

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

May 2, 2022 at 1 p.m.

Virtual and In-Person Meeting

Board Members Present:

Jerry McGee, Chair
Beth Zampino, Vice Chair (Virt)
Alex Fernandez, Treasurer
Amanda Mole, Developer Director

Brad McIlvain, Secretary
David DeStefano, Director
Lisa Mascolo, Director

Staff Members Present:

Shannon White, COO
Dale Schoon, Director of Finance
Tony Elder, Director of Operations
Ellen Festa, Executive Assistant

Guests:

David O'Leary, Member
Steven Brody, Member (Virt)

Member Attendees: 19

Recording of Meeting:

1. Member Comments – Agenda Topics

2. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order. Jerry read the following statement:

“Kiawah Island Community Association recently experienced a computer network disruption. Upon discovery, we immediately began working with our IT staff and third-party computer specialists to investigate the incident and assist us in restoring full operability. Our team is diligently working to minimize service interruptions wherever possible. We can provide you with operational updates once additional information is learned. The investigation to determine what impact this incident may have had on information stored on our network systems is ongoing. At this



time, there is no evidence to suggest that any of your information was accessed. KICA does not store personal information of its members on its systems.

We appreciate your patience and cooperation as we continue to investigate this matter.”

3. Chair Comments

Jerry stated that there a quite a few issues being addressed on the island that are not going to be done overnight. He asked the community for patience and to moderate their frustration and anger during this time as Staff works diligently to address them.

4. Administrative

a. Approval of March 11, 2022 Minutes **(Vote)**

Vote Passed: (7) In favor – J. McGee, B. Zampino, B. McIlvain,
A. Fernandez, A. Mole, L. Mascolo, D. DeStefano

b. Approval of April 4, 2022 Minutes **(Vote)**

Vote Passed: (7) In favor – J. McGee, B. Zampino, B. McIlvain,
A. Fernandez, A. Mole, L. Mascolo, D. DeStefano

c. Ratification of e-Vote Binding Property Insurance **(Vote)**

- Shannon provided background:
 - 4/27 – Ins proposal was reviewed by the Finance Committee;
 - 4/28 - KICA Board conducted electronic vote;
 - e-Vote needed to bind our insurance by May 1, 2022

Alex commented in keeping with our normal 3-5-year evaluation of everyone we have contracts with, KICA appointed a new broker. USI was selected - they are a local firm and have done a great job so far.

Property insurance has become more difficult. The high number of storms/events in 2021 across the country impacted insurance premiums for everyone. For our renewal of property insurance, the premium has increased over \$150K, a 30% increase - which is substantial. We also re-evaluated the value of the properties and assets we insure, and increased the amount of coverage from \$17.5M to \$20M generating a higher premium.



We were able to negotiate a reduction in workmen's comp premium and a fixed fee for USI services instead of commission based – resulting in savings. Insurance proposal was reviewed by Finance Committee and unanimously recommended that we bring this to Board for approval.

Ratification of e-Vote Binding Property Insurance

Vote Passed: (7) In favor – J. McGee, B. Zampino, A. Fernandez, B. McIlvain, A. Mole, L. Mascolo, D. DeStefano

5. Reports

a. COO Report – Shannon White

Projects

- Road Paving – Resuming with Phase 2 which will run May 2 – June 10 – far side of Vanderhorst plantation. Roads being done this week include: Bass Creek, Otter Island, Ocean Marsh and Ocean Oaks. Roads being done in Phase 2 are posted on the website. If weather intervenes on a paving date, that road will be moved to the end of Phase 2 and members will be notified of new date. Phase 3 is expected to occur in the fall.
- Eagle Point Bulkhead – work is continuing over the next two weeks.
- Inlet Cove channel – under contract for Phase 3 of bank stabilization on south side of the channel. Contractor will begin work on May 9 and is intends to complete by Memorial Day. Contractor working on additional plantings for Phases 1 and 2 and will move over for planting on Phase 3.
- Flood Management:
 - Project 1 - western Sea Marsh and Needlebrush – added drainage pipes at Pond 20 and 21 for additional flow capacity. Completed. Engineers will work with impacted members on landscaping restoration.
 - Additional Projects targeted for completion this year:
 - Project 4 - pump station at V-gate intersection
 - Project 5 – drainage reconfiguration to limit tidal flooding on Governors drive



