

Association of Sea Pines Plantation Property Owners, Inc.

Board of Directors Meeting

March 21, 2019

A regular meeting of Association of Sea Pines Plantation Property Owners, Inc., (ASPPPO), Board of Directors, was held on Thursday, March 21, 2019, at the Sea Pines Community Center, 71 Lighthouse Road, Suite 120, Hilton Head Island, SC 29928.

Present from the Board of Directors were: Charles Miner, President; Barry Barth, Vice President; Paula Scanlon, Secretary; Paul Crunkleton, Director; Mark Griffith, Director; Bill Johnson, Director; Richard Matthews, Director and James Richardson, Director

Absent from the Board of Directors were: Rich Speer, Treasurer

Present from Community Services Associates, Inc., were: Bret Martin, President; Victoria Shanahan, Director of Finance and Administration; Amanda Sutcliffe-Jones, Director of Communications and Sandra Archer, Executive Administrative Assistant

Call to Order

The meeting was called to order by Charles Miner, President, at 9:00 a.m., Eastern time.

Establishment of Quorum

With the majority of Board Members in attendance, quorum was met.

Ratify Approval – Organizational Meeting Minutes, January 10, 2019; Board of Directors Meeting Minutes, January 15, 2019

A motion was made by Paula Scanlon, to ratify approval of the January 10, 2019, ASPPPO, Organizational Meeting Minutes and the January 15, 2019, Board of Directors Meeting Minutes. The motion was seconded and unanimously carried:

“RESOLVED, the Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, ratified the vote on the approval of the Organizational Meeting Minutes, January 10, 2019 and the Board of Directors Meeting Minutes, January 15, 2019, as finalized by email”.

President Miner announced that the Board of Directors will enter into Executive Session, following ASPPPO Update, Communications, per Agenda.

Financial Update – Victoria Shanahan

An update was provided. Action taken:

Acceptance – Financial Statements, YTD/December 31, 2018; January 31, 2019

A motion was made by James Richardson, to accept the financial statements, YTD/December 31, 2018; January 31, 2019, as attached as Exhibit A, to the minutes of record. The motion was seconded and unanimously carried:

“**RESOLVED**, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved acceptance of the financial statements, YTD/December 31, 2018; January 31, 2019, as presented and attached as Exhibit A, to the minutes of record”.

ASPPPO Updates

Land Use Management – Richard Matthews

An update was provided. Action taken:

- Offer of employment, within approved budget, accepted for Land Use Monitor position. Due diligence underway. Hiring process involved: ARB, LUM Committee and CSA HR.

Architectural Review Board Liaison – James Richardson

An update was provided. No action taken.

Communications – Barry Barth, Paula Scanlon

An update was provided. Action taken:

A motion was made by Paula Scanlon, to approve a budgeted amount, to cover costs for freelance assistance. The motion was seconded and unanimously carried:

“**RESOLVED**, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved a proposed budget, not to exceed \$700 per month, to cover the costs of freelance assistance. Cost will include, among others, to create, publish and distribute electronically, an ASPPPO newsletter, as appropriate, on a trial basis”.

Executive Session

Contracts, Legal, Personnel – President Miner

President Miner called the Board of Directors into Executive Session at 9:25 a.m.

Board Meeting Reconvenes

Possible Actions Regarding Contracts, Legal, Personnel Matters – President Miner

The Board of Directors reconvened at 9:35 a.m. President Miner provided the Executive Session update. Action taken:

- A statement on behalf of Community Services Associates, Inc., was read by Paula Scanlon, as attached as Exhibit B, to the minutes of record. The statement advised the ASPPPO Board of Directors, that the CSA Board of Directors had retained legal counsel to review statements, letters and postings, of ASPPPO Board Member, Richard Matthews. The CSA Board intends to take such action deemed necessary and appropriate

against ASPPPO Board of Directors and Richard Matthews, individually, to protect the rights and reputation of CSA and its Directors.

