

BOARD OF DIRECTORS

Meeting Minutes

July 12, 2021 at 1 p.m.

Virtual Meeting

Board Members Present:

Dave Morley, Chair

Jerry McGee, Vice Chair

Alex Fernandez, Treasurer

Sandy Devine, Secretary

David DeStefano, Director (by phone)

Brad McIlvain, Director

Beth Zampino, Director

Gaye Stathis, Director

Townsend Clarkson, Developer Director

Staff Members Present:

Shannon White - Interim COO

Johnny Wallace, Dir. of Finance/Admin

Emily Jenkins – Communications Specialist

Ellen Festa, Executive Assistant

Member Attendees: 72

Recording of Meeting: <https://www.youtube.com/watch?v=F7PZ30R2Wa8>

1. Member Comments – Pre-Meeting

Member commented on why comments are requested on agenda items prior to discussion.

Dave Morley clarified that comments may also be made at the comment period at the end of the meeting.

2. Call to Order

Chair Dave Morley called the meeting of the Kiawah Island Community Association Board of Directors to order.

3. Opening Comments

- Board was very active last month. Substantial progress made on roads initiative which will be discussed later in the meeting. No decision to be made yet until Finance Committee has reviewed this information and looks at implications and affordability. Most likely will be in November as Finance looks to work into 2022 budget process.



- As discussed before, board is looking at 5 new initiatives that we are moving forward on – 3 of which are task forces (Amenities, Sandcastle, Security & Enforcement). This opens up the ability for members to volunteer and Shannon will go over how to do that later.
- Two other initiatives - working with Town on carbon footprint – Brad may have comments on this later. Looking at our governing documents to ensure they are in line with what Kiawah has become.
- TS Elsa – Lucas Hernandez is drafting after-storm report – in progress – will publish once complete. Highlights are that there were many different levels of rainfall across the island – heaviest rain impacted pond 30 project. All models indicated potential flooding but there was none – so good news there.

4. **Administrative**

- a. Ratification of E-Vote – Approval of Nov 2020, Dec 2020 and Jan 2021 minutes **(Vote)**

Vote passed (5) in favor (4) abstained

(Abstain votes were not Board Members at the time of the meetings)

- b. Ratification of E-Vote – Approval of March 2021 minutes **(Vote)**

Vote passed unanimously (9-0)

- c. Approval of 5-3-21 Minutes **(Vote)**

2 minor changes in Chair's Comments:

- Change verbiage to “lawsuit filed on behalf of 3 members as representing the community”
- Change “minor” to “\$25,000 deductible”

Vote passed unanimously (9-0)

- d. Member Communications – Sandy Devine

Board seeking to improve member communications and timeliness in responding which includes member emails sent to board@kica.us, which are received by all Board members. Since May 3 Board meeting, questions/comments that have been received are summarized below by the following topics:



- Sandcastle (7) (pools, reservation system, parking lot, committee)
- COVID Restrictions (4) – have now been changed
- Roads & Trails (9) (improvements, litter pickup, safety, signage, intersection improvements and unpaved portion of Eugenia Ave.)
- Board Initiatives (4) (Thank you and initiative interest)
- Drainage (1)
- Cooperation with Town on enforcement (1)
- Noise Pollution / Carbon Footprint (1)
- PGA Damage (1)

Sandy reported that in most cases, members are receiving an initial response within 48 hours

5. Reports

a. COO Report – Shannon White

TS Elsa

- TS Elsa came through our area on Thursday, July 8
- Our ponds were down after being closed to king tides. Additionally, we drained 5 basins on Wednesday, for one low tide cycle just to give us extra capacity. The ponds did their job through the storm.
- Our Land crews are still performing cleanup, though they handled the bulk of it last week. Our arborist took down a dozen dangerous or damaged trees. We are still picking up debris around the island, but we will be complete this week.

Personnel

- KICA continues to experience staffing shortages. Security, Recreation & Land were our biggest challenges.
- At the board's June 7 work session, we discussed our personnel shortages and that we were now losing employees in security due to higher entry wages with other employers. The board supported an initiative to raise KICA's starting wage to \$14/hour or \$16/hour in security.
- Did not require board vote of the board, as current personnel savings from vacancies is being utilized, but board provided their consensus with the plan.



Update on 2021 Member Survey

- At the June 7th *Conversations with the Board* session, we were asked to provide a summary of topics in the verbatim comments from the 2021 member survey. Department heads are working on categorizing all these verbatim comments now.

Task Forces

- The board is about to vote on 3 charters for new task forces – Amenities Task Force, Sandcastle User Group and Security & Enforcement. Each of these task forces is seeking member involvement. Thursday's weekly email to the membership will have a link to an electronic form that you can submit to indicate your interest in participating in one of these new task forces.
- You will hear back from a member of our staff about your submittal whether you were selected or not for one of the task forces.

b. Finance – Alex Fernandez

i. Investment Policy (**VOTE**)

Board vote to change the Investment Policy to include an annual disclosure of the investment results to the membership.

Alex Fernandez motioned to amend the Policy, seconded by Beth Zampino. Dave Morley called a vote to update Investment Policy.

Vote passed unanimously (9-0)

ii. Auditor Recommendation (**VOTE**)

Board vote on selection of a firm to perform auditing services.

Alex Fernandez presented Finance Committee's recommendation on new Auditor. Sub-committee (Lisa Mascolo, Alex Fernandez and Jeff Porter) reviewed multiple firms and narrowed it down to 3. 1 withdrew. Firm did not find any conflict of interest with any KICA board member or finance committee member, references and litigation searches completed



satisfactorily. Final recommendation of Keefe McCullough – Ft. Lauderdale, FL confirmed by full Finance Committee for a 3-year term.

