

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS
Meeting Minutes
September 11, 2023 at 1 p.m.
Virtual and In-Person Meeting

Board Members Present:

Jerry McGee, Chair
Beth Zampino, Vice Chair (Virtual)
Lisa Mascolo, Treasurer (Virtual)
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
Leah Burris, Director of Communications

Member Attendees: (13 In Person / 25 Virtual)

Recording of Meeting:

1. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order @ 1:01 p.m.

2. Member Comments – Agenda Topics

Member Brad McIlvain: Glad to see we are voting on the By-laws. Thanks to members of the Task Force, a great group that worked well together. By-laws had not been reviewed since they were written, may not be exactly what we wanted, but a vast improvement over what we have. Financial Report shows we are up on revenue and down on expenses, would like to have this addressed.



Member Virginia Cepeda: Thanks for putting The Pointe Conveyance on the agenda. Have worked through the asphalt issues with Tony and his team and have accomplished many of the tasks asked of us.

Member Philip Mancusi-Ungaro: Appreciated the opportunity to be on the Governance Task Force, it was a lot of work and all the changes made were very rewarding and leadership of Brad helped us get there. Phil does not concur with Roberts Rules that says guided but not bound by - if you are not going to follow them, why do they need to be there? Re: Term Limits, Task Force made a recommendation on specific term limits. Board got involved and it changed, and not for the better. At this point, it felt like the Board took over the Task Force and we were not accomplishing anything as a group, so I am going to resign. I would happy to do more for Kiawah, but I don't feel I'm suited for this Task Force anymore.

Jerry thanked Phil for all his hard work, contributions and service.

3. Chair Comments

Jerry commented on ATAX and whether to take advantage of this funding. We've looked into it with our attorneys, spoken with many people about the issue. We received a very thorough analysis, discussed it twice in Executive Sessions in June and July, and the Board members were unanimous not to pursue this matter further. Downside appears to be a lot more versus the actual funds that would be received (Approx. \$125K). We wanted to let the Community know that that Board has reviewed it and will not pursue this further.

Jerry was glad to see how much commentary we got on the speeding protocols put in place. This says two things: (1) glad to see everyone get involved and (2) we need to continue to do better with communications, so there are no surprises. I urge people to look at the explanation I wrote. This is not something that just happened overnight. It took a long, long time to put in place. We spent hours discussing various ways of approaching speeding. We received radar information, and we decided we had to do a little more than put up a few signs and tell people to stop speeding. We don't want Kiawah to become a police state. What we have in place is very reasonable. We have 2 obvious signs that tell you you're speeding and gives you 500 feet to slow down before it takes a picture. Solution that makes sense, not overly punitive. Many of you may disagree, but your Board is trying to operate



with a minimum of authority and act in the community's best interests. One other thing, the 'tickets' are internal and do not go to DMV or the State, they are just fines.

David D. commented that as co-Chair of the Security and Enforcement Task Force we never discussed fines. The intent was to have signs showing your speed and if someone was speeding, they would receive a letter or email. David mentioned potential legal disputes on whether we can do this based on Rules and Regulations, referring to a 2018 covenant amendment that was not recorded. We can enforce our rules, but our rules include a covenant that doesn't exist. My recommendation is to put this back to the Security and Enforcement Task Force to come up with a plan to make it work. Hiring of CCSO to give tickets to a person rather than a vehicle was challenging due to staffing issues. I recommend we pause this, have the Task Force look into it with community input and come up with a solution.

Alex F. read the following statement:

"I am puzzled by the reaction of some Board members in regard to the speeding enforcement rules implemented or communicated last week. All the chatter on these rules was not a criticism of the COO, they were a criticism of this Board. The COO emailed us a draft of the communication and I for one, overlooked it and allowed for it to happen. That's on me and not the COO. So, let me repeat that's on us, that's on me, and not the COO. Had I responded to the draft announcement I would agree that we need enforcement of speeding by our members, but I would not agree to implement fines. We are not fining contractors, employees or Resort and KC vehicles. We are restricting their access to KICA. So why would we fine our members? Then there is the issue of renters, resort guests, member's guest etc. Many would be out of the enforcement process. I would suggest that we implement a process for our members that suspends their RFID decal for a week, two weeks, etc. They would have to stop at the gate for a pass in lieu of driving by the gate. Or suspend their Sandcastle benefits. These are the type of enforcement tools I would use in lieu of the dollar amounts. So I am certainly for enforcing the speeds on our roads, I know I was the one that recommended to the Board to purchase a second unit for controlling speed, yes I will take credit for that, but I am not in agreement of placing fines on our members."

