no further business, the meeting adjourned at 4:45 p.m. The next scheduled meeting date is Tuesday, July 25, 2006, at 3:00 p.m., in the CSA Conference Room.

Respectfully submitted,

Norman Harberger
Secretary