

**LITCHFIELD BY THE SEA COMMUNITY ASSOCIATION, INC.**  
**43rd ANNUAL MEMBERS' MEETING**

Saturday, June 12, 2021

Pursuant to call, the 43rd Annual Members' Meeting of Litchfield By The Sea Community Association, Inc. was held on Saturday, June 12, 2021 commencing at 10:00 a.m., via GoToWebinar video conferencing at the Waccamaw Management office, located in Pawley's Island, South Carolina.

The President of Litchfield By The Sea Community Association, Inc., Bob Postiglione called the meeting to order by welcoming the owners who were logged in to the meeting via Go To Webinar. Approximately 109 individuals participated.

The Annual Meeting is normally an opportunity for the Board to review the accomplishments of the prior year, present the goals for the upcoming year, discuss the finances of the association, hold the election of Directors and give owners the opportunity to ask questions. Due to the format of the video format of the meeting, owners were asked to submit questions in advance. The Board will address the submitted questions at the end of the meeting.

The meeting agenda was abbreviated to include only those items essential to continuing operations of the Association.

Mr. Postiglione introduced the Board Members:

1. Bob Postiglione, President – Shipyard Village
2. Vic Figlar, Vice President – Willbrook Plantation
3. Virginia Paccodolmi, Secretary – Bridgewater
4. Carroll Player, Treasurer – Osprey Watch
5. Royce King – Director – Commercial property owners LBTS
6. Scott Manhoff, Director – Avian Forest
7. Wayne Flowers, Director – Heron Marsh
8. Bob Gilman, Director – River Club
9. Bruce Allen, Director – The Reserve

Waccamaw Management, LLC, AAMC, Managing Agent for the Association, was represented by, Lisa Hergenrother, Community Association Manager, Pamela Johnson, Community Association Manager and Beth Griffis, Senior Executive Assistant.

Mr. Postiglione stated that Article IV, Section 1, of the Association Bylaws, states, as amended, that the Annual Members' Meeting shall be held on a day and time as determined by the Board of Directors.

President Bob Postiglione acted as Chairman for the Meeting and Virginia Paccodolmi served as Secretary. Pamela Johnson was appointed Agent and Proxy for those Members of the Association not present at the Meeting for the purposes of voting and also served as Clerk.

**Certification of Proxies:**

Reporting as Clerk, Ms. Johnson stated the percentage of Membership represented by Proxy was 54.84 percent. Needing only 51 percent to constitute a quorum, the Association could successfully conduct business at this meeting.

**Approval of Minutes:**

Due to the current restrictions on gatherings of large numbers of people, the Board decided to not only post the minutes from last year's meeting, but to request that the membership approve the minutes via proxy. Reporting as Clerk, Ms. Johnson stated the minutes of the 2020 Annual Members' Meeting of Litchfield by the Sea Community Association, Inc. were approved by a 54.84 percent vote of the membership.

**Proof of Mailing:**

Chairman Postiglione examined the Proof of Mailing and noted that it, along with a copy of the Notice that was distributed to the Membership, would be filed with the Official Records of the Meeting.

**REPORTS:**

**President's Report**

Chairman Postiglione noted the challenges of the past eighteen months but that a sense of normalcy is returning to Litchfield by the Sea. Improving communications with the membership is a priority goal for the Board. As a result, the Board has formed a committee comprised of Board members and Owners who will establish ways to increase outreach to the membership in order to improve understanding of the Board's decisions and future planning and to avoid inaccurate information being circulated.

The Association has a website for the membership, [www.litchfieldbythesea.com](http://www.litchfieldbythesea.com), and emails are sent through TownSq. He urged members to sign up for TownSq if they have not done so. Currently, this is the primary source for the Board to communicate to owners and for owners to reach out to the Board and Association staff.

Chairman Postiglione also addressed the website Nextdoor.com and emphasized that this vehicle is not the official source of news for Litchfield by

the Sea. In fact, NextDoor seems to be a source of misinformation. He urged owners not to rely on NextDoor for Litchfield by the Sea news. Chairman Postiglione felt that the information circulating on NextDoor regarding the Beach House and the possibility of a food and service venue there was not remotely accurate as to what the actual details are for this particular issue.

