

KIAWAH ISLAND  
COMMUNITY  
ASSOCIATION

**BOARD OF DIRECTORS**  
**Meeting Minutes**  
**September 9, 2024 at 3 p.m.**  
**Virtual and In-Person Meeting**

Board Members Present:

Kevin Donlon, Chair	Dwight Williams, Vice Chair
Paul Hennessy, Secretary	David DeStefano, Director
Cherie Gallagher, Director	Amanda Mole, Developer Director

Board Members Not Present:

Lisa Mascolo, Treasurer (Not Present)

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

Member Attendees: (22 In Person / 17 Virtual)

Recording of Meeting:

**1. Call to Order**

Chair Kevin Donlon called the meeting of the Kiawah Island Community Association Board of Directors to order @ 3:00 p.m. Kevin began by reading the following statement:

*“As many of you are aware, several Members have expressed concerns to the Board regarding the language in the KICA Covenants which governs KICA board participation. These Members construe the KICA Covenants very narrowly. They assert the KICA Covenants allow only those Members or Owners who are individuals or natural persons to be qualified for board service. Their view is that those Members or Owners which are legal entities such as trusts, LLCs, corporations and partnerships as well as those entities’ agents or representatives are disqualified from serving on the KICA board. The Board is currently reviewing this concern with our outside counsel, Rosen Hagood. We find this strict reading troubling, especially given that many within KICA choose to title their properties in the name of a legal entity, rather than individually, for legitimate reasons and because the KICA Covenants have not been interpreted in this manner since KICA was established several decades ago.*”



*While the KICA Covenants may be unclear in some respects and can be improved, we do not believe their intent is to exclude any of our direct or indirect owners and community members from board service. The Board's view is this would be bad policy and disenfranchise many in our community from fair representation. We are aware of at least one court decision from another state involving a similar situation where the court ruled that a representative of a legal entity which was the title owner of the property within a homeowners' association was not disqualified from board service. This morning the board voted # to # to postpone the currently proposed By-laws amendment and to propose a clarification and enhancement to the KICA covenants to be voted by the full Membership in the coming months. We, as a board, continue to study this issue and hope to have proposed language in the coming weeks. We also realize it may have implications for our upcoming director elections. We hope all Members will see these efforts as a good faith attempt to address an issue that has been buried in our Covenants for 48 years and that we are trying to make improvements which are fair minded and benefit the Kiawah community at large."*

*Paul H. statement: "Questions have been raised with respect to my, and perhaps others, eligibility to serve as a KICA Director. I believe these questions were raised in good faith by thoughtful members. This issue is based on a technical, perhaps overly technical, reading of our Association Covenants..... that's my opinion. In my case, my wife and I have taken steps that we believe will eliminate any ambiguity as to my ability to serve as a KICA Board Member. Therefore, I have decided to end my self-imposed moratorium on full participation in Board votes. Going forward, my focus will be to continue to serve as an active and productive Board member and representative of the entire KICA Community including in my current capacity as the Governance Task Force chair. As an important aside, the Governance TF and the Board have committed to KICA's continuing efforts to correct laws and/or critical ambiguities in the KICA governing documents. This is a high priority initiative that will involve engagement with and support of the entire KICA Community. Thank you."*

## 2. **Member Comments – Agenda Topics**

Member Brad McIlvain: Questioned Paul on whether he has sought legal opinion about whether what he's doing is appropriate.

Paul responded that he believes what he's doing is appropriate.

Member Maura McIlvain: Concerns about Executive Session topics continues. Comments on natural persons vs. trusts, corporation etc. language was updated in SC Statute in 1994

Member Philip Mancusi-Ungaro: Comments on Statute, Covenants, By-Laws and that the Covenants are not being fully reviewed.



Member Todd Boney: Commented on Medical Plan discussion should not be a topic for Executive Session.

#### 4. **Administrative**

##### a. **Announcement of Votes in Executive Session**

At the Executive Session earlier today:

- Approved July 8, 2024 Exec Session Minutes – No other votes taken

##### b. **Approval of Minutes**

- Kevin asked for a motion to approve the July 8, 2024 minutes. So moved by Paul H., seconded by David D.

**Vote Passed: (6) In favor**

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

**(1) Absent** – L. Mascolo

#### 5. **Reports**

##### a. **COO Report – Shannon White**

Last week, we posted our position for the Director of Operations, following Tony Elder's departure on Friday, Sept 6. We have begun receiving resumes and are hopeful of finding a great candidate to fill the position. In the interim, I have taken over the responsibilities of the position. We have a strong Operations team, which will be a big asset, as we move forward in the coming weeks.

We continue cleanup related to TS Debby. You will see a street sweeper operating on-island this week, which is working on some of the finer debris in the roadways. We are also continuing our arborist work, in the tornado-damaged area of the island. We are currently working on ponds 49 & 50, which are on either side of Glen Abbey. We are also still identifying small pockets of land, like easement areas, where there is additional tree damage from the storm. Current estimates for this storm are at approximately \$480K, 75% of which is specific contract labor costs.