Motion by Alex Fernandez to proceed, seconded by Brad McIlvain.

Dave Morley called a vote in favor of Keefe McCullough.

Vote passed unanimously (9 – 0)

iii. **Loan Pay Off (VOTE)**

Board vote to pay off outstanding loan balance for Beachwalker Center. Alex clarified the payoff of the remaining balance comes from operating budget not reserves. As non-profit, interest expense is not able to be deducted, so no benefit to retaining debt, as well as very low interest rates and Kica's large cash position. Short discussion about positive KICA cash position and ability to get debt if needed.

Motion by Alex Fernandez to pay off loan, seconded by Gaye Stathis.

Dave Morley called for a vote in favor of paying off loan.

Vote passed unanimously (9 – 0)

iv. **Binding of new Cyber Insurance (VOTE)**

Board vote on binding cyber insurance coverage to protect KICA against rising risk of cyber-attack. Policy provides \$2M coverage and business interruption coverage after 8 hours of downtime or inability to conduct business. Premium is \$6,264 annually, as KICA is considered a low risk. Open question on whether analysis looked at our exposure from system perspective ie: firewalls, security etc. It was agreed that needs to be looked at as a separate issue.

Motion by Alex to approve, seconded by Beth Zampino. Dave Morley call for a vote in favor.

Vote passed unanimously (9-0)

6. **New Business**

a. **Road Standards Initiative - Update**

Update on Board's initiative to elevate the standards of Kiawah's roadways.

Condition of all of KICA's roadways were evaluated by an outside engineering firm.



74% of KICA's roads were rated as excellent or good, 25% were rated fair & 1% were rated poor. Board requested KICA staff seek bids for the mill out & repave of the fair or poor roads (26%). Bids came back with lowest bid at \$3.28 million. Finance Committee was sent this information on June 23 for their consideration. They are engaging KICA's reserve specialist in modeling this project & the long-term financial impacts of this potential change in standard for KICA's roadways. The Finance Committee should have recommendations to the board as part of the 2022 budget process.

b. Charters

Dave Morley stated all task force members will be approved by the board to get as diverse of groups as possible.

i. Amenities Task Force (VOTE)

Conduct inventory and condition of existing amenities, evaluate and then look at trending amenities to create a long-term strategy for amenities.

Alex Fernandez motioned to approve, seconded by Beth Zampino.

Dave Morley called for vote on approving charter.

Vote passed unanimously (9-0)

ii. Sandcastle User Group (VOTE)

Shannon White reviewed tasks/goals. Provide feedback and ideas on member experience at Sandcastle, use and feel by members, what's working, what's not working.

Motion made by Alex Fernandez to approve Sandcastle charter, seconded by Jerry McGee.

Discussion:

One goal should be to come up with a long term feedback system. Potential of starting as a Task Force initially, then have a more permanent structure that may be utilized going forward. Comment made to change head of task force to a title, not a specific name (ie: Director of Recreation). Time frame for recommendation within a year.



Dave Morley called for vote on approving charter, with changes to chair & addition of long-term feedback system.

Vote passed unanimously (9-0)

iii. Security & Enforcement Task Force **(VOTE)**

Initial recommendation hopefully by end of summer. Challenges are complex for coordination with Town and KICA regarding enforcement, ownership and responsibility of issues. There was a question re: scope – will not be on simple things like lawn maintenance, flags etc., but will focus more on roads, beaches, speeding especially in light of upcoming construction projects on the island.

Motion made by Alex Fernandez to approve, seconded by Beth Zampino. Dave Morley called for vote on approving charter.

Vote passed unanimously (9-0)

7. **Board Member Comments**

- **Gaye Stathis** - Monarch Project. Monarch butterflies have migrated across Kiawah for years – but now in decline. Working with 3 members, Conservancy and representatives from Town and State to look at planting additional Milkweed – preferred food source for Monarch butterflies.
- **Brad McIlvain**
 - Short overview of Preserve vote – surprisingly close vote on maintenance plan but good process going forward. Shannon and Doug working to provide options.
 - Brad and Gaye continue to coordinate with Town on things being considered to improve traffic issues at the Main Gate – ie: bike path straightening, reconfiguring the intersection, eliminating stop sign for outbound traffic, right turn lane for Beachwalker drive, etc.



8. Member Comments

- **Investment disclosure (2)** – A summary will be posted on the KICA website. Request to post full Investment report vs. summary. Don't like that members must request full report.
- **Roberts Rules of Order** – Advocated for Board to adopt Roberts Rules of Order – simple change to Bylaws. Dave Morley stated Board has not fully adopted Roberts Rules of Order and will table for discussion at a future meeting.
- **Traffic Issues/Front Gate**
 - Consider temp traffic signal on incoming lane to operate as needed
 - Consider a 4 way stop at Bufflehead & Flyway – Doesn't feel we should wait for Committee findings and should move forward. This is an accident waiting to happen. Who makes the decision on moving forward?

Shannon White said this is an operational decision – not a Board or Town decision. ARB needs to approve. Dave Morley asked that Jerry McGee and Tony Elder work together to expedite.
 - Consider repainting some of the older signage
- **Sandcastle Committee** - Excited about Sandcastle committee in motion! And Monarch project.
- **Transparency** - Happy that minutes and financial info will be finalized and on our Web site in a timely manner.

With no further business, the meeting adjourned at 2:51

Respectfully submitted,

Ellen Festa, Executive Assistant

