



SEA PINES
PROPERTY OWNERS
ASSOCIATION

**Sea Pines Property Owners Association
Board of Directors Meeting**
Videoconference and YouTube Stream
Monday, September 19, 2022; 10:00 AM
Agenda

1. Call to Order Scanlon
2. Establishment of Quorum Thomson
3. Ratify Approval – Board of Directors Meeting Minutes, June 23, 2022 * Thomson
4. President Remarks Scanlon
5. Management Report K. Smith
6. Financial Report Todd
7. Sea Pines POA Updates
 - a. Architectural Review Board (ARB) Stevens
 - b. Communications Wellinghoff
 - c. Covenant Reform Task Force Stevens
 - d. Legal Scanlon
 - i. 88 Lawton
 - e. LUM Thomson
 - f. Membership Committee Allenbach
 - g. Nominating Committee Thomson
 - h. Website Suhre
8. Unfinished Business
 - a. Archives & Backup Suhre/Smith
9. New Business
 - a. Meet the Town Council Candidates Live at Community Center
10. Adjournment

Recess – Five Minute
Q & A Session – Questions from the Community

Reference Material Attachments

- Resolutions, September 19, 2022
- Sea Pines POA Board of Directors Meeting Minutes, June 23, 2022
- June 30, 2022 Financial Report
- ARB Density Report as of August 31, 2022
- ARB Status Report as of August 31, 2022

*Denotes action item



**Sea Pines Property Owners Association
Board of Directors Meeting**
Videoconference and YouTube Stream
Thursday, September 19, 2022; 10:00 AM

RESOLUTIONS

- Resolution for 3. Approval – Board Meeting Minutes, June 23, 2022:
“**RESOLVED**, Sea Pines Property Owners Association Board of Directors, ratifies approval of the Board of Directors Meeting Minutes, June 23, 2022, as presented”.



Board of Directors Meeting

Thursday, June 23, 2022

A regular meeting of the Sea Pines POA was held Thursday, June 23, 2022 via videoconference.

Call to Order

The meeting was called to order by Paula Scanlon at 10:01 a.m.

Establishment of Quorum

A quorum has been obtained.

Board Members Present

Paula Scanlon, David Ellis, Greg Thomson, Dana Guazzo, Lee Stevens, Lori Wellinghoff, Jonathan Suhre.

Board Members Absent

Grover Todd

IMC Resort Services Representatives

Kathleen Smith, Administrative Executive; Lisa Martin, Minutes

Ratify Approval – Board of Directors Meeting Minutes, March 21, 2022 – A motion was made by Greg Thomson, to approve the minutes from the last Board of Directors Meeting held March 21, 2022. The motion was seconded. The motion was voted on and unanimously carried.

“RESOLVED, Sea Pines Property Owners Association Board of Directors, approved the Board of Directors Meeting Minutes, March 21, 2022, as written”.

President Remarks - President Scanlon

- **Fractional Ownership** – While we received a legal opinion that remains protected by attorney/client privilege, we also want to provide you with as much information as we can. I'd like to read the following statement into the minutes. It will also be posted on our website and provided to the local regime presidents.

The Board has heard the concerns of our members regarding Pacaso and fractional-ownership in Sea Pines. At this time, the Board has decided to continue monitoring the on-going litigation involving Pacaso in California but not to initiate any legal action on behalf of our Association. This decision was the result of serious consideration and deliberation.

So that we could explore all of our options, we retained the law firm of Finger, Melnick, Brooks & LaBruce, P.A., to review our Governing Documents and advise us accordingly. Ultimately, the Board decided that pursuing an action against Pacaso under the Sea Pines POA by-laws and Sea Pines governing documents was not the best use of our resources, as Pacaso's fractional-ownership model is not explicitly prohibited within Sea Pines. Absent such an explicit prohibition in the Sea Pines Governing Documents, success in any action would be unlikely.

While we cannot publically share privileged legal opinions given to the Board, we want to assure all members of our community that your voices have not gone unheard. We will continue to monitor the situation here and nationally. As we learn more, we will provide updates.

Ratify Approval – Statement of Fractional Ownership – A motion was made by Paula Scanlon, to approve the Statement of Fractional Ownership. The motion was seconded. The motion was voted on and unanimously carried.

- Covenant reform – I believe we can all acknowledge the fact that our covenants are not perfect and all of us, not just property owners, are affected by it. The task of reform is almost overwhelming and has been fraught with false starts and lack of visible progress. Earlier this year, our Covenant Reform Task Force and Board of Directors agreed that any forward motion on this is one of largest challenges we face as property owners. The highest hurdle is the 75% approval vote that any referendum must face. This has played out too many times.
- Over the summer, I will be forming a Sea Pines Community Covent Reform Task Force to build a business case and outline a process by which we can positively affect change in our community. As I have said many times, change comes from within and it is up to all of us, inside the gates and working together, to make something happen. In addition to several Sea Pines POA board members, I am inviting representatives from the primary stakeholders that live and do business in Sea Pines. That would include: local Regime presidents and their constituents, CSA, which includes Forest Preserve, Six Oaks and other sundry operations The Sea Pines Resort, Commercial Interests: Harbour Town, South Beach, Sea Pines Center and the Country Club. Updates will be provided to our membership as they occur.
- The July board meeting date was held in reserve should we need to meet. However, I believe this will be our last board meeting until September 19.