A motion was made by Charles Miner, to approve censure of Richard Matthews, release the ASPPPO Board from any legal responsibility and confirm the ASPPPO Directors and Officers Liability Insurance coverage, does not apply, to the independent actions taken by Richard Matthews. The motion was seconded. Voted, in favor: Charles Miner, Barry Barth, Paul Crunkleton, Mark Griffith, Bill Johnson, James Richardson and Paula Scanlon. Voted, against: Richard Matthews. With the majority voting in favor, the motion carried:

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved censure of Richard Matthews, release of the ASPPPO Board from any legal responsibility and confirmation that the ASPPPO Directors and Officers Liability Insurance coverage, does not apply, to the independent actions taken by Richard Matthews, by support and affirmation of the following statements:

- At the September 20, 2018, meeting of the ASPPPO Board, Mr. Matthews was formally censured by this Board for prior actions he took which could have been interpreted as coming from ASPPPO. Mr. Matthews was further asked to refrain from identifying his actions with the ASPPPO Board. This resolution again censures Mr. Matthews for his subsequent statements and actions and demands that he cease reference to ASPPPO;
- Mr. Matthews undertook a series of actions and public comments without prior acknowledgement, knowledge or approval of this Board, or any other member of this Board;
- The statements made by Mr. Matthews were entirely at his sole discretion;
- The comments and actions of Mr. Matthews in no way reflect the position of the ASPPPO Board;
- Any legal responsibility for Mr. Matthews as a consequence of these actions, is the sole responsibility of Mr. Matthews. ASPPPO Directors and Officers Liability Insurance coverage does not apply to these actions.
- The ASPPPO Board requests release from any legal responsibility for the independent actions of Mr. Matthews”.

Unfinished Business – President Miner

Approval – Conflict of Interest Policy

An update was provided. Action taken:

A motion was made by Barry Barth, to approve the Conflict of Interest Policy. The motion was seconded and unanimously carried:

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the Conflict of Interest Policy, as presented”.

Approval – Confidentiality Acknowledgment Statement

An update was provided. Action taken:

A motion was made by Bill Johnson, to approve the Confidentiality Acknowledgment Statement. The motion was seconded and unanimously carried:

“**RESOLVED**, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the Confidentiality Acknowledgment Statement, as presented”.

Discussion – Board Member Disclosure Form

An update was provided. Action taken:

- The Conflict of Interest Policy and Confidentiality Acknowledgment Statement, meet the standard requirements of law;
- Disclosure forms/checklists, will be sent to Nexsen Pruet Law Firm, for opinion.

A motion was made by Mark Griffith, to approve Nexsen Pruet Law Firm to review submitted disclosure forms. The motion was seconded and unanimously carried:

“**RESOLVED**, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved submittal of disclosure statements to Nexsen Pruet Law Firm, for their opinion, as presented”.

Discussion – Bylaw Policy Issues

An update was provided. Action taken:

- Several top Bylaw issues to date, were presented and Board feedback received;
- Governance Task Force continues to work on revision. Upon completion, draft(s) will be presented to the Board for approval;
- Final approval and acceptance of revised ASPPPO Bylaws, will be via Membership vote.

New Business – President Miner

Announcement – Date of Record, Annual Meeting, 2019

An update was provided. Action taken:

- The date of record for the Annual Meeting, 2019, was set as March 1, 2019.

Approval – Nominating Committee, 2019

An update was provided. Action taken:

A motion was made by Bill Johnson, to approve appointment of the Nominating Committee. The motion was seconded and unanimously carried:

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved appointment of the Nominating Committee, 2019: Charles Miner, Chair; Barry Barth and Paula Scanlon, Members, as presented”.

Approval – Committee Charter, 2019: Short Term Rental

An update was provided. Action taken:

A motion was made by Mark Griffith, to approve the Committee Charter, Short Term Rental, 2019. The motion was seconded and unanimously carried:

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the Committee Charter, Short Term Rental, 2019, as presented”.

Adjournment

With no further business to come before the Board, President Miner adjourned the meeting at 10:15 a.m. The next scheduled meeting of the ASPPO Board of Directors, is Thursday, May 16, 2019, 9:00 a.m., at the Sea Pines Community Center.

A motion was made by Mark Griffith to adjourn the meeting at 10:15 a.m. The motion was seconded and unanimously carried.

