



**Board Meeting
Monday, November 6, 2017
Beachwalker Center**

Minutes

In Attendance:

Dave Singer, Chair
Lynn Morgenstern, Vice Chair
Ben Cheatham, Treasurer
Rajan Govindan, Director
Townsend Clarkson, Director
Cathy Pumphrey, Director

Staff:
Jimmy Bailey, COO
Shannon White, Dir of Operations
Tammy McAdory, Dir of Communications
Holly Newman, Secretary

The meeting was made available to members via conference call & live stream.

1. Call to Order. The meeting was called to order by Dave Singer, Chair, at 1:00 p.m., with a quorum of directors present.

2. Chair's Opening Comments. N/A

3. Approval of 9-22-2017 Minutes. Lynn Morgenstern moved approval as presented. Rajan Govindan seconded the motion. The vote carried with 6 yea's.

4. Approval of the 9-22-2017 Special Meeting Minutes. Cathy Pumphrey moved approval with a request to add member comments to the minutes. Lynn Morgenstern seconded the motion. The vote carried with 6 yea's.

5. New Business.

A. 2018 Budget Approval. Jimmy Bailey reviewed the proposed budget noting the following items:

- "The" budget can be considered 2 discreet budgets; Operating and Reserves.
- Revenue sources
 - The Operating Budget revenue is 90% assessments
 - The Reserve Budget has historically been funded solely through CTR. In recent years the Supplemental Annual Assessment (SAA) and in 2017 a portion of Commercial Access Fees have been added as revenue sources.
- The SAA, when enacted was a temporary measure to fund CTR's during the economic downturn. As trends have shown CTR's cannot fund Reserves alone, the SAA will now be referred to as the Reserve Assessment and will be considered in each budget process.

- 2018 budget proposal includes no increase to the General Assessment; includes 1 additional staff to payroll (note: this is in lieu of a current contracted service); includes an expected 10% increase to health insurance costs.
- Reasons for no increase include continues efforts to improve efficiencies, existing savings, recent storm events have accelerated certain maintenance items and a desire to only take monies that are needed. There is also the recognition of the growing gap between assessed and maximum allowed assessments that increase the capacity to collect in any given year for extraneous circumstances (hurricanes, floods, etc.)
- Sandcastle as related to the budget - \$600k is included in the Reserve Budget for scheduled major repairs and replacement w/ \$3.9m coming from existing resources.

Cathy Pumphrey moved approval of the 2018 Budget as presented. Ben Cheatham seconded the motion. The motion carried with 6 yea's.

B. Conservation Easement Requests

Two (2) requests from The Kiawah Conservancy for conservation easements have been received; 1) Grey Widgeon 2) Bass Creek. Any easement will restrict use of land by KICA but KICA retains ownership.

- 1) Grey Widgeon tract is a parking lot and it is unclear of unintended consequences at this time.

Townsend Clarkson moved to table the easement for further information. Lynn Morgenstern seconded the motion. The vote carried with 6 yea's.

- 2) Bass Creek is 6.8 acre parcel of mostly marsh, it is not buildable. An existing conservation easement exists. The recommendation is to amend the existing to include this parcel and create a contiguous 11.7 parcel of conserved land.

Townsend Clarkson moved to approve the easement as recommended. Lynn Morgenstern seconded the motion. The vote carried with 6 yea's.

6. Old Business N/A

7. Reports & Presentations

A. Treasurer's Report.

- 1. Reserve Policy – Jimmy Bailey reported that the final draft, including input from the FC and BOD will be posted for community comment in the near future.
- 2. Investment Management – Ben Cheatham, Treasurer, reported three (3) groups are being considered and interviews in process. A recommendation is expected by year end.

B. Nominating Committee Report

Lynn Morgenstern, committee chair, reported that interviews were near completion and the committee would be making recommendations in the near future.

C. COO's Report.

1. MRR

a. Projects

KI Parkway paving is to be completed in December before Year End.

b. Reserve Emergency Expenditures N/A

c. Repair & Replacement Report.

Jimmy Bailey commented at this time of year MRR is mostly about updating the reserve study and prioritizing.

2. Miscellaneous Updates. Jimmy Bailey offered the following information:

a. Sandcastle interior work is progressing, not expected to see much exterior work before end of year.

b. Admin Building repairs/ Maintenance is mainly punch list items at this time. Arrangements are being made to use offsite parking for staff on busy member days. A big thank you to security staff for shuttling as needed.

c. OCRM Critical Line deadline has been moved to March 2018. KICA will continue to update owners as information is available. The importance is to understand the information and ensure a reasonable decision is made.

d. Parcel Trade - drafts of the deeds are under review.

e. Hurricane Irma Update – clean up/ recovery is estimated to be \$1.96m. Landscape areas are mostly complete with only mitigation in wash out areas remaining. RB dock is underway for all repairs from both storms (Matthew and Irma). Boardwalks are under review as the beach scraping is causing changes in dune profiles and causing new design requirements. As information on open BW's is available it will be posted.

f. Security – gate procedures are under review, tradeoffs exist when considering gate back up vs. vetting guests. 2018 budget includes funds for software replacement to a more robust system.

9. Other Board Member Comments.

Cathy Pumphrey commented on the current temporary fitness solutions, stating they were "ok".

Ben Cheatham reiterated the Parkway paving project would take 4-5 days and would occur mostly overnight, stressing for members to expect traffic delays.

10. Adjournment. The meeting was adjourned at 2:24 p.m.

Submitted by:

Holly Newman
Secretary

Date