

Association of Sea Pines Plantation Property Owners, Inc.

Board of Directors Meeting

September 19, 2019

A regular meeting of Association of Sea Pines Plantation Property Owners, Inc. (ASPPPO), Board of Directors, was held on Thursday, September 19, 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 was: 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 all of the Board Members in attendance, quorum was met.

Ratify Approval – Board of Directors Meeting Minutes, May 16, 2019

A motion was made by Mark Griffith, to ratify approval of the Board of Directors Meeting Minutes, May 16, 2019. The motion was seconded and unanimously carried:

“**RESOLVED**, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, ratified approval of the Board of Directors Meeting Minutes, May 16, 2019, as finalized by email”.

Financial Update – Victoria Shanahan, Director of Finance and Administration

Ms. Shanahan provided the Financial update. Action taken:

Acceptance – Financial Statements, YTD/July 31, 2019

A motion was made by Bill Johnson, to accept the financial statements, YTD/July 31, 2019. 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/July 31, 2019, as presented and attached as Exhibit A, to the minutes of record”.

ASPPPO Updates

Land Use Management – Richard Matthews, Committee Chair

Mr. Matthews provided the Committee update. Action taken:

- Litigation strategy/costs are under review. Findings to be reported at November 14, 2019, ASPPPO Board Meeting;
- Database management system (used by Palmetto Dunes), to be demonstrated at October 8, 2019, LUM Committee Meeting. Compatibility with CSA's database management system and costs, to be coordinated with Victoria Shanahan;
- CSA to pursue condition of lagoon/Fairway Lane Regime, a community issue. CSA to proceed unilaterally, if cooperation from Regime not attained.

Architectural Review Board – James Richardson, ARB Liaison

Mr. Richardson provided the Committee update. Action taken:

Approval – Appointment, Architectural Review Board Member, 2020

A motion was made by James Richardson, to approve appointment of the Architectural Review Board Member, 2020. Voted in favor: President Miner, Barry Barth, Paul Crunkleton, Mark Griffith, Richard Matthews, James Richardson and Paula Scanlon. Abstained: Bill Johnson. The motion was seconded and carried.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, jointly approves, with Community Services Associates, Inc., Board of Directors, the appointment of Susan Johnson, as alternate member of the Architectural Review Board. The one year term will begin January 1, 2020 and end December 31, 2020”.

Communications – Barry Barth, Committee Chair

Mr. Barth provided the Committee update. Action taken:

- Recognition of ASPPPO Board Nominees, 2020, by Nominating Committee: David Ellis, Dana Guazzo and Grover Todd;
- Election process dates to consider: October 1, 2019, Nomination by Petition Application deadline; October 23, 2019, Meet the Candidates; November 1, 2019, ballot packets mail; December 1, 2019, return ballot deadline;
- Sea Pines Annual Community Yard Sale, October 19, 2019, 9:00 a.m. – 2:00 p.m., gate entry fee waived 8:00 a.m. – 12:30 p.m.

Unfinished Business

There was no unfinished business to discuss.

New Business

Tower Beach Access

President Miner provided an update. Action taken:

- Gate Entry Committee approved Permanent Residents to have access to Tower Beach. A motion will be brought for approval at the CSA Board of Directors Meeting, September 24, 2019.

Approval – Board/Committee Meeting Schedule, 2020

President Miner provided an update. Action taken:

A motion was made by Barry Barth, to approve the Board/Committee Meeting Schedule, 2020. The motion was seconded and unanimously carried.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the Board/Committee Meeting Schedule, 2020, as presented”.

Approval – Amendment, Conflict of Interest Policy

President Miner provided an update. Action taken:

A motion was made by Richard Matthews, to approve amendment to the ASPPPO Conflict of Interest Policy, September 19, 2019. The motion was seconded and unanimously carried.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved amendment to the ASPPPO Conflict of Interest Policy, September 19, 2019, as presented”.

Approval – ASPPPO Restated Bylaws, September 19, 2019

President Miner provided an update. Action taken:

A motion was made by President Miner to approve the ASPPPO Restated Bylaws, September 19, 2019. The motion was seconded and unanimously carried.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the ASPPPO Restated Bylaws, September 19, 2019, as presented. Further approved, related expenses to facilitate the vote process, to include clean and redline copies of the Bylaws in the ballot packet, mailed to the membership for final approval, by vote”. Vote to be tabulated by Elliott, Davis LLC”.