In addition to TownSq, the Committee, the website, The Board is meeting quarterly with the Presidents of all the member regimes to discuss current issues being addressed. It is hoped the information from these meetings will be disseminated by the Presidents to their own regime members.

#### Food Service Option Survey

Chairman Postiglione reported on the survey that was conducted regarding the food service options. Out of 2800 potential votes that could be cast, a little over 800 surveys were submitted. He felt it was accurate to state most owners wanted to see the Beach House remain as a meeting and event space and did not want a restaurant and he said it would remain that way.

There were additional questions about other forms of food service, in particular food trucks, which will continue to be offered.

He also stated that the Board receives requests every day from members, such as landscaping, charging stations for electric cars, converting the Beach House to a restaurant, and recycling. The Board takes all requests seriously and studies them. That is what was done with the inquiries on converting the Beach House to a restaurant. The Board investigated possibilities. No decisions had been made about the Beach House. There was misinformation in the community such as the restaurant would be opening any day and that it would be open to the general public. Those statements were simply not true. The restaurant concept was only in the early stages of being studied.

The Board discussed the possibility of opening the restaurant with the County (with regard to their rules and permit requirements) and the governing documents were also reviewed. Chairman Postiglione noted actions taken by the Board must conform to the governing documents, written in the 1970's. While times have changed, it is very difficult to change the governing documents, as noted the vote with River Club Cable. The documents also address how things can be done by the Board. A common misperception was that the Board could make this decision unilaterally. The Beach House is owned by the membership and to change the use of the Beach House would require a vote of the entire membership.

The Board will continue to review member requests brought to them. The Board feels that is their duty and responsibility.

#### Accomplishments

Despite the COVID-19 pandemic, many accomplishments were made during the last 18 months. Here is a summary of what the association was able to do:

- Navigating the Association affairs during the COVID-19 Pandemic
- Two new sections of the Beach House deck were replaced with a new composite material
- Road sealing on the Oceanside – near the Beach House circle and the asphalt walking path
- Additional storm drain work at both the Oceanside and at River Club
- A new pool fence and kitchen counter at the River Club pool house
- Sand fencing was installed in front of the Beach House
- Additional repairs were made on the Osprey Lake bulk head near the Rookery
- The River Club road study was completed, Bob Gilman will discuss further on this issue later in the meeting.
- A jockey pump that supports irrigation at the Oceanside Campus was repaired
- The Osprey Lake boat slip was rebuilt

In 2021 the following projects are slated to be completed:

- Additional Storm drain work inside LBTS, inside Charlestowe Grant, and the in River Club on Club Circle and near Tall Pines
- Moving the GateHouse security software to the cloud by the end of the year. This will assist with the speed of inputting and processing new bar codes
- New gate motor at the front gate of River Club
- Re-opening the LBTS River Club Pool and the Beach House deck. As social distancing guidelines are eases, additional furniture will be places at the pool and on the Beach House deck.
- Repairs to the fishing dock area adjacent to Osprey Watch are currently underway.
- Repairs to the fountains in Osprey Lake
- Aerators in River Club to help improve water quality in the pond that runs behind Club Circle
- Marking one more tennis court for pickle ball and replacing wind screens and purchasing new benches
- The final section of the Beach House deck will be replaced with more durable material

LBTS's infrastructure continues to age and the Board addresses needs as they arise and according the association's reserve study. When possible, using more durable materials (i.e. at the Beach House deck) will be explored.

**Financial Audit Report: - DOUBLE CHECK THIS SECTION AGAINST THE AUDIT**

Treasurer Dr. Carroll Player reported on the 2020 Audit. He stated that in the opinion of Sage and Bell, PA, CPA, the financial statements present fairly, in all material respects, the financial position of Litchfield By The Sea Community

Association, Inc. as of December 31, 2020 and the results of its operations and its cash flow for the year ended conformed with the accounting principles generally accepted in the United States of America. A copy of the Audit Report is filed with the Association's records and is posted on the association website.

He reported the Balance Sheet and the financial position of the association and stated the association's assets in 2020 were \$1,781,231, an increase from \$453,216 in 2019. The total liabilities were \$532,543. The total fund balances were \$1,248,687, an increase of \$708,000 over 2019.

