

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

November 7, 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

Ellen Festa, Executive Assistant

Tony Elder, Director of Operations

Guests:

Jim Jordan, Town Wildlife Biologist

Member Attendees: (10)

Recording of Meeting:

1. Member Comments – Agenda Topics

Member comment on 2023 Board Election. Have concerns about 1 open seat vs. 2, as it relates to Jerry remaining as Chair. Nothing against Jerry, but the rule of law stated we can't appoint. By-Law provision still exists but is inconsistent with the judicial opinion from last year that ruled we cannot appoint any members to the Board. Concern that the Board is taking action that's in conflict with the action. Appears the Board is taking a step backwards from any progress that has made so far.



Member comment on 2023 Board Election. Thanks to all those that serve and thanks to the staff for their hard work. However, our elected leaders should follow the law and feels we're playing fast and loose with the current issue of open seats. Current board chair wants to stay and is testing the waters of the By-Laws. He may be right or not, but either way it's going to cause an upheaval on the island. There should be two seats up for election. Hope we will see candidates that support governance and transparency, as well as prepare to take on ARB responsibilities. Two spots would also attract a more diverse group of candidates and have an election outcome that represents all homeowners.

Brad McIlvain commented that this is not a unanimous decision of the Board. There are a number of us who disagree and who feel this is improper and violates the By-Laws. Also feels it is contrary to a discussion that Jerry had with a number of us that he would do this for one year. Concern that if this goes back to Judge Scarborough, he will rule exactly the way he did last time.

Member commented that he agrees with previous member comments and Brad's statement.

Alex Fernandez commented on Judge's decision that it was illegal to appoint a Director. If Jerry remains Chair through next year, this scenario could be perpetuated if any of the (4) Board members, who voted to have Jerry remain as Chair, continue to appoint a Board member to an extended Chair term.

David DeStefano commented that he negotiated the one-year deal with Jerry and that Jerry had agreed to it. His understanding is that the Governance task force is working on changing this in the By-Laws to make it a one-year term. By-Laws don't rule – the Covenants do. We're driven by elections, not appointments.

Member commented that one of the consequences, if this is litigated, is it could be decided to overturn the election, because it would have turned out differently had there been cumulative voting.



2. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order @ 1:15 p.m.

3. Chair Comments

We're about to have an interesting election and he hopes that everyone goes out and votes. Jerry hopes that the upcoming storm is not that bad. Since there's such a full agenda, he doesn't have much to add now, but will say something at the end of the meeting.

4. Administrative

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

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

b. Ratification of e-Vote – Replace pavers at Main Gate **(VOTE)**

Costs for the project came in higher than budgeted. BOD allocated additional funding for the project, from cost savings recognized from another project.

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

5. Reports

a. COO Report – Shannon White

- Sandcastle:
 - Successful Oyster Roast with 163 members present.
 - Sandcastle has launched after-hours gym access with 276 applications received for access.
 - Winter hours start today & go through February 28.
- Major Repairs:
 - Road repaving project underway again. Anticipated completion is Thanksgiving.
 - Misc. road and concrete repairs underway
 - Drainage work in Rhett's Bluff neighborhood underway
 - Bass Pond drainage gate being replaced
- Land Management:



- Color bed change out continues
- LCI pond project continues. Currently working at entrance of Preserve.
- Working on line-of-sight at KI Parkway at Sea Marsh/Sora Rail intersection.
- Majority of irrigation systems have been turned off for the winter.
- Currently 183 new homes under construction
- Watching the tropics and the development & track of Nicole.

Amanda Mole arrived. Coming from jury duty.

Brad called for ratification of a vote taken at October 12, 2022 Executive Session to end Jerry's term as chair after one year (March 2023). Brad asked for any discussion for or against the motion. Alex made a new motion that Jerry's term as Chair ends at the end of the Board year in March 2023. Brad seconded it.

- David said the 3 directors have already put their points forward and asked the other 4 directors to share their thoughts.
- David asked Amanda to comment on her potential vote for a By-Law change, related to the chair's 4th year. Amanda clarified that there is a By-Law change being worked on by the Governance T.F. to change all officer terms to 1 year going forward. She supports that change, but that is not what's being asked now.
- David also asked about the By-Law changes, and the possibility they could be voted on before March 17. If it's recommended to change the By-Laws and they in fact get changed, KICA may need a special election. Why should we take that risk and spend money when all Jerry has to do is run again?
- Jerry called for a vote. Shannon clarified the motion. Motion restated is that Jerry's term as chair and on the board ends in March 2023.

