

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

March 18, 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: (17 In Person / 16 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=uwL11B5q9bQ>

1. Call to Order

Chair Jerry McGee called the meeting of the Kiawah Island Community Association Board of Directors to order @ 1:02 p.m. and made some opening remarks:

A topic that is hot and heavy on everyone's mind is Capt. Sams. The Board has deliberated and done a lot of due diligence. At the last meeting we were getting ready to vote, but received a lot of comments from the community and how we may have overlooked a few things. Our attorney was involved and we've made a decision that we're not going to vote on Capt. Sams now. We'll be getting together with the Town, The Conservancy and our attorneys to make sure that any decisions are in the best interests of the community and the long term preservation of Capt. Sams. We'll be diving deeper into this and making sure that anything that has to do with Capt. Sams will be well thought out and accepted by the majority of the community in partnership with the Town and Conservancy.



“At the Board’s February 5 meeting, comments were made about several KICA board members, including myself. I would like to ask Beth Zampino to provide further comments on behalf of the board.”

Beth Z: “Several members have raised concerns re: potential Conflicts of Interest with one of our Directors. KICA’s policy is that any concerns re: an employee or director is managed either by the head of HR or the Board in Exec. Session. There are obvious confidentiality concerns and potential liability to KICA if addressed in public forum. The existing Board, minus Alex who was not able to attend, and 3 directors-elect discussed this matter on February 26th and concluded that there was no wrongdoing with respect to concerns raised re: Kevin’s real estate transaction in 2021. Kevin became a Board member in March of 2023. Given everyone in attendance agreed there was no wrongdoing, the Board considers this matter closed”.

Alex F. asked if there was a vote of the Board. Beth confirmed there was no vote, it was Board consensus. Alex F. asked that the record show there was no vote.

2. Member Comments – Agenda Topics

Member Maura McIlvain: Appreciates that a number of the changes she pointed out were made. The word “Company” still appears in Board/COO Policy. Whoever has responsibility to record/file all Corporate Records should be clearly defined. Reference to Club Membership on Page 7 – suggests it be taken out.

Discussion about COO contract, memberships, can be part of an executive incentive as long as Board agrees with or pays for it. Take out the words “offered by the Developer”.

Commented on Audit Communication re: effectiveness of Internal Controls. Encourages more rigor around looking at Internal Controls. Personal thank you to Alex for his work on the Board.

Member Brad McIlvain: Duty to Act – change to say ‘in conformity w/applicable law’– instead of in best interests of community, which is Duty of Loyalty. Kevin Donlon transaction – still finds it problematic. Expressed thanks to Alex and his work on KICAs finances during his tenure.



3. **Chair Comments** – made earlier in the meeting

4. **Administrative**

a. Announcement of Votes in Executive Session

There was no Executive Session held in February.

b. Approval of Minutes

- i. Jerry asked for a motion to approve the February 5, 2024 minutes. So moved by Beth Z., seconded by David D.

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

I am going to keep this relatively short & I'm starting with an infomercial for KICA. This Thursday, March 21, there are 2 important events for our members:

KICA's annual meeting @ 10 am, held at the Sandcastle. This meeting will be live-streamed, as well as recorded. Immediately following this meeting, the new board will meet to elect their officer positions.

Town Candidate Election Forum @ 3 pm, also at the Sandcastle. As our locally registered voters prepare to elect a Mayor and Town Council person on April 23, this event will give voters an opportunity to get to know the candidates better. This meeting will be recorded & made available for voters who are unable to attend the event in person.

On **Monday, April 8**, our new board will hold their first regular meeting, having moved it from Easter Monday on April 1. The remainder of their annual schedule will be determined at their upcoming orientation meeting on Monday, March 25; and we will post their annual schedule for the membership.



An update on the following projects was provided:

- Drainage – Repairs on Rhett’s Bluff Road, Airy Hall & Burroughs Hall are now complete.
- Rhett’s Bluff Boat Landing – We are under contract to complete the concrete circle drive in the boat landing.
- Boardwalks – Boardwalk 14 is nearing completion. Boardwalk 16 will start after the Easter holiday weekend. Boardwalks 9 & 32 have just gone under contract to be lifted & extended, to be completed by Memorial Day.
- Roads – Banks Construction is being awarded the road paving project. A planning meeting is being held with Banks to work out the project plan.
- Eagle Point Canoe/Kayak Storage – Plans have been received, with several options. Currently reviewing & will bring recommendations to the board shortly.
- V-Gate Improvements – Received conceptual drawings back, related to closing in the officer area on the inbound side.

Finally, this is the last regular meeting of the current board. I would be remiss if I did not take this opportunity to thank the 3 board members who will be leaving the board later this week – Jerry McGee, Beth Zampino & Alex Fernandez.

b. Finance Report – Lisa Mascolo / Dale Schoon

Lisa M. reported on FC activities. Met with Larry Wolohan to address his comments re: the 990 made at the last meeting and this matter is now resolved. FC will be working on an approach to Cash Management – something the FC will work on regardless of who becomes the next Treasurer. Expressed her thanks to three departing FC members, Jim DiLella, Jeff Porter and Paul Hennessy – they made important contributions and am sad to see Jim and Jeff go (of course we’ll still have Paul H. on the Board). We will be soliciting for volunteers from the Community.

6. Old Business (N/A)

a. Governance Procedures Manual (VOTE)

Discussed two proposed changes: 1) Article II, Section I, b (3) Duty to Act in conformity with applicable law, Covenants and By-laws. 2) Section 4, d, iii: Present Association financials quarterly at Board meetings. Jerry asked for a motion to approve the



Governance Procedures Manual with proposed changes: So moved by David D., seconded by Kevin D.