1974 Declaration of Covenants and Restrictions, Rules for Referendum, Modification

Mark Griffith provided an update. Action taken:

A motion was made by Mark Griffith to approve modification to the 1974 Declaration of Covenants and Restrictions, Rules for Referendum. The motion was seconded.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, in conjunction with the Sea Pines Resort, LLC, approved modification to the 1974 Declaration of Covenants and Restrictions, Rules for Referendum, Article I; Definition (J); (3), to read as follows:

- A Participating Property Owner shall be entitled to a maximum of one (1) vote for each single family lot (i.e., unimproved lot), single-family dwelling unit or multi-family dwelling unit. Joint Owners of property shall only have one vote”.

A motion was made by President Miner to table the motion on modification to the 1974 Declaration of Covenants and Restrictions, Rules for Referendum. The motion was seconded and unanimously carried.

“RESOLVED, Association of Sea Pines Plantation Property Owners, Inc., Board of Directors, approved the motion of modification to the 1974 Declaration of Covenants and Restrictions, Rules for Referendum, be tabled and revisited at the November 14, 2019, ASPPPO Board Meeting”.

Short Term Rental – Bill Johnson, Co-Chair

Mr. Johnson provided an update. Action taken:

- Recommendation will be made to Gate Entry and subsequently to Finance Committees, for approval to carry forward \$2.00 short term rental gate pass increase, implemented in 2019, into 2020;
- Short Term Rentals Management Meeting, October 7, 2019, 2:00 p.m., Sea Pines Community Center.

Adjournment

A motion was made by President Miner to adjourn the meeting. The motion was seconded and unanimously carried.

With no further business to come before the Board, President Miner adjourned the meeting at 9:50 a.m. The next scheduled meeting of the ASPPPO Board of Directors is Thursday, November 14, 2019, 9:00 a.m., at the Sea Pines Community Center.

Respectfully Submitted,



Paula Scanlon
Secretary

Exhibit A

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

	July 31, 2019	July 31, 2018	December 31, 2018
Assets			
Cash			
Operating	\$ 3,458	\$ 5,991	\$ 917
Money Market	31,484	26,644	100
Morgan Stanley Money Fund	3,516	76,887	53,828
Total Cash and Cash Equivalents	38,458	109,522	54,845
Investments			
Marketable Securities	371,488	289,798	314,785
Accrued Interest	1,589	1,813	3,042
Unrealized Gain/ (Loss) on Investments	1,983	(6,452)	(5,952)
Total Investments	375,060	285,159	311,875
Prepaid Insurance	11,743	-	13,286
Total Assets	\$ 425,261	\$ 394,681	\$ 380,006
Liabilities and Fund Balance			
Current Liabilities			
Accounts Payable - CSA	\$ 25,901	\$ 6,868	\$ 34,465
Other Liability	31	165	-
Deferred Revenue	-	-	1,355
Total Current Liabilities	25,932	7,033	35,820
Undesignated Fund Balance	399,329	387,648	344,186
Total Liabilities and Fund Balance	\$ 425,261	\$ 394,681	\$ 380,006

Year	Number of Members	Percentage of Eligible Members
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	3,577	70.32%

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

	Year-to-Date Actual July 31, 2019	Year-to-Date Actual July 31, 2018	Dollar Variance
Revenues			
Membership Dues	\$ 125,187	\$ 130,847	\$ (5,660)
License Plates	340	625	(285)
Interest	6,617	7,844	(1,227)
Total Revenues	<u>132,144</u>	<u>139,316</u>	<u>(7,172)</u>
Expenses			
Land Use Monitor	15,693	11,480	(4,213)
Accounting & Compilation	1,375	2,500	1,125
Telephone	623	378	(245)
Insurance	21,673	12,581	(9,092)
Legal & Professional Fees	7,471	10,158	2,687
Office Supplies	169	-	(169)
Postage & Freight	205	2,109	1,904
Food & Beverage	-	110	110
Property Cleanup	-	573	573
Rent	2,555	2,555	-
CSA Service Fee	11,259	11,259	-
Bank Service Charges	7,798	8,274	476
Communication Services	733	-	(733)
Consultants & Surveys	-	37	37
Annual Meetings	13,467	14,193	726
Travel	361	35	(326)
Community Events	-	3,189	3,189
Computer Hardware	323	-	(323)
Total Expenses	<u>83,705</u>	<u>79,431</u>	<u>(4,274)</u>
Excess (Shortfall) of Revenues over Expenses from Operations	48,439	59,885	(11,446)
Other Income/ (Expense)			
Bond Premium/ (Expense)	(1,571)	(3,335)	1,764
Unrealized Gain/(Loss)	7,935	(5,596)	13,531
Other Income	340	(85)	425
Income Tax Expense	-	(51)	51
Alligator Research Project	-	(3,500)	3,500
Total Other Income/ (Expense)	<u>6,704</u>	<u>(12,567)</u>	<u>19,271</u>
Excess of Revenues over Expenses	<u>\$ 55,143</u>	<u>\$ 47,318</u>	<u>\$ 7,825</u>