Jerry added that the entire program was sent to all the Board members asking for comments. Only 2 people responded, the rest did not. We proceeded figuring that no one had an issue with it. We didn't arbitrarily do this. We did ask the Board for comments but only got two. Just wanted to let everyone know that this is what was done.

David D. made a motion to take this back to the Security and Enforcement Task Force to bring a recommendation back to the Board and pause enforcement.



- Shannon asked for clarification on pausing all enforcement? This includes employee and commercial speed enforcement also, not just member?
 - David D. we can restrict contractor access to the island, but restricting access to contractors should be last resort. Get legitimate law enforcement on the island to ticket the driver.
- Beth asked when the last time Security and Enforcement Task Force met.
 - David D. said it's been a few months and it was discussed as Traffic Calming. Fines were never discussed.

Discussion on whether all enforcement should be paused or just speeding enforcement. Beth feels all enforcement should be stopped until Security & Enforcement TF can meet and meet regularly, cannot be selective in what we enforce.

- David commits to bringing the Task Force together as soon as possible and having at least one public meeting to discuss topic and get community input.
- Kevin D. we need a well thought out, well discussed written policy that we can vote on so that everyone is clear on it, especially staff.

Security has been doing traffic enforcement for ex: parking rules. Security will continue to do this – it was agreed this should not be stopped. Security Task Force will address speeding for contractors, employees and members.

Discussion about whether to stop all enforcement with CCSO and sharing of information with them. Contracting with CCSO was an area the Board all agreed with. We can't tell CCSO what to do or prevent them from coming on the island to enforce speeding.

David D. restated the motion to say that we will pause KICA enforcement of speeding on the island. We will refer this matter to the Security Task Force and come up with a recommendation to the Board as soon as possible. This motion does not include KICA hiring the Sheriff's office to enforce speeding. Seconded by Alex F.

- Discussion: Lisa doesn't feel we should share any information with CCSO with respect to speeding enforcement. David D. we can't tell CCSO what to do, we can provide them with data on hot spots so we can ask them where to go. That had been unanimous agreement by the Board and Staff.

Vote Passed: (6) In favor



J. McGee, B. Zampino, K. Donlon, A. Fernandez, A. Mole,
D. DeStefano

(1) Against

L. Mascolo

Beth asks that the Security and Enforcement Task Force meet on a monthly basis so that the committee is aware of what's going on.

4. Administrative

a. Approval of Minutes (VOTE)

a. Approve July 10, 2023 Minutes

Jerry M. asked for a motion to approve the July 10, 2023 minutes. So moved by Lisa M., seconded by Kevin D. Alex requested a change to his Board comment on Page 7. Remove the word 'private' in this sentence: "still too many private things being discussed in Executive Session."

Vote Passed: (7) In favor with changes requested by Alex F.

J. McGee, B. Zampino, K. Donlon, A. Fernandez, A. Mole,
D. DeStefano, L. Mascolo

b. Approve August 14, 2023 Minutes

Jerry M. asked for a motion to approve the August 14, 2023 minutes. So moved by Kevin D. seconded by Alex F.

Vote Passed: (7) In favor

J. McGee, B. Zampino, K. Donlon, A. Fernandez, A. Mole,
D. DeStefano, L. Mascolo

c. Ratification of E-Votes N/A

5. Reports

a. COO Report – Shannon White

Bobcat Hall

We have all experienced problems in this room with sound quality & intermittent delays. We have now replaced everything in this room, including video, speaker system and the



laptop. As of August 31, Comcast directly connected fiber to this room, which is significantly faster so hopefully we will see an improvement.

Hurricane Idalia

Prior to the Storm

The staff prepared for the storm, which was forecasted to include heavy rains of 4-8", high winds & storm inundation of 2-4' combined with a king tide on the night of Aug. 30. Our preparations included:

- Closing drainage basin gates to incoming high tides
- Lowering all drainage basins across several days. We ultimately gained approximately 8" of rainfall capacity in our pond system.
- Brought a drainage contractor on-island pre-storm to vacuum out problem drainage areas.
- Shut down all irrigation controllers.
- Secured all our infrastructure & buildings.
- Put our emergency contractors on standby.
- Held discussions with general contractors to secure construction sites, in preparation for a noon closure on Wednesday.
- Overstaffed our security team, which would ride-out the storm. Our security leadership team remained on-island with their team. Additionally, CCSO staffed District 11 with deputies and STJFD assigned a battalion chief to Kiawah.