Vote Passed: (7) In favor

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

b. Policies Related to the Board & COO (VOTE)

Discussed proposed changes: 1) Change “Company” to “Association” throughout. 2) Governance section – filing responsibility – need to include “in cooperation with the Secretary” in the administration of Corporate Records. Add bullet to say “Ensure all changes to Covenants, By-laws, Rules and Regulations and Deeds are recorded.” 3) Annual Budget Item 3 – add “in accordance with the Financial Controls Manual”. 4) Club Membership – add “if approved and paid by KICA Board.” 5) COO Credit Card – “for association related expenses, it is preferred the COO utilize the association credit card”. Beth Z. made a motion to approve the Policies Related to the Board & COO with all proposed changes, seconded by Kevin D.

Alex F. commented that these guidelines are leap years from where we were – it’s clear for the Board, COO and members.

Vote Passed: (7) In favor

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

c. Security & Enforcement Committee Charter (VOTE)

Alex F. asked if we will be soliciting for the 3 members. David D. stated since it’s now a Committee, we will solicit for new members. Paul H. commented on 2nd bullet – word ‘collaboratively’ - add “with relative key stakeholders. Jerry M. asked for a motion to approve the Security & Enforcement Committee Charter. So moved by David D., seconded by Beth Z.

Vote Passed: (7) In favor

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



7. New Business

a. Acceptance of 2023 Financial Audit (VOTE)

Lisa M. reported that the Finance Committee met and unanimously recommend that the Board approve the audited financials and asked for a motion. So moved by Kevin D., seconded by Beth Z.

Alex commented that he asked Dale a few questions about the minor deficiencies found and have been corrected. 1) Fixed asset inventory should be completed annually and documented. 2) Director of Finance adding additional checks and balances related to financial software permissions.

Vote Passed: (7) In favor

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

b. Revision to Resolution of the Legal Committee of the Board (VOTE)

Shannon reviewed the changes to be made to the Resolution established in April of 2023 which named the elected directors specifically. This revision is being changed to include the disinterested elected directors, specifically excluding Developer appointed directors. Jerry asked for a motion. So moved by Beth Z., seconded by David D.

Vote Passed: (6) In favor

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

(1) Abstain – A. Mole

8. Board Member Comments

Alex F. commented on the issue with Kevin since he didn't attend the meeting where this was discussed. Asked 3 questions of Kevin. 1) Why did you deny it when it was first brought to attention. 2) Did you pay for the Club Membership and is there evidence of payment? 3) Do you pay monthly dues?

Kevin responded that, yes he pays every month, and second he paid for the membership. He read back exactly what he said at the Board meeting where he was accused and provided details about exactly how the transaction was done.



Alex F. stated the responses to Questions 2 and 3 were most important and were satisfactory.

Jerry M. commented that it is wrong when people make accusations without evidence of the facts. Assumptions are made that any transaction that occurred was due to favoritism. Can't think of anyone on this Board that has voted in some way due to influence. It's divided this community and has put many people on the defensive. Volunteer Board, not making money, devoting hours of our time. Trying to do their best for the people they represent. Be careful before you start pointing fingers, it's damaging and upsetting. We live in a beautiful place with incredible privilege and all we're doing is walking around being angry. It's unfortunate.

David D. commented on the accusations on iKiawah against the Board about Capt. Sams. There are some things we can't discuss since there are lawyers involved. We are communicating with the Conservancy and with the Town. It's been a lot of negotiation, we're getting there. If you don't have accurate information, don't throw slurs out there. Entire Board has been slandered on iKiawah, very inappropriate.

Beth Z. added the Board has worked very hard on this trying to do what's best for the community and will continue to do so as they pass it on the new Board.

9. Member Comments

Member Paul Hennessy: Commented on control environment. Finance Committee (FC) has discussed this many times. Large organization, lots of money at stake, having some form of control environment is important. FC concluded that a separate Audit Committee was not necessary and not appropriate. But this is a valid issue and should continue to be discussed by the FC. Thanked Alex for his service and particularly his work on the FC. We made good progress and moved the ball forward. Thanks to Dale also for all his work as Dir. of Finance.

Member Larry Wolohan: Comments on Cape and the emergency road planned for the boardwalk area in Beachwalker Park. Concerned about safety of this location as compared to current emergency road location and also any potential access to the Spit. Understand the Board doesn't have much jurisdiction here but ask that they look at this from a safety



perspective. Commented on work being done at the Cape on Sunday. Security informed him they weren't part of the Association which is not correct. They must follow all construction rules of the Association. Shannon stated that the Cape is part of the Association and we will follow up on this.

Member Maura McIlvain: Commented on Spit and Cape and MOU parking issue.

Shannon confirmed it is with the lawyers.

Member Jim Jarosik: Thanks to Board for Governance Procedures Manual. Commented on recording Sandcastle Rules & Regulations and recent petition process. Conflict of Interest – feels it is important to use this going forward in light of Partner sensitivity now. Thanks to the departing Board members.

Alex F. commented on petition process. Should explain rules of a petition to any member when they start the process.

Member Luke Farrell: Thanks to the Board for their work on the Spit. Majority of the community wants it conserved. There are lots of details and it's important to take the time, pleased to see that the Board is taking the time to do it right.

David D. commented that if the State gets the land, they can do anything with it.

Jerry asked for motion to adjourn. So moved by Alex F., seconded by David D. Meeting adjourned at 2:16 p.m.

Respectfully submitted,

Ellen Festa, Executive Assistant