We are preparing to begin the mass paving project on 15 roads next week. All the work is located on the east end of the island. Construction is scheduled for Sept 16 – Oct 18, weather dependent. All KICA members impacted by this paving are being directly notified by email.

**b. Finance Report – Dale Schoon**

- Happy to report we've hired a Controller – introduced Olivia Preston-Wozgen.
- Lien Status: \$14K outstanding (3 people - 5 properties). Liens have been filed with the County and my team will continue to reach out to the owners to collect.
- Flood Assessment: Currently have \$19K outstanding – my team continues to reach out to collect.
- CTR: YTD: \$3.189M on a \$4M budget.
- Legal Fees YTD total \$200K. \$100K of that related to Captain Sam's.
- Reserve Policy has been deferred to October Board meeting

**c. Governance Task Force Update – Paul Hennessy**

Paul H. said that the GTF re-engaged after summer vacations. Weekly task force meeting schedule agreed on and working with Shannon/Staff to crystallize a revised Amendment schedule and Communications plan. Currently contemplating Amendment voting alongside and coincident with new director election (Jan.-Feb. 2025). A Special Election is anticipated in early 2025, assuming #11 passes. Targeting Board approval of Amendments at November 11th meeting, final draft to community early November and at least one Member workshop in September or October.

**Amendment Updates**

#11 E-Type Member: no major issues

#12 ARB Authority: (i) Plan A/Consensual and Plan B/Non-consensual – pending legal advice, (ii) Retain existing unexercised authority for Common Properties.

#13 Enforcement Empowerment: (i) Member protections, (ii) clarify consistency with SC law.

#14 Administrative/Notice: no major issues

Rules & Regulations Review and revision mandate: Staff led Committee/Task Force input in progress.

**d. Amenities Committee Update – Cherie Gallagher**



Cherie G. provided an update on the options being looked at by the Amenities Committee such as the Gym, Pool Access, winter pool options. No decisions or recommendations have been made yet. There are difficult problems, but they are continuing to work on it.

Cherie also provided an update on the Board Outreach and Education Committee. The best approach is to have the Board members themselves do the outreach.

**e. Security & Enforcement Committee Update – Dwight Williams/David DeStefano**

- Committee has been very active with lots of topics discussed. Big issue is front gate access.
- Had 260K cars this July. Lots of growth but still only 2 lanes in. Challenge to verify visitors vs. legitimate access.
- KICA has a system and Resort uses a system – looking to see if their system and our system can be integrated via a software solution.
- Working on linking visitors with a car & license & reservation.
- Revisiting 3<sup>rd</sup> “owners” lane.
- Plan to have recommendation to the Board in October.

**6. Old Business**

**a. Eagle Point Kayak Storage – (VOTE)**

Cherie G. provided background on Eagle Point project – recommended by the previous Amenities Task Force and approved by the Board in 2022. Cherie G. made a motion to approve taking the project forward to the ARB for approval, seconded by David D.

Discussion: Paul H. expressed concerns about costs of the project relative to the # of members that benefit. David D. stated he’s surprised at the concerns expressed given this has been in progress for 2 years. We can’t tie amenities to cost.

**Vote Passed: (6) In favor**

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

**(1) Absent:** L. Mascolo



**7. New Business – N/A**

**8. Board Member Comments**

David D. commented on Owners as described in the Covenants and referenced language describing easement of enjoyment as members. Natural person has rights of easement of enjoyment.

Approximately 650 properties are currently known to be in Trusts. Could be as much as 50% of properties are in Trust.

**9. Member Comments**

Member Maura McIlvain: Commented on ‘natural person’ as defined in SC Statute – could potentially eliminate 5 people currently serving on the Board. There are consequences that need to be looked at. Please have Financial Controls audited – not just audit of Financials. Need an update on leisure trail crossover after 2<sup>nd</sup> gate and status of bike signage after Flyway. Expressed surprise at member comments about Eagle Point Kayak storage project which has been in the works for 2 years.

Member Brad McIlvain: Does Governance TF have authority to review Covenants – hopes they will look at all of it.

Member Philip Mancusi-Ungaro: Commented on Gate security and also speed data reports. Haven’t seen this information in awhile. David D. stated this will be changing. Phil would like to see more speeding signage and need to think about adding new pedestrian signage. Comments on e-Bikes and pleased to notice more police presence around the island.

Leah will change electronic sign to say No E-Bikes on Kiawah.

Member Sue Ellen Hanan: Commented on not needing reservations for Sanctuary, Jasmine Porch, Ocean Course - Resort may not want to implement that.

Kevin asked for a motion to adjourn. So moved by Cherie G., seconded by Paul H. Meeting was adjourned at 4:20 p.m.

Respectfully submitted,

*Ellen Festa, Executive Assistant*

