

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

June 5, 2023 at 1 p.m.

Virtual and In-Person Meeting

Board Members Present:

Jerry McGee, Chair
Beth Zampino, Vice Chair
Lisa Mascolo, Treasurer
Kevin Donlon, Director

David DeStefano, Secretary
Alex Fernandez, Director
Amanda Mole, Developer Director

Staff Members Present:

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

Tony Elder, Director of Operations
Sarah Bond, Director of HR

Member Attendees: (20 In Person / 24 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=21UU8eHaCZQ>

1. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order @ 1:00 p.m.

2. Member Comments – Agenda Topics

Member Brad McIlvain: 1) Dismayed the By-laws are not being voted on today. We've worked hard to resolve all issues from the Community and the Board, worked with the lawyers and feels we should be ready for a vote. It needs to be voted on in July, waiting till September is too long.



2) Preserve: Concerns about the irrigation and planting work that's going on and when it will be completed. Tony Elder, Director of Ops had told Brad the work would be done by end of June, but Brad doesn't feel that's an answer.

3) Survey Results – need to look at comments, that's where a lot of interesting information will be.

Member Cody Jones: Comments on Sandcastle survey, using words like 'equitable' and 'climate change' raises concerns to him and others that the Board is taking a stance on political issues rather than being focused on taking care of property.

3. Chair Comments

- Jerry feels optimism in the air, things are moving along and hopefully are close to a By-law vote.

4. Administrative

a. Approval of Minutes (VOTE)

- a. Approve May 8, 2023 Minutes

Jerry M. asked for a motion to approve the minutes. So moved by Beth Z., seconded by David D.

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

b. Ratification of E-Votes (VOTE)

- HR Committee: Ann Weiser selected as the new member of the HR Committee. Beth Z. stated HR Committee unanimously approved Ann, has extensive skills and experience. Beth made a motion to accept the selection, seconded by Kevin D.

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

- HR Committee: Change term end dates to March 31 in order to have continuity. Beth Z. asked for a motion to change the dates, so moved by Lisa M., seconded by David D.

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



5. Reports

a. COO Report – Shannon White

Conservancy and Marshland Update

Shannon provided an update of marshlands, showing areas that already have conservation easements and what additional areas are being proposed by KP for conveyance. (See presentation)

Short discussion on conveyance process. Alex F. asked what this means for KICA. Over 3,000 acres - is there cost, liability, maintenance, etc.? Would like to understand potential impact(s), if any, before approving any conveyance. David D. asked if any consideration was given to conveying directly to Conservancy.

Member Todd Boney suggests we reach out to Low Country Land trust who has expertise in this area.

Discussion about how Development Agreement plays into this. Ensure we look at details of any easement documents and also have Attorney review.

Projects

- Summer Island Bridge is complete.
- Transitions at East Beach area completed.
- ARB approval received to do green striping down KIP, Allee of Oaks trail, will also repaint stop bars and crosswalks in this area as needed. Received permission to do crosswalk at Surfsong and Allee of Oaks at Boardwalk 32.

b. Finance Report – Lisa Mascolo / Dale Schoon

Lisa M. reported that Finance Committee (FC) met with Cook Street - our new financial advisors. Was a great overview. All assets were successfully transferred from Moneta. FC felt it was a good discussion and are very positive about the Cook St. team. Need to take a look at reporting available and how we want to summarize for the community. Full report is always available for members to look at. Cook St. provided overview of market conditions. \$12M is under their control at this point. Discussion included a revisit of our Investment Policy Statement, one of the many agenda items the Finance Committee will be looking at.



Alex F. commented on quality of the report. Said it was excellent and large improvement.

Dale provided updates on the following:

RFP for Auditor

- 12 invite letters were sent out
- 6 responded with intent to participate / 4 declined due to workload / 2 did not respond
- 5 submitted responses

Will be working on recap of responses and will select short list for interviews. Targeting end of June for a decision.

Assessments: Down to 11 delinquent accounts totaling \$29K – 99.8% collected.

Compared to June last year, we had 26 liens totaling \$75K, so making progress. Final warning letters going out before liens are filed in June.

Flood Assessment Program: 5 yr. plan to collect \$3M - \$2.1M collected to date. Cost of projects is roughly \$2.1M – savings of about \$900K (\$500K contingency and \$400K project savings) will be restricted and go back into Reserve Fund.