Management Report

Kathleen Smith reported that since the last meeting held on March 21, 2022, IMC has responded to 60 phone calls and approximately 25 emails. There are 3,228 members as of today. The process of receiving candidates has started and the nomination by petition deadline is October 3, 2022. The Board will hold a “meet the candidates” night sometime in October. Election voting by paper ballot and online will begin November 1, 2022.

Sea Pine POA Updates

Financial Update

Grover Todd reported on the Sea Pines POA’s investment strategy through March 31, 2022. There is a CSB operating account, IMC has an Operating Account, Replacement Reserve and there are two Morgan Stanley Investment accounts for a total of \$443,225.00. Some insurance was prepaid last year, with interest the total equity is \$451,803.11. As of end of March \$161,939 in dues came in, reserve income is \$163,736.94. Management fees are \$7,500.00. Total Administrative expenses were \$24,925.40. Excess revenue/expense totals \$138,000.00.

On March 21, 2002 the Board approved via email a voluntary gas stipend contribution to IMC in the amount of \$2,500.00.

Ratify Approval – Gas stipend March 21, 2022 – A motion was made by Paula Scanlon, to approve the gas stipend contribution. The motion was seconded. The motion was voted on and unanimously carried.

“**RESOLVED**, Sea Pines Property Owners Association Board of Directors, approved the gas stipend contribution”.

Investment Policy – Lee Stevens put together draft Investment Policy whereas the Sea Pines POA Board desires to set policies regarding how funds are invested for Sea Pines POA. Document to be revised and be put out to a vote via email and ratified at September’s meeting.

Architectural Review Board (ARB)

Lee Stevens reported that the remaining lots continue to decline. In May one new single-family residence was started, pool installations are on the rise (1-2 years out). We are starting to see more tear downs closer to the ocean. Homes cannot be more than 2 stories of living space with a maximum height of 50ft to the peak of the roof. Ratio of heated sq footage to lot size must be 1:3. There are three types of lots in Sea Pines – patio lots, garden lots and full-size lots.

Covenant Reform Task Force Currently on hold until referendum lawsuit is resolved.

Communications

Lori Wellinghoff reported the next newsletter is currently being published that will contain an introduction of new Sea Pines Property Owners Association speaker series to be held monthly on the 3rd Tuesday of each month in the early evening consisting of property owners who wish to attend and learn more about life on Hilton Head and Sea Pines, at the town, county and state levels, history and cultural. A slate of speakers is currently being worked on. The First event to be held in September and continue through May. If anyone has any suggestions, please feel free to out via the website or at info@seapinespoa.com.

Membership Committee

Nothing to report at this time.

Nomination Committee

Greg Thomson stated work has been started, conversations are on-going and will be able to meet the deadline. Slate to be announced by August 31st.

Website

Jonathan Suhre stated the newsletter has been posted and communications committee was added to the website.

Unfinished Business

Nothing to report at this time.

New Business

Dana Guazzo who was in her 3rd year of first term and Bill Johnson who was in his second term have resigned from the Board leaving two vacant seats. At a Board workshop it was voted to back fill these two positions. Lori Allenbach was nominated to fill Bill Johnsons position ending in December 2023. Kerry de Vallette to replace Dana Guazzo with the term ending December 2022.

Ratify Approval – A motion was made by Paula Scanlon to approve the appointment of Lori Allenbach to fill a vacancy with the term expiring 2023 and Bill Johnson to fill a vacancy with the term ending in 2022. The motion was seconded. The motion was voted on and unanimously carried.

Resolved, Sea Pines Property Owners Association approves the appointment of Lori Allenbach to fill a Board seat expiring December 2023.

Resolved, Sea Pines Property Owners Association approves the appointment of Kerry de Vallette to fill a Board seat expiring December 2022.

A motion was made by Paula Scanlon to take a five-minute break. The motion was seconded. The motion was voted on and unanimously carried.

Questions and Answers –

Fritz Smith asked if the Sea Pines POA help property owners from beach marker 10 – 5 get boardwalks from CSA. *It was recommended that the entire regime go to the CSA with their request.*

Mary Anna Bartell strongly opposes the short-term rental fee. *This is a CSA issue, referred to the CSA website.*

Adjournment

With no further business to discuss, Paula Scanlon adjourned the meeting at 10:53AM.