During the Storm

- Rainfall was less than anticipated, as the heaviest rainfall fell to our west. At our maintenance office, we received 3.88" on the day of the storm, mostly in the AM hours.
- The biggest challenge was the expected king tide at 8:30 p.m. on Wednesday, which was pushed higher by storm inundation.
 - At the Kiawah River Bridge, the tide was measured at 9.77'. For approximately 2 hours, the KI Parkway, near the curve by Mingo Point was impassable. Town of Kiawah and emergency officials made the decision to close the KI Parkway. KICA put a notice out to members that the road was closed & to remain off the roads.
 - According to media sources, this was the 5th highest tide recorded for the Charleston harbor, behind hurricanes Matthew, Irma & Hugo.
 - As expected, the storm inundation impacted members living along the Kiawah River and the marsh.

Post-Storm on Thursday



- Most ponds on Kiawah were at normal levels or slightly above normal levels.
- While the ponds had the capacity to handle the rainfall from the storm, a pond system cannot hold storm inundation. One area that experienced problems was the Trumpet Creeper neighborhood, just north of Governors Drive. This area suffered storm inundation, which flooded the 2 ponds which make up this small drainage basin.
 - On Thursday AM, we had a high capacity pump clear Governors Drive, but the road immediately flooded again.
 - Once high tide passed, our team moved to the marsh side of the system & began pumping the pond water out to the marsh, in order to gain capacity in the ponds. In gaining this capacity, Governors Drive was able to drain, making it passable again for the 12 pm reopen to commercial traffic.
- As we had anticipated storm inundation, we had professionals committed to come to Kiawah immediately on Thursday morning, in order to assist us in inspecting our infrastructure safety. This included a structural inspection of the Sandcastle, our 8 vehicular bridges, our 60 miles of road, our boating facilities, our boardwalks & our walk bridges which may have had storm inundation issues. We are pleased to report that KICA suffered very little damage. Damage was immediately rectified by our general maintenance staff.
 - I would like to take a moment to publicly thank these companies which came to our aid, sending in their staff to assist us with inspections immediately following the storm:
 - McSweeney Engineering
 - Stantec Consulting
 - Truluck Construction
 - Despite having personnel on the island that morning, all 3 companies have declined to invoice us for their time, stating that they were happy to be of assistance to us. We are supported by great contractors on the island & this is an example of those important relationships.
- Of course, the storm left the island messy, for our land management team to manage the next day. Another great contractor for us is Three Oaks Contractors. They had notified us that week that they were standing by to assist us on Thursday and they were here, helping us recover the island right away.
- A huge thank you to our land team who worked so hard to restore Kiawah so quickly on Thursday & Friday, for the Labor Day holiday weekend.
- Currently estimate our expenses related to Hurricane Idalia to be in the range of \$50,000. The majority of this was in immediate landscape cleanup and vacuuming out drainage lines

Alex F. commented on great job done by staff on clean up after storm. He asked about the flooding in Governor's Drive area.



Shannon indicated that this area will have drainage improvements done as part of Flood Management Project #6 in the Fall. While this area did receive storm inundation, the drainage improvements will improve post storm drainage.

Jerry asked Shannon to send a letter of thanks from the Board and Staff to our vendors who did not invoice us for the post storm work.

b. Finance Report – Lisa Mascolo / Dale Schoon

Jerry asked Brad to restate his Finance question from Member comments. Brad asked why revenue is up but expenses are down? Is that because we're not doing certain work?

Dale S. stated it appears to be timing differences on the expenses. We are on track to spend the money that we said we would.

Alex observed at this time the budget was scheduled to be at a deficit of \$840K. The Actuals state there's a profit of \$600K – that's a big swing. Are we going to swing back that much by EOY?

Jerry stated that we should hear the project report from Tony and then ask the question.

Lisa M. Q2 Financials are posted on website. 990 Tax Return has been finalized and filed last week.

Alex raised the Cassique contract and the profit, loss and tax implications to KICA of this. We were told we were going to make \$25K and lost \$12K, why was that?

