

Community Service Associates, Inc.
Minutes of May 1, 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. The April meeting had been rescheduled to May 1st and the May meeting would be held on May 22, 2007.

1. Roll Call

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

2. Approval of the Meeting Minutes

Board members reviewed the March 27, 2007, meeting minutes. A motion was made by Mr. Hattersley and seconded by Mr. Young to approve the minutes as amended. 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** – Board members discussed Mr. Kelley’s latest policy draft, which was included in the board package. One wording change was suggested, with which Mr. Kelley agreed. Mr. Harberger made a motion to adopt the new Policy for Election Ballots and Referendums as revised. The motion was seconded by Mr. McLauchlin and was passed unanimously.

b. **Mitigation Plan** – Mr. Kelley said he has referred the draft mitigation plan back to Mr. Birdwell and Mr. Corbitt with some suggested changes. Once the agreement has been reached, it will be sent to the Town of Hilton Head and then presented to the CSA Board for approval.

c. **Kiosk at the Entrance to the Forest Preserve** – The new kiosk at the Greenwood Drive entrance to the Forest Preserve is almost completed.

d. **Noise Complaints** –A neighbor of the Beach Club complained about the level of its noise. The Town of Hilton Head has a sound meter it uses to determine whether noise level exceeds the Town’s rules, but CSA does not have similar equipment to allow immediate measurement when a complaint is submitted. Mr. Kelley recommended purchase of a sound meter so security staff can promptly check the noise level when a complaint is received.

4. **Finances**

a. **March Financial Statements** - The Board reviewed the financial statements. Revenue remains ahead of last year’s figures for the same period. Expenses are under budget for the year to date. The Investment Summary was reviewed. Mr. Leitner noted that the rates available on new CDs are now somewhat lower than they had been several months ago.

b. **Update on Status of the Audit** – The Board reviewed and discussed the 2nd draft of the audit. The Board will be asked to officially receive the final audit report at their next meeting. If property owners request a copy of the audit at the upcoming Annual Meeting they will be referred to Mr. Leitner, who will mail them a copy when the report becomes available.

c. **IRS Ruling 70-604** – Mr. Carbiener reminded the Board that IRS regulations allow homeowner associations to carry over unspent funds from one year to the next without financial penalty, but such carryovers must be authorized by property owners. It has been our practice to seek such authorization at CSA’s Annual Meetings. Mr. Young made a motion to recommend property owner approval of a carry over of \$172,912 from 2006 into 2007, as allowed under the terms of IRS Ruling 70-604. The motion was seconded by Mrs. Carter and was unanimously approved.

5. **Discussion Topics**

a. **Referendum** – The referendum information was mailed to all the property owners on April 19, 2007. Open meetings to answer property owner questions will be held on May 2nd at 6PM; May 3rd at 2PM and May 5th at 3PM. Mr. Carbiener encouraged board members to attend any of these meetings and the annual CSA/ASPPPO meeting on Thursday, May 10, 2007.

Mr. Carlson said he had not yet received his referendum package. He asked whether Board members were aware of other cases of delayed delivery. All others present had received the mailing promptly. Mr. Kelley said he was not aware of any other cases. Mr. Carlson said he would check with the post office.

b. **Nominating Committee** – Mr. Carbiener announced that Mr. Hattersley will chair the Nominating Committee for both CSA and ASPPPO. A proposed roster of Nominating Committee members was included in the board package. Mr. Hattersley said Mrs. Pat Jinkins should be added to that list. The proposed roster now includes:

Don Carlson	Bob Hattersley	Mike Hellman	Pat Jinkins
John McLauchlin	Sam Pruett	Ronni Silett	Bill Standen

Mrs. Carter made a motion that the Class A directors approve the proposed membership of the Nominating Committee. Mr. Young seconded the motion and the motion was passed unanimously by the Class A directors.

Mr. Carbiener announced Mr. Bob Sowers will chair the Class B Nominating Committee, with Bob Gossett and John Trunck as the other committee members.

c. **Reserve Funding Task Force Update** – Mrs. Jinkins reported that the task force is continuing its work to determine the amount of reserve funds needed to recover from a natural disaster and to develop recommendations on funding those reserves.

6. **Standing Committees**

a. **Capital Improvement and Maintenance Committee** – The Committee did not meet in April. Mr. Hattersley alerted board members to the fact that some pre-construction work on the Greenwood Drive repaving project will begin shortly. The preliminary work - repairs to deteriorated paving and curbing will be concentrated at the edges of the road, and should not create traffic problems. The major repaving work will not take place until the fall.

Mrs. Jinkins asked about offensive odors from some lagoons in the Club Course area. Mr. Hattersley and Mr. Kelley will follow up on this issue with the Maintenance Department.

b. **Commercial Committee** – A copy of the Committee's minutes was included in the board package. Mr. Carlson noted that the minutes said that negotiations on the \$5 Gate Fee Agreement will begin in the fall. He suggested that it would be desirable to start sooner. Mr. Carbiener noted that several related issues may have a bearing on the timing of those negotiations. He noted that the existing \$5 Gate Fee Agreement requires that negotiations toward a new agreement begin this year. The existing agreement will expire at the end of 2008.

b. **Security Committee** – No meeting was held in April.

7. **Board Member's Comments**

- a. **Property Owner Listings Used in the Referendum Mailing** – Mr. Lawrence raised a question about referendum ballots sent to owners of multiple properties. Under the 1974 Covenants, owners of multiple, identically-titled properties get only one vote. But if the properties are differently titled, for example, one in a single name and the other in joint names or in a trust, that amounts to different ownership and separate votes apply. Mr. Lawrence described a case where CSA's property records apparently failed to reflect a distinction in property titles. As a result, a single ballot was sent when separate ballots were called for. This problem was corrected when CSA was notified. Mr. Kelley explained that every effort is made to keep the CSA ownership database consistent with the County's on-line tax records. If an error does occur, it is corrected as soon as it is brought to CSA's attention.

8. **Adjournment**

With no further business, the meeting adjourned at 3:50 p.m. The next scheduled meeting date is Tuesday, May 22, 2007, at 3:00 p.m., in the CSA Board Conference Room.

Respectfully submitted,

Norman Harberger
Secretary