

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

February 5, 2024 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: (26 In Person / 59 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=3zCkIgFaqMo>

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 Roland Hoffman from Conservancy: Thanks to the Board for their efforts to conserve Captain Sam's Spit to protect resources and wildlife. We ask that this land be placed under conservation easement in perpetuity so that it cannot be changed and that the Conservancy can be stewards of this land.

Member Jim Jarosik: Comments on Financials Controls Manual, consider adding a sentence in Chapter 19 that all COI's shall be available for review by the membership. Also commented that he believes conservation easements as per the Covenants state it would take



a vote of members to place an easement on those lands. Please ensure we consult with counsel that we follow the correct process.

Member Bill McCloughlin: Comments on proposed changes to Sandcastle, Covenants state Members, spouse and children can enjoy the Sandcastle. Doesn't see anything in writing that says the Board can change that. Is opposed to any changes that restrict the rights of members to use the SC.

Member Philip Mancusi-Ungaro: Comments on Sandcastle access and use of gym. Doesn't feel the data supports the need to make the restrictive changes that are being made. Urge you to reconsider changing this since the usage doesn't seem to be there.

Member Maura McIlvain: Thanks to KICA for the No e-bikes message on the electronic sign. Asked if the Sandcastle is restricted common property? – Shannon clarified it is listed as Purchased Common Property. Maura referenced the Covenants that describe that members, type A residents and accompanied guests can use Sandcastle. Will wait to hear the discussion on SC later on. Comments on Personnel Controls Manual - should be consistent throughout the document when referencing 'Company' vs. 'Association'. Should all say 'Association'. Financial Controls Manual – Page 4: Delegation of Authority should reference the new By-laws verbiage re: Board power.

Member Melissa Cunniffe: Referenced Covenants paragraph that describes the rights of Type A members and easement of enjoyment of the Sandcastle. Believes that if 7 people (Board) is voting to permanently change these rights, there should be a vote of all property owners to change Covenants. Doesn't feel proper protocol is being followed, not protecting our fiduciary interests or easement of enjoyment.

Member Larry Wolohan: Questions about our 990 that show an increase in travel from \$0 to \$390K and increase in conferences/meetings that went from \$8K to \$237K. Doesn't feel his questions are being addressed.

Member Wendy Nevins: Comments on election and inappropriate endorsement of certain candidates by a Board member who is chair of the nominating committee. Finds this disturbing and causes contention on the island.



Lisa M. addressed the comment and agreed that it was inappropriate for her husband to publicly disclose her endorsement that was discussed privately. Can't deny it and it should not have happened that way. If the Board decides she should resign as chair of the committee, she will do so.

3. Chair Comments

Jerry M. said we take everything that is said very seriously, and we will debate outstanding issues so that they are properly addressed. Nothing has been debated more than the Sandcastle. Countless meetings, debates, and email exchanges on the topic. No solution will please everyone, but the User Group, the Community and the Board have acted in good faith.

4. Administrative

a. Announcement of Votes in Executive Session

Jerry provided a read-out of actions and votes taken at the January Executive Sessions:

January 8, 2024

- *Approval of COO's performance appraisal, salary and bonus recommendations.*

Vote Passed: (7-0) In favor

January 18, 2024

- *Motion to reject drafted letter from KICA's attorney re: ARDA/Capt. Sam's*

Vote Passed: (5-0) In favor

Absent: J. McGee, A. Mole

- *Motion to discuss settlement with KP. K. Donlon to represent Board.*

Vote Passed: (5-0) In favor

Absent: J. McGee, A. Mole

b. Ratification of Electronic Vote (VOTE)

Jerry asked for a motion to ratify the 1-30-24 electronic vote on the Agreement between KICA & KP, related to Captain Sam's Spit. So moved by Lisa M., second by David D.

Board comments: Alex F. thanked David D. for noticing the wording in the ARDA. Thanked Kevin D. for his work with Jordan Phillips at KP, which



helped move this along. David D. felt it was important to have a Deed in escrow. Amanda M. clarified that KP was never in agreement that the land was to be conveyed. Jerry M. said that in the end, we avoided costly litigation and most importantly, we have an agreement.

Vote Passed: (6) In favor

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

(1) Abstain – A. Mole

c. Approval of Minutes

- i. Jerry asked for a motion to approve the December 4, 2023 minutes with change made to Exec. Session summary on last page. So moved by David D., seconded by Lisa M.

Vote Passed: (7) In favor

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

- ii. Jerry asked for a motion to approve the January 8, 2024 minutes. So moved by David D., seconded by Alex F.