Dale provided an explanation about reasonable allocation to the IRS. Many of those expenses would be incurred anyway in those areas. Lisa commented that this is not relevant at this time. Jerry added that at the time the intention was to co-mingle resources and gain efficiencies. It didn't work, we learned a lesson and it's time to move on.

Alex commented on 990 and the number of hours spent by the Directors. Those hours should be determined by the Directors, not the Auditors. Going forward, they should be asking us, not making the determination for us.

Dale S. provided an update on several areas:

- CTR - August YTD we're at \$2.268M against a budget of \$3.050M. Dale confirmed we are tracking on budget without the Cape.



- 2023 Flood is 97.6% collected with \$11K still remaining.
- Liens - 2 liens outstanding for 2023 totaling \$5,900.
- 2024 Budget Process – starting the process with next key date September 28 when the Finance Committee meets to discuss key drivers, direction and guidance for the rest of the process.
- Forvis is working well with us. Working on finalizing the 3-year engagement letter.
- Investment performance – Quarterly returns are at 5.3% - approaching our 5% target returns that are in the IPS.
- Q2 saw the portfolio reach the target allocation of 35% equities and 65% fixed income.
- Established a quarterly Investment review with Cook St.

Beth added that the Health Care contract has to be reviewed by the Finance Committee and the Board.

c. 2023 Projects Update

Tony Elder provided a detailed update on status of 2023 projects.

Expressed some concerns with getting all the projects completed by the end of the year recognizing that projects take a long time to complete.

- Have we received an updated estimate for the roundabout at Kiawah Beach Drive?
 - Tony will provide it to David.
- Status of moving bike path behind second gate.
 - Tony said probably won't get that one done this year.

6. Old Business

a. Revised KICA By-Laws

Kevin D. provided an overview of Revised By-Laws which are being presented today to the Board for a vote. The Board has received input and comments from the Board, the Community and Legal Counsel.



Motion made by Kevin D. to approve the latest draft of the KICA By-Laws, seconded by Alex F.

Board Comments:

- David D. commented that he will vote yes on the By-Laws but disagrees with 2 terms total with 2 years in between. As to Roberts Rules, believed it was good to have it in there.
- Alex F. read the following statement:
“I again would like to thank and offer enormous appreciation to Brad McIlvain, Chair of the Governance Task Force as well as the members of the Task Force – Amanda, Philip, Jim and Kelly. It was a long road, but I believe we have a good document. This is the first time since the original developer provided By-Laws for KICA that we have had a complete rewrite. It was needed! Yes, I am not in agreement with every new article written, particularly Robert’s Rules and term limits. I still believe that Robert’s Rules is a tool for the Chair to be able to run meetings more efficiently and limiting Directors to a single term will hurt the institutional continuity of KICA. Some have said that limiting Directors’ terms is a political vendetta, but I am confident that if so, it will come back to haunt those behind such a scheme. In any event, the rewrite of the By-Laws will install new governance rules that will benefit KICA and that’s why I will be voting in favor of the proposed By-Laws.”

Vote Passed: (7) In favor

J. McGee, B. Zampino, K. Donlon, A. Fernandez, A. Mole,
D. DeStefano, L. Mascolo

b. Conveyance Request from The Pointe

Tony Elder provided an overview of the process from when it began in March of 2022. This conveyance is for roads and drainage only. The Point had agreed to all the costs to bring it up to KICA standard.

Jerry M. asked for a motion to accept the conveyance of The Pointe roads and drainage once it is brought up to standards. So moved by David D., seconded by Lisa M. Discussion:

- David D. suggests they look into overlay instead of milling, may save them some money.
- Kevin D. commented on Ocean Park roads that are now having issues. Don’t want that to happen with The Pointe. Ocean Park followed standards from the Town and it was conveyed from a 3rd party developer prior to



KICA implementing road standards. Kevin would like to have recommendations from our engineer staff in this area.

Vote Passed: (7) In favor

J. McGee, B. Zampino, K. Donlon, A. Fernandez, A. Mole,
D. DeStefano, L. Mascolo

c. 2023 Member Survey – Release Verbatim Summary to Membership

Leah Burris provided a summary document of the 7,000+ verbatims received from the Community and recommended that this summary be released to the Community. The Board agreed and Leah will post it to the website this afternoon.