The 10% special assessment funds (\$252,282) were spent on capital projects which included the items mentioned in Bob Postiglione's President's Report. An additional \$102,404 from the association's reserves were spent on capital projects.

And lastly, Dr. Player reported that a negative owner's equity position was reversed in 2020 from a negative \$64,000 to a positive \$19,000.

The association's delinquency rate remains low at is 1% and is well below state and national average. If you have any questions, please contact Association Manager Lisa Hergenrother or Auditor Randy Bell.

### **Election of Directors:**

Chairman Postiglione stated the primary purpose of the Annual Members' Meeting is to allow the Membership to elect Directors of the Association.

Pam Johnson is serving as the inspector and teller of the election. There are three open seats being filled at this year's Annual meeting. The terms of Dr. Carroll Player, Royce King and Virginia Paccodolmi expire at this year's meeting. Virginia will be stepping down and we extend our thanks and appreciation for her great work on the Board. Carroll Player and Royce King have decided to stand for re-election. Dr. Player represents Osprey Watch and Mr. King represents the Commercial Properties at LBTS.

Since Ms. Paccodolmi's seat is from an Oceanside community, the new board member also needs to be from an Oceanside community. The nomination committee interview two candidates and found both to be exceptionally qualified. Mr. Larry Ferguson of Charlestowe Grand and Mr. David Uhazie from Pelican Watch were both placed on the ballot. While there are four people running, there are only THREE seats to fill. The Board wanted the membership to elect the candidates for the three open seats. The terms for all three seats are from 2021 - 2024.

Write in votes for the following individuals were received: Joe Banyar, Frank D'Amato, Tom Edge, Bob Gilman, Bill Hoyle, George Leyendecker, John McLaughlin, Roger Phillips, Paul Reid, Bob Reinke, and Neil Silver.

Reporting as Clerk, Ms. Johnson stated the candidates elected to serve 3 year terms the Board are the following individuals: Mr. Larry Ferguson, Mr. Royce King and Dr. Carroll Player.

### **Election of Tax Resolution:**

Community Association Manager Lisa Hergenrother stated the Membership voted on the Tax Resolution, which allows for the excess Association income over Association expenses to be deferred to the following year's assessments. Therefore, any excess assessment income over and above expenses is subject to taxation. The federal tax rate for all corporations that file an 1120 corporate tax return is 21percent. While the tax law benefits for-profit corporations by lowering their tax liability, non-profit corporations that are not tax exempt, will be taxed at a higher rate. If the membership votes to approve the resolution, the excess income can be applied against the subsequent year's assessments and expenses and, therefore, reduce the association's tax liability as provided by IRS Revenue Ruling 70-604.

Normally at the Annual Meeting a vote is taken of the members in attendance, due to the meeting be held by video conferencing, Ms. Hergenrother asked the Clerk, Ms. Johnson to review the tally of the votes submitted via proxy. Ms. Johnson stated the tax resolution was approved by a membership vote of 54.84 percent.

### **HOMEOWNER QUESTIONS**

The Board addressed the following questions/topics submitted by owners:

#### **Voting – Bob Postiglione**

The proxy for this meeting included votes for two purposes. One was for the annual meeting business: approval of 2019 annual meeting minutes, the election of directors, and the tax resolution. The quorum for the regular annual meeting is 51%. The second vote was for the special meeting to vote on governing documents changes required to offer cable and internet services for the River Club single family homes. The special meeting required a quorum of 60% of all LBTS members. Then, in order for the governing documents changes to be approved, a majority of the 60% quorum would have had to have voted YES.

If someone submitted a signed proxy, their proxy was counted towards the quorum of both meetings. A blank space on the proxy indicated that the member did not wish to vote on that particular item.

#### **Beach House/Restaurant topic – Bob Postiglione**

There were multiple questions on the issue regarding the restaurant and food service at the Beach House. As the survey results indicated, membership did NOT desire a change at the Beach House. Therefore all other questions regarding this issue are now moot and will not be addressed. The Beach House will remain a meeting place and special event venue and that issue is now closed.

### **River Club – Bob Gilman**

We received many questions about River Club.