Vote Passed: (7) In favor

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

5. Reports

a. COO Report – Shannon White

Forecast calls for 1-2” of rainfall yesterday into today. As of this morning, we had received 1.3” of rainfall. Rainfall is occurring across multiple low tide cycles. No drainage problems have been reported.

Projects:

- **Sandcastle** – Sandcastle is closed this week for its annual maintenance. This includes painting & staining, refinishing of hardwood floors, electrical work and pool work to



include a new pool pump & salt cells. During the shutdown, staff will be cleaning & organizing, as well as handling their annual training (like CPR training).

- **Sandcastle Roofing** – As you are aware, we had some damage to the Sandcastle roof from the Dec. 17 storm. We've had both a structural engineer & roofing contractor look at it. We are scheduling a \$6500 repair to some shingles & flashing on the roof.
- **Boardwalks 14 & 16** (Eugenia Avenue) - Contracts are with Blue Tide Marine and S&S Coastal. Both locations have steps.
- **Rhett's Bluff Road Drainage** - Contract with Nu-Pipe to line 5 different pipes, which lead from the road to the marsh. Tide flex gates will be added to each, to lessen impacts of high tides on the roadway. This is a \$269K project.
- **Falcon Point Vehicular Bridge** - This is the last of the 7 wooden bridges to redeck and add strongbacks. There is a materials order time frame of 8-10 weeks, before this work can begin.
- **Little Rabbit Lane**, in the Pointe, was repaved. Our engineer, Ryan, was on-hand to ensure that the paving was done correctly. The Pointe is now drafting a deed of conveyance to KICA, for our review.
- **Pedestrian signs** were approved by the ARB for the crosswalk at Kiawah Island Parkway & Kiawah Beach Drive. This is the initial location, where we will be utilizing the signs with flashing lights to alert vehicular traffic to someone in this crosswalk. We are going out to bid on this project.
- **2M in road paving** – Bids are due later this week on the approximately \$2 million in road paving for 2024.

b. Finance Report – Lisa Mascolo / Dale Schoon

Lisa M. reported that the revised IPS for MR&R should be posted to the website. Cook St. did a presentation on our Q4 performance, and we did have a good year coming in at 8%, which exceeded our target. Sadly, Jeff Porter and Jim DiLella will be coming off the Finance Committee in March at which time we will solicit the community for members.

Dale S. provided an update on the Audit. In the 3rd week of the audit and things are moving ahead and on schedule. Assessments collected around 65%, right in line with last year's progress.



CTR: Dale provided an update on CTR: \$165K to date, budgeted \$4M this year with \$1.4M of that is the Cape coming on board later in the year.

Alex F. commented on how pleased he is that Cook St. was selected. Great detail in the report and professionalism of Cook St. team – it was a good decision.

c. 2024 Election Update – Lisa Mascolo

Lisa M. said currently we're at about 28% and we need 51% to reach quorum. Election closes on Feb 15th, so we need to encourage everyone to vote.

Alex F. asks how the progress on quorum % compares to previous elections.

Shannon indicated it is similar to the last contested election in 2022.

David D. asked what % is the Resort. Shannon said they represent approximately 10.2%. KP represents just under 2%. We need membership to vote.

6. Old Business (N/A)

a. Security & Enforcement Task Force / Charter updates

No vote on this today. Discussion about terms and mechanism of the (3) members. Need to re-advertise for members since it would now be a Committee and then define terms at that time. Beth Z. stated objectives and tasks didn't change much. David said they are general, with a lot of overlap between Security and Amenities etc. Keep it fluid and not too specific. This will come to the Board for vote in March.

b. Sandcastle Access Policies (VOTE)

Beth Z. thanked the User Group for all the long, hard work done over the past 2 years. She provided an overview of the new policies and items changed by the Board after their review and as documented in the Resolution being voted on today. Shannon provided language from the Covenants related to use by members, spouse and children under age 23 who reside with member, member use of purchased common properties which is how the Sandcastle is classified; what rights the Board has to restrict use, establish fees etc. This was sent to our attorneys, and they were in agreement.

Beth Z. asked for a motion to approve the Resolution, so moved by David D., seconded by Kevin D.

Alex F. commented that the Sandcastle has been the most discussed issue over the past 3 years. Legal counsel has supported the decisions made. Guest fee is not



intended as a money-making item. The Sandcastle is also funded by members that don't use it and the recreation assessment far from covers the costs of running the facility.