Sea Pines POA

Balance Sheet

Posted 06/30/2022

Assets

Bank

10100	Operating Checking - AAB	140.27
10102	Operating Checking - Coastal	73,607.39
10200	Replacement Reserve - AAB	1,104.05
10201	Morgan Stanley Investments	225,662.43
10202	Morgan Stanley Cash/Cash Equiv.	122,610.44

Total Bank 423,124.58

Prepaid Other

12300	Investment Interest Receivable	2,244.72
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Total Prepaid Other 2,244.72

Total Assets

425,369.30

Liabilities & Equity

Liabilities

20100	A/P Trade	280.00
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Total Liabilities 280.00

Equity

30100	Retained Earnings	318,585.28
30101	Unrealized Gain/(Loss) M. Stanley Investment	(10,141.79)
	Current Year Earnings	116,645.81

Total Equity 425,089.30

Total Liabilities & Equity

425,369.30

Sea Pines POA Budget Variance

Posted 4/1/2022 To 6/30/2022 11:59:00 PM

	Current Period Operating			Year to Date Operating			Annual
	Actual	Budget	\$ Var	Actual	Budget	\$ Var	
Income							
<u>Income</u>							
50100 Membership Dues	3,400.00	43,500.00	(40,100.00)	165,339.10	87,000.00	78,339.10	174,000.00
50700 Bank Interest	0.37	0.00	0.37	1.38	0.00	1.38	0.00
50900 Other Income	320.00	126.00	194.00	320.00	252.00	68.00	500.00
TOTAL Income	3,720.37	43,626.00	(39,905.63)	165,660.48	87,252.00	78,408.48	174,500.00
<u>Reserve Income</u>							
50701 Investment Interest	2,715.23	0.00	2,715.23	4,537.92	0.00	4,537.92	0.00
50702 Accrued Interest	(1,885.30)	0.00	(1,885.30)	(1,911.16)	0.00	(1,911.16)	0.00
TOTAL Reserve Income	829.93	0.00	829.93	2,626.76	0.00	2,626.76	0.00
TOTAL Income	4,550.30	43,626.00	(39,075.70)	168,287.24	87,252.00	81,035.24	174,500.00
Expense							
<u>Administrative</u>							
60103 Management Fees	7,500.00	8,751.00	1,251.00	15,000.00	17,502.00	2,502.00	35,000.00
60104 Legal Fees	7,299.00	8,751.00	1,452.00	11,027.05	17,502.00	6,474.95	35,000.00
60106 Bank Service Charges	329.16	624.00	294.84	1,183.76	1,248.00	64.24	2,500.00
60107 Administrative Fees	(40.00)	0.00	40.00	0.00	0.00	0.00	0.00
60111 Website	199.17	3,750.00	3,550.83	946.17	7,500.00	6,553.83	15,000.00
60114 Communication Services	5,368.70	6,750.00	1,381.30	14,928.95	13,500.00	(1,428.95)	27,000.00
60118 New Member Recruiter	0.00	501.00	501.00	0.00	1,002.00	1,002.00	2,000.00
60130 Accounting Services	0.00	126.00	126.00	1,700.00	252.00	(1,448.00)	500.00
60132 Other Expenses	200.00	1,251.00	1,051.00	995.50	2,502.00	1,506.50	5,000.00
TOTAL Administrative	20,856.03	30,504.00	9,647.97	45,781.43	61,008.00	15,226.57	122,000.00
<u>Insurance</u>							
60201 Property & Liability Insur	5,860.00	7,500.00	1,640.00	5,860.00	15,000.00	9,140.00	30,000.00
TOTAL Insurance	5,860.00	7,500.00	1,640.00	5,860.00	15,000.00	9,140.00	30,000.00
TOTAL Expense	26,716.03	38,004.00	11,287.97	51,641.43	76,008.00	24,366.57	152,000.00
Excess Revenue / Expense	(22,165.73)	5,622.00	(27,787.73)	116,645.81	11,244.00	105,401.81	22,500.00

SEA PINES PLANTATION DWELLING UNITS (DENSITY) REPORT

Class A Units - Single Family Dwelling Units

Total Lots Remaining	53
Total Homes	3784
Total Class "A"	<u>3837</u>

Class B - Multi-Family Dwelling Units 1989

Uncommitted Dwelling Units 64 *

*64 units assigned to Sea Pines Resort

Lot D4 Density assigned to Sea Pines Resort

Lot 13 Club Course I assigned to Sea Pines Resort

Lot 82 Club Course II assigned to 3R Fairway Blk 5-3

Lot 70 Carolina Place assigned to 5 Royal Tern

Parcel A transferred to 42 Bald Eagle West

Total Dwelling Units allowed by Covenant 5890

Class "B" DUs permitted 1989

Class A DUs Under Construction/Permitted 3775

January Permits -	0
February Permits -	2
March Permits-	2
April Permits -	0
May Permits -	1
June Permits -	3
July Permits -	1
August Permits -	0
September Permits -	0
October Permits -	0
November Permits -	0
December Permits -	0
Total Permitted	<u>3784</u>

Improved or under construction 3784

August 31, 2022

**ARB APPLICATIONS FOR 2022
AUGUST**

NEW SFR (INCLUDING NEW LOTS)		1
ADDITIONS/ALTERATIONS -	MAJOR	3
	MINOR	32
POOLS		4
COMMERCIAL		0
NEW LOTS IMPROVED		1
DEMO		0