River Club is not a separate association and pays the same LBTS assessment as any owner on the Oceanside Campus. All other member LBTS communities have their own sub-associations and pay dues to those associations in addition to the LBTS monthly dues.

River Club and Oceanside owners pay \$114 per month. West side properties pay \$39 per month. Oceanside and River Club pay roughly three times the LBTS month dues that the Westside owners pay. These fees and how they are determined are dictated by the LBTS governing documents. Any changes to how assessments are calculated would require a super majority of owners to approve.

Any attempts to have River Club form their own HOA would require 100% approval by all owners. That would be impossible to achieve.

River Club Roads: in the next several years, Litchfield by the Sea will need to start, in a phased approach, repaving the roads in River Club. Work on the Oceanside Campus roads are not on the short term horizon. Recent storm drain repairs in the River Club have not required any road repairs. The recent project on the Oceanside inside the front gate did require both storm drainage work and asphalt repair work. The asphalt road was actually failing in spots in that area because of excessive water which is why both portions of the project were needed.

### **Applying for the Board – Bob Postiglione**

A nominating committee is formed each year to recruit candidates. The composition of the board includes both Oceanside and Westside representation. Any openings on the board need to be filled with a candidate from the area being vacated – i.e. either Oceanside or Westside. Typically, the LBTS Board is seeking individuals who have already served in a leadership role on the board of their own sub-association. This year, the number of exceptional candidates exceeded the open slots so the nominating committee decided to put forth all four candidates and let the membership decide which three individuals would be elected to serve.

### **In-person/Live meetings – Vic Figlar**

The Board expects to return to live Board meetings when the Beach House reopens. We fully expect next year's annual meeting to return to a live/in-person meeting – or perhaps a hybrid of in-person with some streaming/virtual aspect to accommodate owners who do not live in the area year round. By the time we needed to send the notice out this year, it was uncertain about large meetings spaces and appropriate venues and crowd sizes. That is why a virtual meeting was conducted.

### **Tennis Courts – Vic Figlar**

We will be replacing the wind screens, installing new benches and marking one more court (for now) for pickle ball. It will be located next to the other pickle ball court. We hope to have this done in the next 60 days.

### **Security Issues – Bob Gilman**

Beach House Deck Guards: These positions are seasonal. We do expect to have these guards in place within the next two weeks. If anyone is trying to hire anyone right now, you know how hard it is to find people. Our contracted security vendor Allied Security knows our needs and promised us they will find the people we need.

### **Bathrooms – Bob Gilman**

For many years now, the Beach House Deck restrooms are open from 6am to 10pm and then locked overnight. The doors are left open during daytime hours to help both rental guests and owners gain easy access to the bathrooms. We have heard there are issues with the men's room door so we are getting that taken care of. The code to the rest rooms is 5142. **(double check this)**

The Beach House rest rooms are checked and stocked at least two times a day (Morning/Afternoon). If you notice a need for supplies, please call the Waccamaw Management main number at 843-237-9551 and we will get the situation addressed. Or speak to the Beach House Guard that is on duty.

### **Bar Codes – Bob Postiglione**

A committee has been formed with representatives from both the Oceanside and Westside to discuss some sort of renewal program for bar codes, and the feasibility of charging for other security related services such as guest passes. That group will meet for the first time next week.

LBTS has been charging since January 1st for all new bar codes issues. The target date for any new program is the beginning of 2022.

Multiple ownership properties: Each owner of a multiple ownership can obtain bar codes. So if the unit has 20 owners, each owner can obtain bar codes.

### **Recycling/Environmental Friendly options**

The Board is exploring possible options for recycling at the Beach House and on the Beach House Deck. Currently, single family homeowners that are members of LBTS can opt in and pay an annual fee for curbside pick up of recyclables. Condo associations have their own trash contracts and interest in recycling in those communities should be explored within that community.

The Board is just beginning to investigate a charging station for electronic vehicles.

Digging holes on the Beach – the beaches are actually the jurisdiction of Georgetown County.

**ADJOURNMENT**

There being no further business to bring before the Board, and upon a motion by Dr. Figlar, seconded by Dr. Player, and unanimously approved, the Meeting was adjourned at 10:34 a.m.

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Bob Postiglione  
President

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Virginia Paccadolmi  
Secretary

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