Vote Passed: (7) In favor

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

c. Personnel Controls Manual (VOTE)

Beth Z. stated that this manual was created specifically to cover Personnel matters with financial implications that are not addressed in the Financial Controls Manual. She asked for a motion to approve the manual with a note to change all references of 'Company' to 'Association'. So moved by David D., seconded by Lisa M.

Vote Passed: (7) In favor

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

d. Financial Controls Manual (VOTE)

Beth Z. stated the changes in the FCM were related to procedures and controls that required updating. Changes: First sentence of Delegation of Authority paragraph to be a direct quote from new By-laws, Article 6, Section 1. Article 7, Section 7 is a direct quote from new By-laws. Page 9 – changes to budgetary controls for contracts over \$500K. Page 14 – wording around contracts/related parties. Page 26 – Health Insurance is covered in Personnel Controls Manual and Page 27 and Page 31 references Personnel Controls Manual.

Conflict of Interest discussion. Should all COI's from Board, Committee and Task Force members be disclosed to everyone? Lisa M., Kevin D. and Alex F. feels it reasonable for the Board but not generally available for everyone. COI's for Committee and Task Force members and Staff are to be reviewed by the Board. Board and COI's for Board and COO should be available online. Add a sentence to the Conflict of Interest paragraph that states that.

Beth Z. made a motion to approve the Financial Controls Manual with the changes discussed, 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

Conservation Easements discussion: Should we have Partners do a conservation easement on Captain Sam's agreement before conveying to KICA. David D. is there an issue with KICA doing a Conservation Easement? We've done several, but we are waiting to hear back from Legal on whether we can do that without membership vote.

8. Board Member Comments

David D. commented on very low turnout at recent Town Council election. Over 2000 registered voters that live here full time and less than a third voted. Very concerning in light of all the upcoming elections. Community wants involvement and transparency but no one shows up.

9. Member Comments

Member Barbara Patton: Comment on board member endorsing a candidate which is wrong. Will board member resign from the Board Outreach committee? Beth Z. said it's something the Board will discuss in Exec. Session. David D. said issue could have been eliminated if a disclaimer email was sent out denying the endorsement.

Member Paul Hennessy: Comment on conveyance. Not clear exactly what's being conveyed and what are KICA's obligations.

The property being conveyed is currently being surveyed to determine exactly what's being conveyed. Jerry M. said KICA has no obligations; Shannon confirmed we have similar land to this. David D. added on whether KICA would do a meets and bounds since the spit is accreting or growing – what are implications here?

Member Philip Mancusi-Ungaro: Commented on meets and bounds and high water mark and impact of changes over time to the property. Referenced a similar situation on Sullivan's Island. It is prudent to get survey to determine legal boundaries. Expressed concerns about Sandcastle data and making decisions based on that. Has seen improvements at the



Sandcastle as staff has increased and what is the impact of staff increases. Data doesn't back up the need for changes.

Member Pamela Khinda: Would like to see information on which Board members are being replaced and the skills that we may be losing. Beth, Jerry and Alex all indicated that their terms are ending and gave a brief overview of their backgrounds and experience.

Member Todd Boney: When drafting the agreement did we coordinate with the Town.

David D. stated it was strictly an agreement between KICA and the Partners. Town is taking their own actions.

Todd encourages KICA to coordinate with Town, as he's been advised that as a 3rd party beneficiary, you cannot do anything that would compromise the obligations of the Partners under the Development Agreement. Comments on conservation easement, distinctions between 16A and 16F, and what value this provides to the Partners. Commented on ability to record deeds before approval of the sub-division by the Planning Commission.

Commented on marshland transfers, ensure we're getting what we're supposed to be getting and does agreement terminate obligation of Partners to transfer marshlands that may have not been conveyed correctly. Shannon indicated this agreement is very specific to Captain Sam's.

Member SueEllen Hanan: Thanks to Shannon and the Board for passing the SC vote. It will take a lot of education and patience to let the community know about the changes. Commented on Board conduct and the negative feelings this causes. Endorsing candidates is not good.

Member Maura McIlvain: Encourages new Governance T.F. to look at Covenant language where there are instances of catch-all statements vs. specific language that allows the Board to make changes that are open to interpretation.

Member Brad McIlvain: Commented on conflicts with Partners and affiliates that raises questions about interactions that (3) current Board members have had with the Partners. Property purchase, land purchase and home extension. The (3) Board members provided a response to the questions raised.



Jerry asked for motion to adjourn. So moved by Alex F., seconded by David D. Meeting adjourned at 2:55 p.m.

Respectfully submitted,
Ellen Festa, Executive Assistant

