

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

October 12, 2022 at 1 p.m.

Virtual and In-Person Meeting

Board Members Present:

Jerry McGee, Chair
Beth Zampino, Vice Chair
David DeStefano, Director
Lisa Mascolo, Director

Brad McIlvain, Secretary
Alex Fernandez, Treasurer
Amanda Mole, Developer Director

Staff Members Present:

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

Tony Elder, Director of Operations
Mark Ruppell, Director of Security

Member Guests:

SueEllen Hanan, Sandcastle User Group Carol Medendorp, Sandcastle User Group

Member Attendees: (20)

Recording of Meeting:

<https://www.youtube.com/watch?v=ffIbYo3V1ds&list=PLUC1GQ9LxQBrmpFk9Rb6DiygHvdCLtsjf&index=1>

1. Member Comments – Agenda Topics

Member addressed proposed By-Law change. A comprehensive review of our By-laws is being done by the Governance Task Force at the Board's direction. Why is the Board considering By-law change now as opposed to waiting for the Governance Task Force to complete their work ? Draft of By-law is problematic as it precludes someone from KICA Board service if someone has been convicted of a felony in SC. It doesn't address convictions in other states which may be a felony in SC, but could be a misdemeanor



somewhere else. Clean-slate laws would also change an individual's situation but would still preclude their service to KICA. Member reviewed requirements for running for Town Council vs. KICA Board. Question as to why more rigorous to run for the KICA Board than the Town. KICA could be putting itself in a position of defamation.

2. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order @ 1:07 p.m.

3. Chair Comments

Jerry stated that he's grateful we got through the hurricane and would like to complement our staff for their preparation and clean-up.

Election is coming up and I encourage members to run for the (1) seat available. Look forward to seeing lots of folks volunteering. It is a great honor to serve on the Board and a great responsibility. Hope to see more people getting involved.

4. Administrative

a. Approval of September 12, 2022 Minutes (**VOTE**)

Vote Passed: (6) In favor – J. McGee, B. Zampino, B. McIlvain,

A. Fernandez, A. Mole, D. DeStefano

(1) Abstain - L. Mascolo – was not present at 9/12 meeting

5. Reports

a. **COO Report – Shannon White**

- Shannon provided an overview of KICA storm preparations for Hurricane Ian and impacts to Kiawah.

b. **Treasurer's Report - Alex Fernandez**

- Alex commented that all the storm clean-up work was completed under our normal operating budget and did not require additional funding to accommodate that work. Great job to the KICA staff.
- KICA Investment Advisor



- As noted at the September 12, 2022 Board meeting, the Finance Committee went out to bid for KICA's Investment Advisor as per the FCM. Finance Committee has completed the RFP process.
- RFP letters were sent out to 9 firms. 4 bids were received:
 - Cook Street (subsidiary of Morgan Stanley)
 - Gries
 - Moneta
 - Vanguard
- Sub-committee (Alex F., Bran P., Michael P. and Dale S.) scaled it down to 3 candidates (Cook Street, Moneta and Vanguard). Presentations were heard from the 3 candidates. After consideration of all the presentations, the sub-committee recommended we select Cook Street as the Investment Manager.
- Reasons for selecting Cook Street included:
 1. Investment Strategy
 2. Educational Capability & Opportunities available to KICA team
 3. Operational Functionality
 4. Fee structure
 5. Quality of their presentation
- Three (3) members of the Finance Committee and one (1) Board member were identified as clients of Morgan Stanley, but not Cook Street. It was determined that this presented no Conflict of Interest since the relationship is far removed.
- It is the unanimous recommendation of the Finance Committee, that the Board approve Cook Street as KICA's new Investment Manager. Alex made a motion to award the bid to Cook Street as KICA's new Investment Manager with a start date of January 1, 2023 or earlier. Motion seconded by Brad M.

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

- 3rd Q Investment Results will be available on the web page as of today. No surprise that our investments are down.



- CTR money is down for September. July: \$192K, Aug: \$251K, Sept: \$180K. As of August we're at \$2.8M, still over our budget of \$2M, but decline in real estate sales are reflected.
- We are going through the 2023 Budget process. Several more steps to follow and Finance Committee will review budget in October, community budget review will be held in November with Board approval in December.