- Dale commented that his preference for any future special assessments is to have one time billing, rather than installments over multiple years.
- David D. asked if the \$ saved could be used for additional flood mitigation projects.
 - Shannon said there are other areas that need to be looked at, 1 Governors, continuing to monitor different areas.
- Alex F. asked if the \$400K saved was due to changes in the projects.
 - Shannon indicated we were very conservative. Planning was done so far in advance, there was a larger contingency on some projects which wasn't used. Closer you are to a project, the tighter you can be.
- Alex F. commented on recent bank failures. Do we have any bank accounts that exceed the \$250K that are Federally Insured?
 - Dale responded that we do not.

Lisa commented that we may need to consider increasing the size of the Finance Committee.



c. Joint ARB Task Force Update

David D. provided an update. Task Force will be sending out a presentation to the Community shortly for feedback and comments. Initially not designed to solve problems, but to review the current state of affairs and legalities.

d. Governance Task Force Update

Kevin Donlon provided update on By-Laws. They are down to the final few issues. Have worked with the attorneys for clarification on some items. Reviewed with Board today. Plan is to finalize and get it out for community review for 2 weeks and then target July for final Board vote.

6. Old Business

a. Additional \$5M Umbrella Coverage (VOTE)

Lisa M. reviewed USI proposals for obtaining an additional \$5M in umbrella coverage bringing KICA's total liability coverage to \$25M. USI presented 4 options, of which 2 were debated by the Finance Committee, who also discussed what the right amount of insurance is. Jenks Bailey of USI had shared with the FC that in her experiences, she has not seen claims over \$25M so we're in the right ballpark. Lisa moved to accept the Finance Committee's recommendation to approve Option 2 at a cost of \$12,192 to bind an additional \$5M in coverage over general liability, seconded by David D.

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

b. Resolution – Legal Committee of the Board – Litigation (VOTE)

Jerry asked for motion to form Legal Committee of the Board for Litigation.

- David D. clarified that this Committee was related to demand letter by 2 Board members.
- Alex F. read the following statement:

I need to explain why this resolution. Back in 2021, after KICA was sued for appointing two Board members the Board on a 6-3 vote appointed a three Board member committee “ the Litigation Committee” comprised of David Morley, Jerry McGee and Sandy Devine. Ms. Devine was one of the two Board members illegally appointed to the



Board. The Board on this 6-3 vote gave the committee total authority on the litigation. That meant that three Board members would not be able to exercise their fiduciary responsibility and would be excluded from any information or decisions made on the litigation. The six Board members voting yes did not see any conflict on the fact that one of the three members appointed to the litigation committee was one of the Board members related to in the lawsuit. Imagine that!

In late 2021, a Judge ruled that the 2 Board members were appointed illegally. At a Board meeting in December 2021, the Board voted 7-0 to release all the information related to the litigation to all Board members. Management sent partial information to the Board but when three of the Board members excluded in the litigation dealings asked to see all the correspondence on the litigation between Legal Counsel and the Litigation Committee. Management consulted with the prior Chair, and we were told that we would not get any of the correspondence related to the litigation. The question was and is “What did Management find in this correspondence that they went to the Chair to consult if the material should be released?”

During 2022 we insisted that this material be released to the three Board members but without any results. In January of this year, I again insisted and at the Board meeting the Board voted 4-3 not to release the information. So, here we are now. Board members deny information and materials to other Board members. Have you ever seen anything like this? If management and some Board members publicly withhold information from other Board members with the risk of a lawsuit for withholding information, can you imagine how much information is withheld or not disclosed to the Members of our association? What are they hiding on the litigation? What are they so afraid of? What did they do or agree to do during the litigation that they do not want it to be known? We can only imagine. The practice of private dealings behind the scenes and withholding information is still very alive at KICA.

- Motion made by Lisa M., seconded by Kevin D.

Vote Passed: (5) In favor – J. McGee, B. Zampino, L. Mascolo, A. Mole,
K. Donlon,

(2) Abstain - A. Fernandez, D. DeStefano

7. New Business

Leah Burris, Director of Communications provided an initial review of 2023 Member Survey Results. (See presentation).