Association of Sea Pines Plantation Property Owners
Income Statement - Current Year Actual versus Budget
For the Year-to-Date Ended July 31, 2019

	Year-to-Date Actual July 31, 2019	Year-to-Date Budget July 31, 2019	Dollar Variance
Revenues			
Membership Dues	\$ 125,187	\$ 130,000	\$ (4,813)
License Plates	340	583	(243)
Interest	6,617	6,417	200
Total Revenues	<u>132,144</u>	<u>137,000</u>	<u>(4,856)</u>
Expenses			
Land Use Monitor	15,693	30,156	14,463
Accounting & Compilation	1,375	2,500	1,125
Telephone	623	378	(245)
Insurance	21,673	13,500	(8,173)
Legal & Professional Fees	7,471	3,973	(3,498)
Office Supplies	169	-	(169)
Postage & Freight	205	3,000	2,795
Property Cleanup	-	2,917	2,917
Rent	2,555	2,555	-
CSA Service Fee	11,259	11,259	-
Bank Service Charges	7,798	9,064	1,266
Communication Services	733	-	(733)
Consultants & Surveys	-	391	391
Annual Meetings	13,467	14,250	783
Public Relations	-	3,000	3,000
Referendum	-	10,000	10,000
Travel	361	-	(361)
Computer Hardware	323	-	(323)
Total Expenses	<u>83,705</u>	<u>106,943</u>	<u>23,238</u>
Excess (Shortfall) of Revenues over Expenses from Operations	48,439	30,057	18,382
Other Income/ (Expense)			
Bond Premium/ (Expense)	(1,571)	(4,317)	2,746
Unrealized Gain/(Loss)	7,935	-	7,935
Other Income	340	-	340
Total Other Income/ (Expense)	<u>6,704</u>	<u>(4,317)</u>	<u>11,021</u>
Excess of Revenues over Expenses	<u>\$ 55,143</u>	<u>\$ 25,740</u>	<u>\$ 29,403</u>

Association of Sea Pines Plantation Property Owners
Income Statement - Current Year Actual versus Prior Year Actual
For the Month Ended July 31, 2019 and 2018

	Month-to-Date Actual July 31, 2019	Month-to-Date Actual July 31, 2018	Dollar Variance
Revenues			
Membership Dues	\$ 455	\$ 420	\$ 35
License Plates	15	60	(45)
Interest	1,007	1,056	(49)
Total Revenues	1,477	1,536	(59)
Expenses			
Land Use Monitor	3,100	1,253	(1,847)
Telephone	54	54	-
Insurance	8,388	1,797	(6,591)
Legal & Professional Fees	855	256	(599)
Food & Beverage	-	110	110
Property Cleanup	-	38	38
Rent	365	365	-
CSA Service Fee	1,608	1,608	-
Consultants & Surveys	-	37	37
Communication Services	24	-	(24)
Community Events	-	3,000	3,000
Travel	79	35	(44)
Total Expenses	14,473	8,553	(5,920)
Excess (Shortfall) of Revenues over Expenses from Operations	(12,996)	(7,017)	(5,979)
Other Income/ (Expense)			
Bond Premium/ (Expense)	(188)	(398)	210
Unrealized Gain/(Loss)	(64)	748	(812)
Total Other Income/ (Expense)	(252)	350	(602)
Excess of Revenues over Expenses	\$ (13,248)	\$ (6,667)	\$ (6,581)

ASPPPO

Maturity Schedule for Investments

7/31/2019

Security Description	Adjusted Cost	Current Yield	Maturity	Maturity Year				Total
				2019	2020	2024	2025	
Morgan Stanley	69,191	5.340%	7/24/2020		69,191			69,191
Qualcomm Inc	49,203	2.850%	5/20/2024			49,203		49,203
CIGNA Holding Corp	50,324	3.190%	4/15/2025				50,324	50,324
Washington Trust CD	50,000	1.360%	10/25/2019	50,000				50,000
Bank of Baroda New York	23,000	1.810%	12/30/2019	23,000				23,000
Fifththird Bank Cincinnati	20,000	2.450%	4/3/2020		20,000			20,000
MSIF Ultra Short Income A	109,770	2.590%	N/A	109,770				109,770
	<u>371,488</u>			<u>182,770</u>	<u>89,191</u>	<u>49,203</u>	<u>50,324</u>	<u>371,488</u>