Vote did not pass: (3) In Favor – D. DeStefano, B. McIlvain, A. Fernandez

(4) Against – J. McGee, L. Mascolo, B. Zampino, A. Mole

- Brad said that he didn't believe Jerry should have voted. Jerry stated that he can vote since he's a member of this Board. Brad, David and Alex disagreed with Jerry. Jerry stated that everyone has said what they wanted to say and let's move on.



b. Treasurer's Report - Alex Fernandez

- Quarterly Financials as of September 30 are on the website. Urge all members to review the financial situation of the community. If there are any questions, please feel free to contact Dale Schoon or myself.
- CTR activity – we are over our \$2M budget – we're at \$2.9375M. Last month there were 25 closings resulting in \$186,908 income towards our reserves.
- Community Budget Presentation is scheduled for November 14, 2022. It's an initial view of where we're going with our 2023 Budget. We're still in the process and completing final steps before we have a final number. Finance Committee will review final budget on November 30 with final recommendation to the Board for approval on December 5, 2022. I encourage everyone to log in to the Community Budget Presentation on November 14, 2022 @ 10 am.

c. Staffing Update – Shannon White, COO

- Shannon provided update on Recruiting and Retention activities, on behalf of Sarah Bond, who was out on medical leave.
 - Positive trends in our turnover and retention rates from 2021 to 2022, as well as against state averages.
 - Most improvement in Security and Land Management departments
 - Job abandonment has improved over 2021, particularly in Security.
 - We currently have 7 Full Time openings in the company – major improvement.
- Alex commented that this will be a continuous challenge given the current environment we are in. We need to stay on top of this and remain competitive. Beth also commented that the 2-step process we took seems to be working well.

d. COO 2022 Goals Update – Shannon White, COO

- For 2022, there were 4 major goals
- 1. Improve KICA member experience
 - Provided continuous support to the Amenities Task Force, Sandcastle User Group and Security and Enforcement Task Forces.
 - Infrastructure Projects



- Road paving project targeted for completion by EOY.
- Marsh Island Walk Bridge – has been held up in permitting for several years. We now have permits and this project will begin in 2022 and complete in 2023. To be done in 2 phases since it's considered 2 modifications vs. a rebuild
- Challenging year for projects – totaling \$8M
- Flood Management Projects
 - Project 2 completed prior to 2022.
 - Projects 1 and 3 were completed in the Spring
 - About to contract for Projects 4 and 5 to complete in 2022.
 - Project 6 – first 2/3 is completed. Working on permitting & easements needed for final phase of project. Will carry to 2023.
- Continue focus on Enforcement
 - Lowered speeds and installed stop sign. Added enforcement equipment.
 - Rules document specifically for renters and guests being distributed at the Main Gate.
 - Covenants violations issued by Security continue to be our focus, particularly in the summer months, with a 21% increase from 2021.
- 2. Staffing
 - You've just seen our Recruitment and Retention presentation.
 - Improved our on-boarding experience – Added quarterly meetings with all new staff.
 - Employee satisfaction survey completed in 2022 – will be done again in 2023.
 - Communications a top concern of employees that we will continue to work on.
 - Filled Director of Finance position – now have a strong Accounting team in place.
 - Director of Operations has completed the first year and is now fully managing day to day operations of the company.



- Transitioned the Director of Recreation in August. We now have an Interim Director in place. She's doing very well and is managing the team effectively.
- 3. Financial Performance of KICA
 - Financial Controls Manual updated in 2022.
 - Continue to support our Treasurer and the Finance Committee and their various priorities. We are completing financials on time and are posting quarterly results to the KICA website.
- 4. Board of Directors Support
 - Continue to provide support to our Directors as well as their various committees, task forces and priorities. Provided staff support to the newly chartered Governance Task Force, staff support of membership surveys, designing improvements to Kiawah Island Parkway and Kiawah Beach Drive intersection, scanned many of the corporate records of the Association and developed and implemented an improved Board Orientation session.

6. **Old Business - N/A**

7. **New Business**

a. Bobcat Study Funding

- Jim Jordan, Town Wildlife Biologist gave a presentation on the Bobcat Study efforts being done on Kiawah Island. The Board had budgeted, in 2022, \$25,000 for this study and will be voting to approve the contribution at today's meeting.
- Approval of Bobcat Study Funding for 2022 - \$25,000 **(VOTE)**

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

b. Board Outreach / Election Timeline – Brad McIlvain / Lisa Mascolo

- It's Election time – Board Candidate Applications opened on November 4 and will close on November 22. Two Board information sessions were held – one was recorded and is on the KICA website along with the presentation used. Lisa and I are always available to answer any questions. Reminder for people to be mindful of tone during this year's election process.



- Committee made some changes this year and there will not be a Meet the Candidates in person event. We will still have the traditional video asking (4) questions that the candidates will know in advance and will be posted. We'll be doing what we did during Covid and will be asking (3) questions of each of the candidates. They will be the same questions for all the candidates, but they will not be known in advance. Those responses will also be posted for viewing.
- Zoom forums will be optional for the candidates. They can do their own or KICA will set it up for them. The Zoom forums can be recorded and posted to the KICA YouTube channel.
- We currently only have (1) candidate. The Board agreed that they will not know the names of the candidates. Candidates will be announced to the membership on November 23. All candidate information will be available before the election opens on January 16, 2023.

