

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

November 6, 2023 at 1 p.m.

Virtual and In-Person Meeting

Board Members Present:

Jerry McGee, Chair

Lisa Mascolo, Treasurer

Kevin Donlon, Director

Amanda Mole, Developer Director

Beth Zampino, Vice Chair

David DeStefano, Secretary

Alex Fernandez, Director

Staff Members Present: Shannon White – COO, Tony Elder – Director of Ops,
Dale Schoon - Director of Finance, Ellen Festa – Executive Assistant

Member Attendees: (10 In Person / 12 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=4zCcVvEZ1VA>

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: Commented that he feels 8 people on the Governance Task Force is too many.

Member Paul Hennessy: 1. Observation that specific tasks and issues are not addressed in the Governance Task Force charter. 2. Why are some Committee/Task Force meetings public vs. not public? 3. Is there a policy related to KICA's acquisition of land? Hope to see discussion today on logic and benefits of the Conveyance (Item 6).

3. Chair Comments



Jerry commented on upcoming election and encourages everyone to tell folks about the opportunity to run for the Board. Look forward to having a nice slate of candidates.

4. Administrative

a. Approval of Minutes (VOTE)

a. Announcement of Votes in Executive Session

Jerry provided a read-out of actions and votes taken at the October Executive Session

b. Approve October 9, 2023 Minutes

Jerry asked for a motion to approve the October 9, 2023 minutes. So moved by David D., seconded by Kevin D. with the following changes:

Alex asked for a change to this sentence on Page 3 – “Alex F. asked that the minutes reflect that issues previously raised around liability, additional costs, insurance, etc. have been addressed and are no longer of any concern.” to include ‘have been addressed by Legal and Management, and are no longer of any concern.

Vote Passed: (6) In favor

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

(1) Abstain - B. Zampino (*not present at Oct 9 meeting*)

5. Reports

a. COO Report – Shannon White

Congratulations to the Sandcastle team on a successful Oyster Roast this past weekend. They welcomed 154 members to the event.

Projects

Completed

- Walk bridge on Allee of Oaks
- Water has been installed at Eagle Point

Underway

- Drainage work, to line metal pipes & install tide flex gates, in Inlet Cove. This project should be completed shortly.



- Kayak dock at Eagle Point, should be completed this month.
- Boardwalk 13, to be lifted & extended

Signed contracts on the following, with construction about to begin

- Flood project 6 – tide flex gates being installed to stop water backing up into the system from high tides.
- In September, the board reallocated reserve funding to pave roads ranked as poor in the 2023 road survey. These roads will be underway in mid-November: Baldpate Court, Cedar Waxwing Court, Pine Sicken Court, Trumpet Creeper and Marsh Cove Road.
- In early December, we will be encapsulating the space under the first floor at the Sandcastle, to help with moisture issues. Also reroofing the Grille & Pavilion.
- Paving of the Green Winged Teal leisure trail from the KI Pkwy to Amaranth Road.
- Landscape projects which are about to commence:
 - Sea Forest Drive – Inbound side, Night Heron Villas to Mariners Watch Villas
 - Glossy Ibis medians & park area

Pending

- Additional paving of “fair trails” will be under contract shortly, to be completed by year end.
- Boardwalks 14 & 16 have been string lined for approval.
- Signs for “no bikes on the road” are going into production, to be delivered by year end.

Alex F. shared that a comment was made at recent Ways & Means meeting that Town is considering establishing a police force and that KICA had expressed interest for this to happen. It was stated that the KICA Board has taken no public position on this issue. KICA senior staff has also not expressed a public opinion.

b. Finance Report – Lisa Mascolo / Dale Schoon

Lisa provided an update. Closing in on end of year budget activities. Finance Committee (FC) has met and reviewed first cut of 2024 budget, which was then reviewed this morning



with the Board. We will continue to work through the budget and present that as we go forward.

- Community Budget session where 2024 Budget will be reviewed with the membership is scheduled for November 29.
- Investment Policy updates are underway. Reviewed with Board and FC will be working on revisions to bring back to the Board at the December meeting.
- Q3 financials are posted on the website. Should see our project expenditures go up since we've got a lot of work going on.
- Investment performance lagging a little behind due to market volatility.
- Insurance sub-committee has been meeting to review Employee Health insurance options which we will talk about under New Business, and also reviewed our Property insurance. Policy doesn't renew until spring and we won't have actual figures until then, but we do expect a significant increase.

CTR: Dale provided an update on CTR:

- We're just below \$3M on a budget of \$3.05M. Collected \$425K in October, so still very good activity.
- Need to average \$36K per month to meet budget, which appears to be reachable.
- Expecting to be around \$3.3M, which is good considering Cape was deferred to 2024.
- All Flood assessments and all regular assessments have been received.