Respectfully Submitted,



Paula Scanlon
Secretary

Association of Sea Pines Plantation Property Owners
Balance Sheets
January 31, 2019 and December 31, 2018

	<u>January 31, 2019</u>	<u>December 31, 2018</u>
Assets		
Cash		
Operating	\$ 69,181	\$ 917
Money Market	100	100
Morgan Stanley Money Fund	80,965	53,828
Total Cash and Cash Equivalents	<u>150,246</u>	<u>54,845</u>
Investments		
Marketable Securities	289,642	314,785
Accrued Interest	1,702	3,042
Unrealized Gain/ (Loss) on Investments	(3,248)	(5,952)
Total Investments	<u>288,096</u>	<u>311,875</u>
Prepaid Insurance	<u>-</u>	<u>13,286</u>
Total Assets	<u><u>\$ 438,342</u></u>	<u><u>\$ 380,006</u></u>
Liabilities and Fund Balance		
Current Liabilities		
Accounts Payable - CSA	\$ 37,676	\$ 34,465
Deferred Revenue	-	1,355
Total Current Liabilities	<u>37,676</u>	<u>35,820</u>
Undesignated Fund Balance	<u>400,666</u>	<u>344,186</u>
Total Liabilities and Fund Balance	<u><u>\$ 438,342</u></u>	<u><u>\$ 380,006</u></u>

<u>Year</u>	<u>Number of Members</u>	<u>Percentage of Eligible Members</u>
2013	3,920	77.10%
2014	3,923	77.10%
2015	3,845	75.60%
2016	3,659	71.90%
2017	3,517	69.10%
2018	3,808	74.86%
2019	2,211	43.46%

Association of Sea Pines Plantation Property Owners
Income Statement - Current Year Actual, Variance to Current Year Budget, Variance to Prior Year Actual
For the Year-to-Date Ended January 31, 2019 and 2018

	Actual January 31, 2019	Variance to Budget	Variance to Prior Year Actual
Revenues			
Membership Dues	\$ 77,361	\$ (52,639)	\$ 3,569
License Plates	45	(38)	(50)
Interest	942	25	(354)
Total Revenues	78,348	(52,652)	3,165
Expenses			
Consulting- Land Use Monitor	1,145	3,163	54
Technology Services	54	-	-
Insurance	13,286	214	(705)
Legal Fees	-	568	-
Property Cleanup	-	417	-
Rent	365	-	-
CSA Service Fee	1,608	-	-
Bank Service Charge	-	9	-
Communication Services	7,787	1,213	391
Consultants & Surveys	-	56	-
Travel	38	(38)	(38)
Total Expenses	24,283	5,602	(298)
Excess (Shortfall) of Revenues over Expenses from Operations	54,065	(47,050)	2,867
Other Income/ (Expense)			
Bond Premium/ (Expense)	(290)	327	212
Unrealized Gain/(Loss)	2,705	2,705	5,640
Total Other Income/ (Expense)	2,415	3,032	5,852
Excess of Revenues over Expenses	\$ 56,480	\$ (44,018)	\$ 8,719

ASPPPO

Investments for 01/31/2019

Security Description	Adjusted Cost	Current Yield	Maturity	Maturity Year				Total
				2019	2020	2024	2025	
BP Capital Markets PLC	22,064	2.370%	3/10/2019	22,064				22,064
El Du Pont De Nemours & Co	21,091	2.860%	3/15/2019	21,091				21,091
Morgan Stanley	70,292	5.310%	7/24/2020		70,292			70,292
Qualcomm Inc	49,204	2.990%	5/20/2024			49,204		49,204
CIGNA Holding Corp	50,349	3.320%	4/15/2025				50,349	50,349
MSIF Ultra Short Income A	76,642	2.250%	N/A	76,642				76,642
	<u>289,642</u>			<u>119,797</u>	<u>70,292</u>	<u>49,204</u>	<u>50,349</u>	<u>289,642</u>

Association of Sea Pines Plantation Property Owners
Balance Sheets
December 31, 2018 and 2017

