

**Community Service Associates, Inc.**  
**Minutes of February 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. Mr. Martin and Mrs. Carter attended via telephone.

**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	Bob Gossett

Absent: Joseph Fraser Norman Harberger

Staff: Cary Kelley William Leitner Jeanne Pearse

**2. Approval of the Meeting Minutes**

Board members reviewed the January 23, 2007, meeting minutes. A motion was made by Mr. Minot and seconded by Mrs. Jenkins to approve the minutes as amended. The motion was passed unanimously.

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

a. **Tower Beach Handicap Access** – The handicap-access boardwalk at Tower Beach will be completed soon.

b. **Baynard Peninsula** - Mr. Kelley said he had received a request from a property owner in Baynard Peninsula to change the location of his driveway access from Baynard Peninsula to South Sea Pines Drive. The Baynard Peninsula HOA, consisting of only seven homes, recently changed their covenants to prohibit short term rentals. The property owner has his home on the short term market and wants to be excluded from the Baynard Peninsula HOA. The property owner is willing to absorb all the costs associated with the driveway change.

Mr. Kelley outlined the steps that have to be taken in this connection:

- (1.) We need a legal opinion that the change would meet all legal requirements;
- (2.) We have to verify that appropriate action will be taken per the Town LMO as this is a change to the Master Plan,
- (3.) We need an agreement that all parties will hold CSA harmless from any legal claims,
- (4.) We need an agreement that all costs will be borne by either the POA, the property owner, or both, at no cost to CSA,
- (5.) The plan must be approved by the ARB.

Mr. Kelley has spoken with Mr. Mike Hellman, Baynard Peninsula President. The HOA is agreeable to the property owner's secession from the HOA. Mr. Hellman is researching the questions.

c. **Hilton Head Prep Proposed Tennis Facility** – Mr. Kelley said Mr. James Richardson had approached him regarding the construction of a new tennis facility near the gym at HHP. Mr. Kelley asked Mr. Richardson to bring in a site plan and outline so it could be presented to the CSA Board.

d. **Sonberg Litigation** – Mr. Sonberg, at the last minute, canceled his requested settlement meeting.

e. **Referendum Policy** – Mr. Kelley made a recommendation that any future property-owner votes, whether for a referendum or board election, be tallied by an independent entity or sub-committee that doesn't involve CSA staff, current board or committee members. An organization such as Robinson Grant could count the votes. They charge from \$800 to \$1,100 to certify a vote count. If they also handle mailing and receiving ballots the total cost is \$2,200 to \$2,700. Mr. Kelley was asked to create a policy proposal and add it to the next CSA Board meeting agenda.

#### 4. **Finances**

a. **January 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. **Capital Improvement and Maintenance Committee's Request for Greenwood Drive Re-paving Project** - The Capital Improvements and Maintenance Committee asked for authorization to expend the full budgeted amount of \$697,000 for the Greenwood Drive Resurfacing Project. The resurfacing would extend from Sea Pines Circle to Plantation Drive and the price includes an 8% contingency. The quote is also indexed to an Asphalt Binder Index because of the variability of petroleum costs and the fact that the project won't start until September. Engineer Ralph Logan will oversee the project and the Finance Committee supports approval of the project. Mr. Young made a motion to approve the Greenwood Drive Re-surfacing Project at a cost of approximately \$697,000. The motion was seconded by Mr. Carlson and was approved unanimously.

c. **Update on Status of the Audit** – Mr. Leitner said a draft of the audit should be available for the March meeting.

d. **Mr. Becker's Questions** – The Finance Committee met with our auditor, Mr. Louis Grant, to discuss eight questions concerning CSA's financial and reporting procedures raised by Mr. Becker, a property owner. Mr. Grant pointed out that CSA had recently been audited by the IRS in a special review of financial practices of homeowner associations. In that connection, IRS audited CSA's tax returns for

calendar years 1992, 1993, 1994 and 1995. IRS was well satisfied with CSA's practices and procedures. Mr. Grant is entirely comfortable that the existing procedures are fully consistent with current theory and best practice for organizations like CSA.