8. Board Member Comments

- Brad apologized to a member for an email/comment sent on iKiawah that he felt was inappropriate. When we see something on iKiawah that we think is wrong, we all should speak up.

9. Member Comments

- Member commented on several topics. (1) Speeding and people running the stop sign at Flyway/Bufflehead is still happening. CCSO is there periodically but would like to see additional enforcement. (2) Comments made on rodenticide issues and restrictions in place. Wanted people to understand there are other options out there. (3) Marsh Island Bridge was built before regulations were required. Commented on how permitting could be approached in other ways. (4) Final comment is related to By-Laws allowing the Chair to extend for one year. Just because a law is still on the books, doesn't necessarily mean it's a valid, applicable law. It just means it hasn't been changed.
 - Alex Fernandez commented on traffic enforcement in the Flyway area. Tony Elder indicated that they have been collecting information on what CCSO is seeing that will be shared in the next board traffic report. Jerry McGee asked about a speed bump in that area. Tony said a speed table would be a better choice, but perhaps not



right at the hill since that could cause accidents if drivers hit it. If interested, we could have engineering look at the best place to put it.

- Member asked about reflective white strips on outer edges of roadways. Difficult to see with overgrown shrubbery. Please look into that and trim back some of the shrubbery.
- Member commented on Jerry not going through the election. Would like to hear why he's not choosing to go through the election process.
 - Jerry McGee made the following comments. He feels that he's within the bounds of what the By-laws and the Covenants call for. He noted that there are many who declare that they feel otherwise, and they are entitled to that opinion. He's reflected on his service and whether he has caused harm or done a poor job as a leader, which would cause him to step aside. He does not believe this is the case. He stated that he's worked hard and built coalitions. He has demonstrated the ability to talk with different constituents and believes that he is positioned well to serve one more year. As it was pointed out, that By-laws will be analyzed and decided upon, for the future. He stated that he believes that he can still make a positive difference.
- Member commented on several topics. (1) Sandcastle Parking Lot and potential for a gate. Something should be done to enforce parking and to stop tourists from using it especially in the summer months. (2) Commented about only having one officer at the V-Gate to manage traffic and backups that occur in that location. (3) Commented about parking on the grass on Governors. Member was told to move her vehicle even though there are many other vehicles parked on the grass where they're not supposed to.
 - Tony Elder will have Director of Security address V-Gate issue with the team.
 - Parking on the grass is addressed constantly as part of covenant enforcement. Tony will ensure KICA staff does this professionally and courteously.
 - Tony also addressed the Sandcastle Parking Lot issue. An engineering firm is reviewing what may be possible. One of the issues is that we have to maintain a certain number of parking spaces related to occupancy at the Sandcastle.
- Member thanked all the members who are serving on the Governance Task Force. There are inconsistencies that need to be addressed. Need to look at opportunities to rebalance the rights and responsibilities of our governing documents to reflect the community as it is today. Risk is that output may be too timid as opposed to too bold. Fundamental



governance issues are important not just today but for the future. Looking forward to seeing the output of the task force.

- Brad McIlvain thanked the board for creating the Governance Task Force. It's the best experience he's had here in KICA. It's a talented group, very smart, very dedicated and working very hard. They were originally trying to work within the By-laws as they exist, but that didn't work. Task force has been reviewing at what other HOAs do. Jim Jarosik has been doing tremendous work on re-drafting it. Brad stated they may also be making recommendations on covenant changes where they see the need for that.
- Board has created many committees and task forces over the past few years and this work has been extremely thoughtful and productive. Possibility for another committee related to large scale development in and around the island. In June, the Board issued a statement that it supported this, but I consider this to be an important function that KICA can participate in in a meaningful way.
- Member comment about community's recent discussions about the ARB and the process. Development Agreement now expires in December 2023. I would urge KICA to form an ARB Task Force. The purpose would not be to negotiate with the Partners, but to begin to anticipate how KICA is going to manage this division. Shannon and Amanda have had dialogue on this through the years, but there are other considerations. Also urge the Board to address public concerns about the ARB. The community has concerns about the process and the potential inequalities of the process.
 - Jerry McGee stated that this may warrant some kind of task force. We don't know if we have the skill sets in place to set up an ARB. Do we understand our roles and responsibilities? Who will staff it? There are a number of questions that have to be asked.
- Member urged the Board to take action to remove the By-Law clause related to the Chair's 4th year.

With no further business, Jerry M. asked for motion to adjourn. So moved by Lisa M. and seconded by David. Meeting was adjourned at 2:45 pm.

Respectfully submitted,

Ellen Festa, Executive Assistant