- Project 6 – 2/3 complete. Reconfigure Trumpet creeper drainage basin. Last 1/3rd will be completed this year.
 - Flood Management projects currently are on budget
- Pond Vegetation Removal
 - Since 2109 we have completed 43 ponds to remove overgrowth and replant pond banks. We have 3 more ponds to complete in the fall of 2022.
- Line of Sight Intersections
 - This work is beginning, we're starting at V-Gate intersection and land teams are working with ARB on plant selection.
- PGA Plantings
 - As part of 2022 budget, KICA Board approved to maintain PGA level plantings. 25% of those plants are out now, so by Memorial Day weekend, you should see the island come alive with color.
 - Annual pine straw underway, also to be complete by Memorial Day weekend.
- Sandcastle
 - Gearing up for summer season...CRU catering returning again this summer.
 - Increased Water Aerobics – 3 additional classes added
 - Family Pool heater platform modifications approved by ARB.

Personnel

- Down to 5 open positions in KICA. Admin (2) - Controller and Accounting Assistant, Lakes Tech (1), Land Irrigation (1) and Security (1)
- Plussing up staff for seasonal work.

Alex asked for status on Berkeley Electric work. Tony Elder said they are a little behind, but he is in contact with their upper management to keep on top of schedule. Should be done by Memorial Day.

b. Treasurer's Report - Alex Fernandez

Quarterly Report

- CTR and Commercial Access Fees – We are over budget in both areas. We are hoping to do a better job of forecasting – difficult but will look at more seasonal view. We don't expect to be so over budget as real estate sales are down.



- Investment Income and Returns – market changes have impacted us and we're down for 1Q.
- Water bill increases after 2Q are anticipated – adjustment for irrigation water is higher than residential -\$63K in additional water costs. 17% increase.
- Special Flood Assessment invoices will be going out in early June.

Financial Controls Manual

- 20% of our members are late paying assessments – represents a large amount of money (\$2M). We need to clamp down on this. FCM has been updated to show how to proceed on charging a penalty for late payers, a 1.5% monthly late charge will be added. Placing a lien on a property for non-payment is also part of the process.
- Lisa asked if we need a provision for extenuating circumstances? Do we accept electronic payments?
 - We do accept electronic payments- member can pay online.
 - Extenuating circumstances will be addressed on a case by case basis.
- Discussion about uncollectible charges write-off process. Anything under \$500, management can decide to write off. Update FCM to say uncollectible charges over 365 days may be written off.

Alex moved that the Board approves the amended Financial Controls Manual with changes to Chapter 6, Collection Policy as presented. So moved by Alex F., seconded by David D. (Vote)

Vote Passed: (7) In favor – J. McGee, B. Zampino, A. Fernandez,
B. McIlvain, A. Mole, L. Mascolo, D. DeStefano

Jerry commented about the water rate increase. He attended several of the meetings with the Town and KIU and feels it was a successful negotiation that is favorable to our membership. Even though KICA will take a hit, the membership will not see a large increase.

6. New Business



a. **Preserve Presentation** - David O'Leary and Steven Brody, Preserve Members

- Current situation puts the Preserve neighborhood in conflict with KICA, which is not a position anyone wants to be in.
- Preserve Fence Segment Assessment was changed to Preserve Segment Assessment in 2019.
- 40% of preserve lots adjacent to right of way are owned by KICA – for ex: trailheads to nature trails, property adjacent to observation towers, Cinder Creek and Eagle Point Landing - not buildable.
- 40% should not be paid for by Preserve owners, but they are paying 100%.
- 60/40 split was created in 2019, where it was suggested that 40% may be paid by KICA, but this was never resolved.
- Preserve membership feels they want KICA to pay for the 40% of the land they own. Respectfully asks for Board to consider the 40%.
- Jerry stated he wants to review the facts and then the Board will review and debate and find an equitable solution. Committed to have a Board decision by the next meeting.
- David also requested more attention to landscaping work done in Preserve.