6. Old Business

a. Q3 Traffic Report – Mark Ruppell

- Mark Ruppell presented the results of the 3Q Traffic Calming Initiatives (see presentation)
- Alex suggested that Security consider putting a second speed trailer in the 2023 budget.
- It was confirmed that CCSO will be issuing tickets as part of their enforcement efforts.

7. New Business

a. Presentation - Sandcastle User Group Recommendations

- SueEllen Hanan, Carol Medendorp and Shannon White presented recommendations of the Sandcastle User Group (see presentation)

Member Comments on Sandcastle:

- Changes are reasonable and necessary – enforcement is always an issue. Access to and from beach to pool needs to be addressed. Consider the implementation of wristbands.
- Member commented on the drastic changes being proposed. No restriction on proposed 55 passes. Concerned this might open it up to renters. Difficult to coordinate check-in by a member of guests. Family members would be restricted from using pool, gym, fitness classes etc. if member not present. Does fairness have to be this restrictive? Consider expanding definition of family to take into account modern family changes, allowing same access as lineal family. These proposals would hurt families. Doesn't feel overcrowding warrants these restrictions. Tailor restrictions to season, time of day or time of year. We're not the KI Club and it should not be our goal to be like them.



- Member requested we take into account modern family changes.

Board Comments on Sandcastle:

- David D. commented that the 55 pass number is not set in concrete. It will need review as we go forward. Need to coordinate member check-in, but it does make it fairer for members. Task Force did a great job – the lineal issue goes away with this proposal.
- Beth Z said it was good to start with the 55 number, but we need to start to develop facts to determine if the 55 number is correct going forward. Off peak this may be too restrictive – maybe consider less restrictions during off-peak times, which is not just Memorial Day to Labor Day.
- Brad applauded the group for their work. Shows the best of Kiawah, as they worked together as a community to come to agreement on difficult issues.
- Several Board members suggested some type of community forum to discuss this proposal.
- Alex inquired about the 55 pass number. Enforcement of beach to pool access is an issue. Suggested we look at an easier or more financially feasible way to control this access. Related to the Sandcastle parking lot, requested we review a gate to limit access. Shannon stated that it has been looked at it previously, but there are restrictions as to the number of parking places needed for the facility. Believe we are at specific number required. Alex would like this revisited.

**** 10 minute break taken at this time.**

b. By-law Change – Background Checks

- Jerry stated that this discussion has been tabled for now, to be discussed later. Strong opinions on both sides of this issue. This topic is being moved to the board's executive session. No vote taken.

8. Board Member Comments

- Lisa commented that the Sandcastle User Group did a nice and thoughtful job on their presentation.



- Brad provided an update on Governance Task Force. Comments and suggested changes are with attorneys, who will draft updates to the By-laws. Some recommendations are to address items that made the previous year difficult:
 - Defining specific roles of all board members and officers
 - Director terms
 - Items to improve KICA transparency and permit the organization to function better.
 The task force has had great discussions. For instance, Jim Jarosik has reviewed the governing documents for other HOAs in Sout Carolina, comparing them to KICA's. He's found some differences but many similarities. The Governance Task Force should have a working draft of the by-laws by mid-November. The recommended process would be:
 - Permit the attorneys to draft the updated by-laws
 - Governance Task Force will review it and sign off on a draft, to present as a recommendation to the Board.
 - Suggest scheduling a board workshop to review the draft document, given how lengthy and complex it will be. Board review occurs first, then conduct votes in a public meeting.
 - Should require more than a simple majority vote of the Board. Each by-law change would need to be voted individually.
- David provided update on Amenities Task Force. Reviewing costs and will be ready for review in November. Security Task Force sub-committee meeting tomorrow on leisure trail signage. These things are in progress.
- Lisa asked when Sora Rail trash/recycle location will re-open. It was stated that this is now temporarily open.
- Alex stated that some people thought working groups and committees were a waste of time, but to see the great work that the Sandcastle group did shows that committees do work.
- Alex stated that he has heard our pool referenced in several different ways – Oceanview Pool and Adult Pool. Alex made a motion to officially name the pool the “*Adult Oceanview Pool*.” David D. seconded it.

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



- Member asked a question about Eugenia paving and status. Shannon indicated that Eugenia members on the unpaved section voted against paving the roadway. 100% of owners on this section of roadway participated.

With no further business, Jerry M. asked for motion to adjourn. So moved by Brad M. and seconded by Lisa M. Meeting was adjourned at 3:09 pm.

Respectfully submitted,
Ellen Festa, Executive Assistant

