

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

BOARD OF DIRECTORS

Meeting Minutes

June 3, 2024 at 3 p.m.

Virtual and In-Person Meeting

Board Members Present:

Kevin Donlon, Chair

Dwight Williams, Vice Chair

Lisa Mascolo, Treasurer

Paul Hennessy, Secretary

David DeStefano, Director

Cherie Gallagher, Director

Amanda Mole, Developer Director

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

Member Attendees: (17 In Person / 14 Virtual)

Recording of Meeting: <https://www.youtube.com/watch?v=6LmnanQ99IM&t=1386s>

1. Call to Order

Chair Kevin Donlon called the meeting of the Kiawah Island Community Association Board of Directors to order @ 3:01 p.m.

2. Member Comments – Agenda Topics

Member Lisa Snowden: Question on Self-Insurance plan and how catastrophic events are handled. Commented on Exec Session topics and how Board makes decisions on Executive Session items.

Member Carol Medendorp: Comments on funding requests for V-gate and Pedestrian crossing. Has Committee considered polling owners behind the gate to see if they still want it and if it provides value? Comment on spending money for pedestrian crossing light if roundabout has potential to be done.



Member Alex Fernandez: Asked if the Broker of record for the Health Insurance will be going out to bid as per Board policy since it's been 3 years?

Shannon stated that it will be done this summer.

3. Chair Comments

Kevin provided updates on the 6 priorities of the Board.

1. Capt. Sam's – KICA has participated in a lawsuit with Conservancy and the Town, however, can't discuss those details.
2. Covenant Amendments – Paul H. and Governance TF have been working hard on those and he will give an update on that later.
3. ARB Transition – 4 members from KICA and 4 members from TOKI, met twice in the last month and are working in earnest on that. Diane Mezzanotte has been added to the group.
4. Feasibility of additional Amenities – Cherie G. will be discussing more on that later. We just added (9) members to that Committee.
5. Comprehensive gate security – David D. and Dwight W. are heading up that Committee. Voting on a new charter for that today.
6. Improve coordination with KICA entities, for ex: Lawsuit, Joint ARB etc. We'll be scheduling a series of informal meetings with Town Council and KICA Directors to help improve communications.

4. Administrative

a. Announcement of Votes in Executive Session

At the Executive Session earlier today on June 3:

- Approved May 6, 2024 Exec Session Minutes
- May 6, Exec Session - Name of HR Committee member approved is Kate Kinslow.
- Names of (4) Security and Enforcement Committee members approved are Martha Brown, Rick Polpillo, Justin Fulcher, Tim Hill.
- Approved (9) members of Amenities Experience Committee.
 - Cherie G. said there were 28 well-qualified applicants and 9 were chosen.
Demographics of the group are as follows:
 - PT: 5
 - FT: 4
 - Villa: 2



- Cottage: 1
 - Single Family: 6
 - < 5 yrs: 3
 - > 5 yrs: 6
 - Club: 4
 - Non-Club: 5
 - 5 Men, 4 Women
- Paul H. commented that we view applicants who aren't selected as valuable resources that could contribute to other initiatives.

b. Approval of Minutes

- i. Kevin asked for a motion to approve the May 6, 2024 minutes. So moved by Paul H., seconded by David D.

Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy

5. Reports

a. COO Report – Shannon White

Shannon reported on attending the Community Association Institute's Annual Conference in Las Vegas in early May. The conference is both educational & a trade show. For KICA, I brought back information from some new project vendors, some vendors which may help us do things more efficiently and how AI is being used in the community management industry. As a team, we will be looking at these to see how we can enhance our services at KICA.

Our summer season kicked off on Memorial Day weekend. This is always a busy time on the island, as well as for our Security & Sandcastle teams. Here's a recap from the holiday weekend.

Security:

- Security patrol vehicles have updated decals on the side of the vehicles, to increase their visibility in the community.
- Main gate was busy as usual, welcoming 41,701 vehicles through from Thurs, 5/23 to Mon, 5/27. A little over 1/2 of these vehicles (53%) continued through the V-gate.



Our peak day was Friday with 12,052 vehicles. Overall, our traffic volume was approx. 10% higher this year than in 2023.

- In Dec 2023, the BOD voted to add 2 additional days of commercial closure – Sat of Memorial Day weekend & Sat of Labor Day weekend. This was our first holiday with the additional day of closure. Saturday was still high at 7700 vehicles, but it was less than it could have been due to the commercial closure.