b. **Policy on Member Review of Records**

- Added definition to procedure for requesting records.
- Request should be made in writing and specific
- Available within 10 business days, but typically sooner. Language could say best effort to be available within 10 days. We can determine if it would be paper or electronically. Not all records are electronic.
- Based on By-laws as written – but Governance Committee will be reviewing By-laws – may need to deal with by-laws first. Then address this policy.
- Discussion about what to charge, paper copies vs. staff time if electronic.
- Look at what records can be withheld – Governance TF will review.
- In the interim, what do we use? Review requests, assess and make decision. We've been doing this for years, so waiting for Governance TF work has limited impact.
- Currently we do not release Board Packet info. If we change that policy, certain info would need to be redacted where necessary.



c. Parliamentary Procedures

- Shannon reviewed draft of simple procedures and flow chart.
- Discussion about adopting Roberts Rules and the pros and cons:
 - Too complicated, shuts down conversation, too rigid and makes meetings burdensome. Very complex and requires in-depth study.
 - Roberts Rules requires a parliamentarian.
 - This shortened version highlights the processes that are used the most and that are already being followed.
 - Roberts Rules is a well-known framework that everyone is aware of.
- Board agreed to compromise and continue operating as they have been and use these procedures as a guideline without formally adopting Roberts Rules. Chair manages the process and will relinquish the chair in order to make a motion. Chair can ask for a motion, but cannot make a motion.
- If a point is reached where a ruling is needed, Roberts Rules will be used to come to a solution.

d. Board Outreach & Education Committee Recommendations (Brad)

- Committee met for a final meeting to review what worked well and what could be improved in the election process.
- 8 Candidates for 2 positions which showed great interest
- Written and video statements worked well and were very helpful.
- Candidate forum – moderator Judge Ain was very good, candidates didn't always answer the questions, but more due to the limitations of the format, not the moderator.
- Zoom forums were conducted for some candidates, good feedback on those, very helpful. Committee proposes that we also do Zoom forums for each candidate run by KICA staff member and publicized. Still need to determine if Zoom forums would be in place of the Candidates forum or in addition to.
- Negative tone of the election was disconcerting, particularly the use of social media to negatively comment. Release of the Jimmy Bailey statement was mentioned as poorly timed and sent a message. Committee recommended that the Board have a policy of silence during the 30 days of the election.
- Charter needs to be updated to reflect that committee members will remain neutral through the election process, not supporting a specific candidate.



- Fair Campaign Pledge – committee discussed role and responsibility of candidates to discourage, disavow and not support negative comments in the community when it occurs.
- Brief discussion about The KI Club email that had gone out and the perception of this type of communication.

To Do: Provide Web page statistics from KICA web page on candidate’s video, forums etc.

- Committee decided they would not go out with preliminary results, will only communicate final results. Election will close earlier so that operational process can work better.

Board Comments

- Noticed an extremely high number of bikes and bikers on the road. Security Task Force will be looking at improving signage in upcoming meetings.
- Discussed improving information provided to renters about island rules/regulations.

Member Comments

- Enjoy the improved transparency with the Board, but the public should have access to documents associated with discussion topics prior to the meeting.
- Discussion about the Preserve was a good one but was disappointed that the discussion stopped with no decision made and further information requested. Would like to see the board discuss the additional information that will be used to make a decision in public and not through closed meetings or discussions.
- Board has made a lot of progress, and feels it was much better to see the board discuss the full agenda at this meeting and not via a closed session, but agree that the public should see the documents prior.

With no further business, Jerry M. asked for motion to adjourn, so moved by Alex F. and seconded by Brad McIlvain. Meeting was adjourned at 3:06 pm.

Respectfully submitted,

Ellen Festa, Executive Assistant