Alex F. wanted to congratulate and thank Dale on the preparation of the Q3 Executive report – very detailed yet made it very easy to understand. It was an excellent report. Touched on the improvements on our investment income and managing our cash assets. For comparison: Investment Income in 2020 was \$644K, in 2021 \$679K. As of 3Q 2023, we're at \$713K. On target to make \$1M for the first time in KICA history. Great job on managing our cash assets.

c. 2024 Election Update – Lisa Mascolo

Election process is underway – 2 open house sessions were held and we've had some candidates express interest. Hope that we get more candidates who are interested in serving. Discussion about when the Board will know how many candidates there are.



Following the process and timeline that was laid out. It can be changed, but they will be notified when the applications close on Nov 15th.

d. Joint ARB Task Force Update – Kevin Donlon & David DeStefano

Kevin D. reported that they have now completed Phase 2. A lot of time and thought went into it. Final Draft is complete and is being shared with the Board and TOKI Town Council for their input. Hope to release it in late November, have a Community meeting in early December to solicit community feedback before we approach Kiawah Partners formally.

Alex F. asked if KICA still needs ARB approvals for routine repairs and maintenance. Shannon would have to look to see if there was a specific formal Board decision on this. Amanda M. stated that yes, the ARB requires this.

e. Operational Goals from 2023 Membership Survey - Shannon White

KICA staff continues to work with all the information shared in the 2023 Membership Survey. Department Heads have identified Operational items. Overall, we've identified four (4) main goals:

1. Continue to focus on Customer Service to the Membership
 - Continue to stress our standards of excellence
 - 2024 Budget includes staff customer service training
2. Continue to improve Member experience particularly related to the Sandcastle
 - Comments received on Sandcastle facility related to Oceanview pool, gym, etc.
 - Lots of comments on grill and bar services and requests to extend season.
 - Tried a few things i.e.: food truck Fridays which was moderately successful. Added weekend bar service in September, which was not so successful. Started limited drink purchases in October, will see how that works.
3. Continue to uphold the Kiawah Brand in terms of infrastructure
 - Boardwalks are the highest used amenity
 - Continue to focus on this in day to day operations.



- 2023 projects underway to improve boardwalks, trails, roads, drainage systems and landscaping. 2024 Budget also includes improvement projects.

4. Increase enforcement & enforcement education

- Members expressed dissatisfaction with parking violations.
- We've enhanced patrol – named a patrol supervisor, increased from 2 to 4 dedicated patrol officers, established bike patrol, increased visibility of patrol vehicles and increased training for gate staff as patrol officers.
- Resort access and gate access also areas of concerns. Working on module to tighten access controls.
- Increasing our publications on rules, publishing security stats and working with CCSO to publish CCSO stats also.

We will continue to work with information you provided us and hope you see improvements in 2024.

6. **Old Business (N/A)**

Next item is regarding conveyance of Marshland around Kiawah Island and will require a vote. Jerry M. read the following statement:

“This conveyance deals with the obligations under the Development Agreement, conveying all the marshland which is part of this agreement. This totals 3,325 acres of marsh, which is under conservation easement, and will be owned by KICA, on behalf of the members.

There is a caveat here: There are 15 additional marshland acres, which are not part of the Development Agreement, located at the far western end of Kiawah Island. This marshland fronts Mingo Point, The Pointe, Riverview & Inlet Cove. The developer is close to completing the terms of the conservation easement with the Kiawah Conservancy, for this area. This area of marshland has different conditions, as the Kiawah River is so close to the land. It is the developer's intention to have this conveyance discussion at a later date, but they did not want to delay the conveyance of the 3000 acres, to meet their current obligation under the development agreement.”

Jerry M. asked for a motion to approve the conveyance with the condition of a satisfactory completion of legal review. So moved by Lisa M., seconded by David D.

Vote Passed: (7) In favor



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

7. New Business

a. Governance Task Force Charter Revised **(VOTE)**

Jerry M. asked for a motion to approve the revised Governance Task Force Charter. So moved by Lisa M., seconded by David D.

Alex F. asked that the charter include ‘minutes will be taken’. Also show that it’s (8) members plus the Chair. Ensure that the \$25K is included in the 2024 Budget.

Vote Passed: (7) In favor

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

b. Alignment of Committee & Task Force Charters

Discussion on various items related to all the Charters:

- Suggestion was made that Security Task Force should be a Committee.
- All Charters should include that minutes will be taken and are available. HR Committee would be an exception.
- Board Outreach & Education – state it should have at least (1) former Board member - don’t need to define it’s a member that has never been a Board member.
- Finance Committee – include that Health Insurance should be reviewed in conjunction with the HR Committee.
 - Review Financial Controls Manual ‘at least’ every two years.
 - Include ‘staggered’ in terms.
 - Include minutes are to be posted.
- Sandcastle – need to determine if this should be a User Group or Committee
 - Suggestion that Amenities & Sandcastle be combined

Make changes and provide clean copies for review in December. No vote taken.