Sandcastle:

- We were busy at the Sandcastle. On Friday, 5/24, we had 392 check-ins to the facility. We jumped to over 700 check-ins on Saturday & Sunday, decreasing to 588 on Monday, 5/27.
- Castle Grille, with new vendor Crystal Coast, did well, with Sat & Sun over \$11K and Mon over \$8K. Something new this year is a “Light Bites” menu, which can be ordered from the bar, from 4-7 p.m.
- We experienced issues with Wi-Fi capacity at Sandcastle over the holiday weekend. Having 700+ people using personal devices and Castle Grille operations caused issues with connectivity & capacity. Our IT team did a band aid fix for additional Wi-Fi capacity to help get through the weekend. We are currently seeking a quote to add additional Wi-Fi access points to the Sandcastle, to increase coverage and capacity.

Both Amy & Mark were very proud and appreciative of the hard work of their teams on one of our busiest holiday weekends.

Flood Project 6 (Trumpet Creeper drainage basin) update. Pond 56’s new outfall structure is now being built off-site. Stantec, KIU and our engineer were able to resolve the conflict related to the sewer force main. Design is completed and will connect the Governors Drive intersection to the Pintail Pond drainage basin. This project is going out to bid through Stantec now.

On Wednesday, 5/22, emergency repairs were authorized for Rhett's Bluff Road causeway (pond side). Approximately 12 feet of the bank had given way threatening the roadway. Three Oaks Contractors rebuilt the shoreline and stabilized it. The cause was determined to be a leaking irrigation line and Three Oaks has completed these repairs.



We have awarded the bid to Banks Construction for our 2024 paving project. The roads to be paved in 2024 are:

Surfsong Road, from Governors Drive to approx. Nicklaus Lane

In the Preserve neighborhood:

Blue Heron Pond (RT side)

Bull Thistle Lane

Chinaberry Lane

Eagle Point Road

Grey Fox Den Court

Moon Tide Lane

North of Governors:

Wax Myrtle Court

Marsh Elder Court

Sawgrass Lane

On the East End of the Island:

Virginia Rail Road

Savanna Point

Club Cottage Lane

Osprey Cottage Lane

Shell Creek Landing

Paving is scheduled to be completed prior to the Thanksgiving holiday.

b. Finance Report – Lisa Mascolo / Dale Schoon

Lisa M. provided an update on the filing of KICA's 990. It is being prepared and an extension has been filed. Cook St. our Financial Advisor, had previously merged with Morgan Stanley. They have now merged into the Morgan Stanley Institutional Advisor group. The FC agreed to raise the legal fee to file a lien from \$250 to \$500. YTD Legal Fees are about \$120K against a budget of \$180K and will most likely exceed that this year. A significant portion of the legal fees relate to Captain Sam's Spit. In May, the Finance Committee met with Reserve Specialist and spent a lot of time going over that information.



KICA is currently funded at just under 75% which is better than last year at 56%. We're in a good place. FC forming a sub-committee to review and update the Reserve Policy.

Dale S. reported on delinquent assessments:

- 5 remaining for a total of approx. \$22K
 - 3 have promised to pay – hope to get money in before June 8 cut-off before we process liens

CTR: YTD: \$2M on 73 property sales totaling \$400M. May alone was 71 properties for \$1.1M in CTR on sales of \$225M. Off the grand total, 21 was The Cape and expecting Cape total to be 76.

Paul H. asked if the Cape is sold out. Dale stated they are all pre-sold.

Flood: Last flood assessment billing will go out on June 7th. We'll have some unspent funds that will be dedicated and restricted to future mitigation projects.

c. HR Update – Self-Insurance Plan – Sarah Bond & Dale Schoon

Sarah Bond provided an update. We're in the infancy of claims data – just started receiving claim data in late February. Overall positive experience from Employees, Employer and Accounting. Pleased with the amount of data we're receiving as compared to prior full coverage carrier. High cost initially, but we expect this to drop off as Stop/Loss insurance kicks in. We have a \$600K cap for 2024 – we can't exceed this. WellNet is working closely with KICA to mitigate our costs, for ex: prescription costs, imaging tests, etc. Overall feedback is that Employees are happy, KICA is happy and WellNet is happy.

d. Governance Task Force Update – Paul Hennessy

Paul provided an update on the (4) Amendments. They were not ready for Board approval today as changes and language are still being discussed. They will then need to go for Legal review before coming to the Board for approval at either the next regular Board meeting in July or a Special Meeting.