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Assets		
Cash		
Operating	\$ 917	\$ 21,711
Money Market	100	7,420
Morgan Stanley Money Fund	53,828	97,247
Total Cash and Cash Equivalents	<u>54,845</u>	<u>126,378</u>
Investments		
Marketable Securities	314,785	321,687
Accrued Interest	3,042	4,027
Unrealized Gain/ (Loss) on Investments	(5,952)	(9,824)
Total Investments	<u>311,875</u>	<u>315,890</u>
Prepaid Insurance	<u>13,286</u>	<u>12,581</u>
Total Assets	<u>\$ 380,006</u>	<u>\$ 454,849</u>
Liabilities and Fund Balance		
Current Liabilities		
Accounts Payable - CSA	\$ 34,465	\$ 111,405
Deferred Revenue	1,355	3,112
Total Current Liabilities	<u>35,820</u>	<u>114,517</u>
Undesignated Fund Balance	<u>344,186</u>	<u>340,332</u>
Total Liabilities and Fund Balance	<u>\$ 380,006</u>	<u>\$ 454,849</u>

<u>Year</u>	<u>Number of Members</u>	<u>Percentage of Eligible Members</u>
2013	3,920	77.10%
2014	3,923	77.10%
2015	3,845	75.60%
2016	3,659	71.90%
2017	3,517	69.10%
2018	3,808	74.86%
2019	39	0.77%

Association of Sea Pines Plantation Property Owners
Income Statement - Current Year Actual, Variance to Current Year Budget, Variance to Prior Year Actual
For the Year Ended December 31, 2018 and 2017

	Actual December 31, 2018	Variance to Budget	Variance to Prior Year Actual
Revenues			
Membership Dues	\$ 133,296	\$ 21,296	\$ 13,956
License Plates	790	790	(220)
Interest	12,512	1,626	61
Total Revenues	146,598	23,712	13,797
Expenses			
Consulting- Land Use Monitor	21,031	5,998	(2,185)
Accounting Services	2,500	300	(1,525)
Technology Services	648	52	-
Insurance	19,425	(4,965)	(2,574)
Legal Fees	14,919	25,081	59,251
Office Supplies	235	(35)	1,433
Postage & Freight	2,129	7,871	5,485
Food & Beverage	319	(319)	(319)
Property Cleanup	1,737	48,763	(1,252)
Rent	4,380	120	-
CSA Service Fee	19,301	-	-
Newsletter	3,476	6,024	(3,476)
Miscellaneous	(13)	613	474
Bank Service Charge	96	4	14
Communication Services	8,178	3,822	929
Consultants & Surveys	37	(37)	(37)
Annual Meeting	7,620	280	(1,736)
Relationship Management	25	(25)	(25)
Referendum	-	10,000	2,501
Printing	6,573	3,427	20,412
Travel	298	(298)	(298)
Election	10,512	(10,512)	(10,512)
License	51	(51)	(51)
Community Events	5,741	259	(5,741)
Total Expenses	129,218	96,372	60,768
Excess (Shortfall) of Revenues over Expenses from Operations	17,380	120,084	74,565
Other Income/ (Expense)			
Bond Premium/ (Expense)	(4,844)	(957)	30
Other Income	(85)	(3,535)	(3,059)
Unrealized Gain/(Loss)	(5,097)	(5,097)	(3,104)
Alligator Research Project	(3,500)	-	(3,500)
Total Other Income/ (Expense)	(13,526)	(9,589)	(9,633)
Excess of Revenues over Expenses	\$ 3,854	\$ 110,495	\$ 64,932

ASPPPO

Investments for 12/31/2018

Security Description	Adjusted Cost	Current Yield	Maturity	Maturity Year				Total
				2019	2020	2024	2025	
JP Morgan Chase & Co	25,002	1.170%	1/28/2019	25,002				25,002
BP Capital Markets PLC	22,112	2.370%	3/10/2019	22,112				22,112
El Du Pont De Nemours & Co	21,150	2.860%	3/15/2019	21,150				21,150
Morgan Stanley	70,468	5.330%	7/24/2020		70,468			70,468
Qualcomm Inc	49,204	3.040%	5/20/2024			49,204		49,204
CIGNA Corp	50,353	3.410%	4/15/2025				50,353	50,353
MSIF Ultra Short Income A	76,496	2.240%	N/A	76,496				76,496
	<u>314,785</u>			<u>144,760</u>	<u>70,468</u>	<u>49,204</u>	<u>50,353</u>	<u>314,785</u>