Mr. Grant explained and responded to each of the concerns expressed by Mr. Becker. Mr. Kelley will write to Mr. Becker, explaining the steps that had been taken and including a copy of Mr. Grant's responses to his questions.

## 5. Discussion Topics

a. **Discussion on Covenant Revision Status/Draft #28** – A draft copy of the proposed 1974 amendments, letter to the property owners and Call For and Notice of Referendum were included in the board package. Lengthy discussion took place on the following questions:

- (1.) What entities should sign the documents?
- (2.) Is the lien/enforcement language necessary?
- (3.) When does a property's status change from unimproved to improved for assessment purposes?

Mr. McLauchlin distributed a different draft of the amendment to all the board members. Mr. Carlson made a motion to adopt Mr. McLauchlin's re-wording for the documents, including the addition of ASPPPO as a signatory. The motion was seconded by Mrs. Jinkins and was passed with Mr. Martin and Mr. Gossett opposing.

Discussion continued on the signature question, and it was determined that legal advice should be obtained. Mr. Carbiener will contact Attorney Bill Smoot and obtain an opinion as to whether or not ASPPPO's signature on the documents would create a problem from a legal standpoint. He will also get Mr. Smoot's legal advice on the other questions. Mr. Carbiener will call a special meeting to review the new draft once we have Mr. Smoot's advice.

b. **Community Center/ Phase I Report** - Mr. Hattersley's report was included in the January board package to permit ample time for review. Mr. Hattersley summarized his report's conclusion that we should renew the lease at the current CSA Community Center location. This will give the Task Force enough time to explore other possibilities and to design and construct a new facility if that is the long-term conclusion. Among the possibilities to be explored is the Resort's proposal for a joint project at the Heritage Farm site.

Mr. Carbiener thanked the task force for its hard work and careful analysis of the issue.

## 6. Standing Committees

a. **Capital Improvement and Maintenance Committee** – A copy of the Committee's October minutes was included in the Board package. Mr. Hattersley said Mr. Gerry Schroeder will chair the Beautification Subcommittee. Discussion was held on whether or not the golf cart path near the Plantation Club/Sea Marsh Golf Course would still be shared with bicyclists. Mr. Birdwell will follow up on this.

b. **Finance Committee** – A copy of the Committee’s minutes was included in the board package. Mr. Young noted that George Minot and Jerry Richards had joined the Finance Committee.

c. **Security Committee** – The Security Committee did not meet in February.

7. **President’s Comments**

a. **Creation of a New Task Force** – Mr. Carbiener reiterated, as in his previous email, that a new task force, headed by Pat Jinkins had been created to investigate the amount of funds needed in a reserve fund in the event of a natural disaster and proposals on how to fund the reserve. They will keep the Board informed of their progress.

b. **Property Owner Correspondence** – A copy of a letter written by a property owner and addressed to a builder who works in Sea Pines was discussed. The letter contained incorrect information about actions that CSA had taken in regards to legal counsel. It was the sense of the Board that the record should be set straight in this connection.

Mr. Carbiener will write to the owner who generated the letter and ask him to refrain from making statements or taking actions that imply that he is representing CSA or reflecting CSA’s policies or decisions.

8. **Board Member Comments**

a. **Six Oaks Cemetery** – Mr. Lawrence said that a resident had voiced concerns that some of the cemetery plots being sold are outside of the designated cemetery property. Mr. Kelley said he would double check, but he was confident this was not happening.

9. **Adjournment**

With no further business, the meeting adjourned at 5:10 p.m. The next scheduled meeting date is Tuesday, March 27, 2007, at 3:00 p.m., in the CSA Board Conference Room.

Respectfully submitted,

Jeanne Pearse  
Acting as Secretary