6. Old Business

a. Security & Enforcement Charter Revision

Approve an increase from 3 to 4 members.



Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy

b. Project Funding Requests – Tony Elder

i. V-Gate (VOTE)

Tony provided a summary of the funding request for the V-Gate which will provide an enclosure for Security personnel manning that gate that will better protect them from the elements. 2024 Budget included \$75K for the E/D. Design cost is \$10K and quote is \$55K. Project will go out for bid over the summer. Lisa M. made a motion to approve reallocation of budgeted funding for E/D to this project, seconded by Paul H.

Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy

ii. Pedestrian Crossing Signage (VOTE)

Tony provided a summary of the funding request for the Pedestrian Crossing signage at Kiawah Island Parkway, near Kiawah Beach Drive, to the Oyster Rake neighborhood. Project is not funded in 2024 Budget. Requesting \$35K and \$15K contingency that could come out of operating fund balance and charged to signage budget. Lisa M. commented that the location of the button should mitigate risk to pedestrians. David D. commented that this is a new feature and could be installed elsewhere if it's successful. Lisa M. made a motion to approve the funding, seconded by Paul H.

Vote Passed: (7) In favor

K. Donlon, D. Williams, L. Mascolo, A. Mole,
D. DeStefano, C. Gallagher, P. Hennessy



7. New Business - N/A

8. Board Member Comments

Kevin D. comments on Executive Session topics. By-laws lay out 6 areas for ex: litigation, personnel, delinquent assessments, committee members etc. Those will continue to be done in Executive Session. The Board talks and communicates with each other all the time. We have informal discussions that we don't feel should be done in public – mostly litigation related. Helpful for us to have as much discussion and deliberation as possible – try to push it to public where we can, but don't see us stopping this. Cherie commented that we should let the community know what those discussions are about if it's not private matters.

Paul H. stated the Board has the ability to discuss issues either electronically or in person. Executive session may have been misused in the past, but doesn't feel it's good for the community to restrict the ability of the Board to bounce off ideas and discuss issues - not to vote, not make deals or decisions, just discussion.

Lisa M. feels we generally come to better conclusions when we have the opportunity to dialog about it.

Paul H. asked about the severe Hurricane season predicted and how do KICA/TOKI work together on this. Shannon stated they do work closely with the Town and referenced tapping into Dwight's experience with FEMA.

David D. feels there's very little we can't talk about in public. Anything of substance in Exec Session should be done in public. It's a fine line but if it's close, it should be in public.

Cherie G. updated community on Regime Council meeting. Reviewed the amendments and support for the vote. Discussed signage and that all regimes are in different stages. Cherie G. asked if they 'have' to do it. KICA can't enforce this. David D. shared that originally signs were to be replaced in time for the PGA. We need to look at options to help the regimes that haven't done them. Kevin D. asked Tony for an update on all signage next month.

Cherie G. also said Board Outreach Committee will be advertising for 2 new members to fill openings and get prepared for election cycle in the fall.



Paul H. stated the 320 page Reserve Report is posted on line. Don't be intimidated, first 20 pages have the most information.

9. Member Comments

Member Lisa Snowden: Commented on executive session, appreciated the dialogue she heard among the Board on the topic and how important it is to communicate. Cautions that it's a slippery slope and encourages community communication. Don't assume there's no interest from the community in the process.

Paul H. referenced the presentation by Rosen Hagood that was given to the new Board at Orientation on Board behavior and responsibility. It's a good reference and is posted on the website.

Member Diane Flaherty: Agrees with previous member comments on Exec. Session but also be aware of the community perception and the need for transparency. For ex: the change to move Executive Session prior to public Board meeting. Have seen a huge improvement and encouraged by the better Board dynamic she's seeing.

Member Sue Ellen Hanan: Compliments to Amy Cook and the Sandcastle staff over Memorial Day weekend. Commented on Executive Session and not letting us hear the process and how decisions are made. She wants to hear the discussions.

Kevin asked for a motion to adjourn. So moved by Lisa M., seconded by David D. Meeting adjourned at 4:06 p.m.

Respectfully submitted,

Ellen Festa, Executive Assistant