Lisa M. added to the agenda, requesting a motion to support self-insurance for the employee Health Benefits. This has received full support of the Finance Committee insurance sub-



committee and provides a potential opportunity over the next 5 years to control our costs.

So moved by David D., seconded by Kevin D.

- David D. commented that he supports this approach, as he feels it's better for the employees and low risk to KICA.
- Alex F. commented that it's going to cause chaos for employees, doesn't believe it's going to save money in the short term and doesn't think it's the right thing to do at this time.
- Beth Z. commented that this is a long term strategy, allowing us to manage costs proactively, moving from fixed cost to variable. Gives more control over our plans and is helpful to our employees. We will get more information on claims and can work with the Captive to help our employees make better decisions and over time reduce our costs.
- Lisa M. commented that it's a good opportunity to not only manage our costs, but also help our employees manage their health outcomes.

Vote Passed: (6) In favor

J. McGee, K. Donlon, A. Mole,

D. DeStefano, L. Mascolo, B. Zampino

(1) Against

A. Fernandez

8. Board Member Comments – N/A

9. Member Comments

Member Brad McIlvain: Disagrees with number of Board candidates being kept confidential. Names are confidential, but not the number.

Member Philip Mancusi-Ungaro: Executive Session topics are not confidential and could be discussed in public. Were minutes released from previous Executive Sessions.

Shannon indicated that per the new By-Laws, Board has to report about Executive Session topics and any votes to be taken. Today there are 3 votes scheduled: Oct 9 and Oct 20 minutes and Compensation philosophy for staff. Other session topics



are benchmarking, COO review & timeline, HR policies, Governance Manual, FCM write up and 2024 Board Management software.

Member Lin O'Leary: Comment on Marsh Conveyance – would like to see a map of areas being discussed. Asked if swamp area in Preserve is part of the conveyance.

Shannon answered that the swamp area in The Preserve is not included in this conveyance. Staff will add maps of conveyed areas to the website.

Commented on Kiawah River Estates and their access to Kiawah. Will we charge a fee similar to Cassique? Governors Club members are using our amenities. How do we enforce access to amenities?

David D. stated they are similar to Resort guests who can use island amenities such as bike trails etc. except for Sandcastle, Cinder Creek, and Rhetts Bluff etc. The Resort is an owner that pays KICA over \$1M in assessments and allows their guests this access.

Member Paul Hennessy: Commented on access to KICA by new golf course and potential homes in Orange Hill.

David D. said it has not been decided yet as to if it will be similar to Cassique. They will have plenty of facilities in the new location which should limit access to KICA.

Jerry commented that this access falls under enforcement along with other enforcement areas. Have Security and Enforcement Task Force look at this. David D. will research some figures and see what the activity actually is.

Member Carol Medendorp: Should also look at Seafields access. Change name of Sandcastle User Group to a Committee and call it Sandcastle and Amenities. Consider the number of participants.

Member Brad Belt: Clarity on who does have access under what conditions. Public has access if they are guests of a member, not general public. For big public special events, how does that work?

Shannon stated KICA works closely with Resort and TOKI on access for these events in advance.



What is distinction between Governors Club members who live in Kiawah River Estates vs. Orange Hill?

Shannon said that the Board has not made a decision on this yet.

Commented on parking issues at Cape, Timbers and Ocean Pines and letter sent to KICA Board by (3) regimes in that area re: on or adjacent to Parcel 13 shall have primary access from Beachwalker Rd. and have up to 30 spaces through Parcel 13A. Currently parking is on Parcel 13B. Need to get on same page as to terms of MOU for this area.

David D. commented on MOU and ambiguities within documents and exhibits regarding parking 13A or 13B. Amanda M. clarified that the exhibit is part of the agreement, so it's not in conflict to the agreement and notations were approved by the KICA Board.

Shannon stated that all documents are with legal counsel for review.

Jerry asked for motion to adjourn. So moved by Alex F., seconded by David D., meeting adjourned at 3:15 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.

October 9, 2023

Jerry McGee called the meeting to order at 3:26 p.m.

Votes Taken During Meeting:

- Approval of September 11, 2023 Minutes **(VOTE)**
Vote Passed: (6) In favor (McGee, DeStefano, Mascolo, Donlon, Fernandez, Mole)
(1) Not Present (Zampino)
- Approval of Philip Mancusi-Ungaro to Security Task Force **(VOTE)**
Vote Passed: (5) In favor (McGee, DeStefano, Mascolo, Fernandez, Mole)
(1) Against (Donlon)
(1) Not Present (Zampino)

No other votes were taken.

Meeting was adjourned at 5:01 p.m.