7. Board Member Comments

David D.: Thanks to Governance Task Force for the great job – it was a lot of work. Next thing to address is the KICA Covenants. Shannon confirmed that the By-Laws will be sent to Rosen Hagood for filing with Charleston County.

Lisa M.: Thanks to Shannon and the KICA team for all the work leading up to Hurricane Idalia and post cleanup.

8. Member Comments

Member Virginia Cepeda: Thank you for voting. We'll work with KICA engineering on looking at the overlay.

Member Lin O'Leary: Commented on Preserve expenditures for landscaping and irrigation and her request to KICA for that accounting information and the delay in receiving that information. Per the By-Laws and Covenants, responses must be provided within 5 days and this request did not meet those guidelines. Discussion about the Preserve Work Group and what was discussed with that group and the process defined to provide information about the Preserve plantings, expenses etc. Comments on irrigation and timing of repairs. Further comments on herbicide and Yellowstone contract and if it's included. Lin requested Dale send her the invoices on the microferns.



Jerry asked if the comprehensive materials that KICA staff prepared and reviewed with Lin was sufficient. Lin stated that she doesn't feel it was complete and did not address certain questions and concerns.

Member David O'Leary asked the Board as they go into Executive Session today, whether Jerry McGee is demonstrating the leadership needed.

Member Jim Jarosik: Thank you to the Board for passing the By-Laws and thanks to my fellow Task Force members. Hope that the new By-laws will actually be enforced and followed along with SC Law by the Board.

- Has KICA ever fined a member for violations of Rules and Regs other than assessments?
 - Shannon said yes.
- Is there any speed data on guests? Shannon will get that information.
- Is Ocean Pines agreement regarding Duneside still in place? It has not been modified.

Member Philip Mancusi-Ungaro: Need to also look at Covenants and Governance manual. Shocked at lack of concern about speeding. Where is it articulated that the ARB has authority for safety things like stop signs etc? Why does KICA staff go to ARB? Unless the Board or legal counsel advises otherwise, KICA staff goes to ARB.

Member Maura McIlvain:

- So much done in Executive Session – do less.
- Communications on Electric signs – should have different information related to rules and regulations, such as No e-Bikes, provide speed limit, don't ride on the roads, etc.
- Board acting with minimum of authority – stop fining people.
- Lin O'Leary grievance – first time KICA has ever received a grievance.
- Comment about raised voices at board meetings
- 990 – Does the KI Club compensation for COO need to be listed?
- Why is Security staff in attendance at these meetings? Requests they not be there.



Member Carol Medendorp: What rules are shared with visitors? Consider creating a Task Force to address this.

Member Brad McIlvain: Share topics discussed in Executive Session with Community. Resigned from Governance Task Force – last 6 months have been unsatisfactory, new chair ignored everything that we looked at. We worked as volunteers, put in a lot of time and gave you a good product.

- Kevin D. there were 4 people on the committee that went after the By-laws with a similar mind set. Board did not agree with everything that was done, tried to administer it the best I could. Phil was disappointed it didn't go his way, but there was a committee that made a recommendation, a Board that had to get comfortable and approve it. There was outside counsel, there was member feedback and there were 7 members on this Board. Just because we didn't take 100% of what the committee wanted, doesn't mean there was a bad process. In the end, we got something that the bulk of the community wanted.
- David D. suggested the Executive Session be held in the morning and then report to community at the public Board Meeting.

Member Martin Linkler: Commented on speed enforcement, expressed disappointment and disagrees with enforcement and timing of announcement.

Jerry asked for motion to adjourn. So moved by David D., seconded by Kevin D. Meeting was adjourned at 3:44 p.m.

Respectfully submitted,

Ellen Festa, Executive Assistant



BOARD OF DIRECTORS

Executive Session Summary of Actions

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.

July 10, 2023

Jerry McGee called the meeting to order at 3:42 p.m.

Alex Fernandez left the meeting at 4:10 pm.

Votes Taken During Meeting:

- Approval of June 5, 2023 Minutes

Vote Passed: (6) In favor and (1) Not Present

No other votes were taken.

Meeting was adjourned at 6:30 p.m.

August 31, 2023

Jerry McGee called the meeting to order at 2:10 p.m.

Votes Taken During Meeting:

Amend COO's employment contract with a one-year extension.

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

Motion made to increase the current Board Outreach Committee to 7 members, including the chair.

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

No other votes were taken.

Meeting was adjourned at 3:30 p.m.