She pointed out that this initial review does not include the over 7,000 verbatims received.

Those will be reviewed and summarized for presentation to the Board at the July meeting.



8. Board Member Comments

David D. made an announcement that Dr. Cawley from MUSC is giving a presentation tomorrow at Town Hall about their new facility.

Amanda M. gave an update on recent session of the Marsh Management Work Group and 3 different presentations. 1) Overview of comprehensive communications plan by Madeleine Kaye and next steps to include communications from all the entities. 2) John Taylor presented on permeable vs. impermeable standards and guidelines. 3) Jim Jordan did an update on public access at Kiawah Island Bridge. Amanda will continue to share information with the community.

7. Member Comments

Member Cody Jones: Comment on Sandcastle pool usage. Discussion about fairness, equitable, access differences for members with children and without children, renters, etc.

- Lisa commented that the SC group worked long and hard on this. It's not a perfect solution and, yes, there will be some members who are not happy, but we need to give it till the end of summer to see how it's working.
- David D. said the work this group did had the most community input and outreach of any of our committees. It's surprising to hear people say this was a surprise and they didn't know about the decisions made.

Member Charlotte Gerber: Is Sandcastle going to be re-voted on?

- Beth clarified that after the summer we will take a look at what worked and what didn't and make any changes if necessary.

Member Carol Medendorp: Focus on Members is still most important. The Board can't determine or define what a family is.

Member Brad McIlvain: Comments on litigation committee, continued withholding of information from fellow Board members, encourages the Board to consider what they do. Further comments on misinformation and civility.

Member Paul Hennessy: Asks Board to consider one question on Marshland acquisition – how does this acquisition benefit the homeowners? If it doesn't provide any benefit, say no.



Member Larry Wolohan: Asked for update on CCSO Security and Town and an update on ATAX funding. Commented that Seabrook is also a private island and they take ATAX funding. Provided a handout about land near the old inn site and what KICA intends to do with it.

- Shannon stated it is Sparrow Rd. and KICA owns the land. KICA Board allowed the resort to move the road. There's no decision to be made at this time.
- Shannon stated that regarding CCSO, we're currently under new District 11 and ATAX funding issue is under legal review.

Member Roger Warren - KICA Resort: During West Beach project, had agreement re: Sparrow Rd. As we move forward with development there, new plats will be filed. Roger said we will not be building a hotel down there, but will be building rooms.

Member Todd Boney: Comment on Marshland, consider other ideas for use of that land.

Member Phil Mancusi-Ungaro: For Surveys, encourage asking the right questions to get the answers you want. Comment on Marshland – how you draft restricted covenants is very important. Look at them holistically to accomplish what you want to accomplish.

Jerry asked for motion to adjourn. So moved by David D., seconded by Lisa M. Meeting was adjourned at 2:33 p.m.

Respectfully submitted,

Ellen Festa, Executive Assistant



BOARD OF DIRECTORS
Executive Session Summary of Actions
June 5, 2023

NOTE: KICA's legal counsel has stated that it is best practice for KICA to report executive session votes, so that they are recorded in the public minutes and made available to KICA members via the website. On advice of legal counsel, we will make an appendage to our public meeting minutes, which contain an excerpt from executive session minutes of any action the board has taken. As a reminder, executive sessions are for privileged, confidential and/or sensitive matters, which the board does not believe should be discussed in public.

All Board Members present.
Jerry McGee called the meeting to order at 2:36 p.m.

Votes Taken During Meeting:

- Approval of May 1, 2023 Minutes
 - Approval of May 8, 2023 Minutes
- All Minutes Approved. Vote Passed: (7) In favor /Unanimous**

Communications Task Force

Approval of Beth Thomae and Dawn McGreevey as members of the Task Force:
Vote Passed: (7) In favor – J. McGee, B. Zampino, A. Mole, K. Donlon,
L. Mascolo, D. DeStefano, A. Fernandez

Board Travel

Discussion about travel reimbursement policy for Board meetings created in 1996 and re-affirmed in 2002. Vote to eliminate policy.
Vote Passed: (7) In favor – J. McGee, B. Zampino, D. DeStefano, K. Donlon,
L. Mascolo, A. Fernandez, A. Mole

Meeting was adjourned at 5:24 p.m.

