

LITCHFIELD BY THE SEA COMMUNITY ASSOCIATION, INC.
RESORT FEE MEETING OF THE BOARD OF DIRECTORS

Thursday, June 15th 2023

Pursuant to call, the Meeting of the Board of Directors of Litchfield by the Sea Community Association, Inc. was held on Thursday, June 15, 2023 at 2:00 p.m. at the Beach House at LBTS, located in Pawley's Island, South Carolina.

BOARD MEMBERS

Bob Postiglione, President	<i>virtual attendance</i>
Larry Ferguson, Vice President	
Scott Manhoff, Secretary	
Bruce Allen, Treasurer	
Bob Gilman, Director	
Wayne Flowers, Director	<i>absent, proxy vote</i>
Royce King, Director	
Jim Guzewich, Director	<i>virtual attendance</i>
Cynthia Steen, Director	<i>virtual attendance</i>

WACCAMAW MANAGEMENT

Lisa Hergenrother, LBTS General Manager
Deb Cyrek, Community Specialist
Sarah Brazee, Presenter/Speaker

CALL TO ORDER

Lisa Hergenrother called the meeting to order at 2:00 p.m. and a quorum was established.

Ms. Sarah Brazee shared information on the proposed Resort Fee Program with a power point presentation to those who attended the meeting in person and virtually. Following the presentation, Ms. Brazee and Ms. Lisa Hergenrother took questions from the audience and owners viewing from home online. All materials can be viewed online at litchfieldbythesea.com.

HOMEOWNER QUESTIONS AND ANSWERS

Joe Necker of Osprey Watch

Comment- states he is not happy about the same day meeting and board voting, felt that was not sufficient time for giving owners a chance to respond on the starting fees and the information on the amenities the fee will go towards before the Board vote.

Response- **The announcement and update of the Resort Fee Program was in April. There were three HOA President's meetings held between January and March.**

Marcia Faulk of Charlestowne Grant

Comment- Ms. Faulk feels she and others had plenty of time and have known about this for months. The Charlestowne Grant Board President Debbie Brazee has shared information with owners within their community.

Response- **Communications can always be improved but feel ample time and effort has been made in communicating the Resort Fee program through the HOA President's meetings.**

Online Owner (name not given)

Q.) Why charge a flat fee per stay?

A.) **Mr. Jeff Wood of Litchfield Beach and Golf Resort responded by stating that he prefers to keep it simple. The percentage based rate would require LBTS to receive financial information about unit rental rates to verify.**

Mike Angrassia of River Club and owns a condo in Summer House

Comment- People are coming into the LBTS community illegally from Litchfield Beach and Golf.

Response- **Management asks that people report illegal entry to security at 843-237-2451 so that something can be done about it when it is happening.**

Q.) How will the number of nights be verified?

A.) **The number of nights will be verified through the rental agency partners and gate records.**

Owner Mark Harris/ online

Comment- Mr. Harris is in favor of the Resort Fee.

Owner Susan Hartman of Summerhouse

Q.) How will renter know about the fee?

A.) **The fee will be disclosed by the owners/agency contract or by owners who self-manage their unit.**

Owner Jim Hartman of Summerhouse

Q.) Mr. Hartman stated that he understands uses but questioning proposed projects.

A.) **LBTS is committed to many projects and fees are to be used for improvements that are beneficial to rental guests and LBTS owners. LBTS would like to be proactive not reactive when it comes to maintaining existing amenities and creating new ones.**

Owner Ginny (last name not given) at Heron Marsh

Jimmy commented that he felt a vote is premature and thinks more time should be taken for owners to absorb reasons for fee and better idea of what the fee will generate in revenue for improvements.

Response:

Ms. Brazee stated that all expenditures will be transparent and there are too many factors to give an estimate on how much the fee will generate at this time.

Ms. Hergenrother stated that the fee will generate a significant amount of funds and after one year the fee will be re-evaluated based on solid numbers.

Mr. Larry Ferguson stated that this revenue initiative has been discussed for years and should have been shared with all owners by the 31 HOA Presidents.

Comment by Mr. Jeff Wood – wants this to be fair- self managed owners will need to collect the fee from their rental guests.

Comment by Ms. Brazee- owners are to give authorization to charge the fee to their rental agency partner. Self-managed owners for all rental guests will need to collect and remit funds themselves.

On-line owner Mathew Schoolmaster

Comment: Stated the benefits or revenue from the Resort Fee can be compared to planting a tree and receiving the benefit of the shade in time.

Owner Mary Anne of Charlestowne Reserve

Owner stated the west side properties are benefitting as well. Feels the costs should be spread across all users of our community. She is supportive and realizes all of the upcoming expenses should not be put on the backs of the owners.

Owner Kathy Benson of River Club

Great presentation and Ms. Benson supports the fee and stated that she thinks it's a great plan.

Owner Taylor (did not state last name)

Q.) Will HOA fees decrease with resort fee in place?

A.) **No, the resort fee does not affect the HOA fee, it is supplemental, not replacement income.**

Online comment:

Does not feel it is fair to charge the same fee for a one bedroom in lesser property value than a large Charleston Grant home.

Response: **Everyone has a chance to access the same LBTS amenities.**

Online comment:

Owners who use the amenities don't pay a dime for them.

Reply: **Owners who do live here year-round already pay HOA dues and a percentage of those dues are directly related to increased costs due to rental guests.**

Online owner of Shipyard Village

Comment: Does not agree with the fee and in the manner it was decided upon.

Response: **Market research shows our proposed fee is in line or lower than what other resorts charge.**

Online comment: Full time owners and people who rent their properties have a vested interest in having a well maintained community which will preserve property values and keep rental rates high.

Online comment: I believe it is good to fund amenities for both owners of property investments and owners living here full time.

Owner of Sandpiper:

Comment: The current security budget is around \$800k.

Response: **The security budget covers multiple guards, multiple shifts 24 hours/7 days a week, the bar code administrator, equipment and one mobile patrol officer for 2800 doors.**

Online comment: Renters of property can be abusive to common areas and they do not care as much about the community as do the owners who live in LBTS full time.

Online comment: Feels this is unfair and wants board to wait on voting until more data is produced.

Response: **The understanding of needs has been presented to the Board.**

Online comment: This rental fee benefits all in community.

Online participant:

Q.) How many board members rent their property?

A.) **Board member Mr. Scott Manhoff rents his property and is in favor of the resort fee.**

Q.) Why can't we have a poll and why does this have to be decided prior to 2024?

A.) **Community feedback is only one part of making this decision. The remainder of 2023 gives agency partners time to organize and the next six months will be spent preparing for 1/1/24 implementation.**

Mr. Ferguson's reply to online comments: HOA fees are used to "fix" things that are in need of repair with nothing left for additions.

Vendor passes were used as an example of a way that has increased funds in other communities. There is \$1.5 billion worth of real estate in the LBTS communities and LBTS's value is based on how it "LOOKS" therefore protecting your investment is critical.

Joe Sturgess owner comment:

Comment: Mr. Sturgess stated a flat fee is unfair and \$15.00 per night is too high.

Dan Osmond of Warwick Summerset:

Comment: Agrees that the well-maintained property is what sold him on the unit he purchased.

END OF Q AND A

MOVED: Upon a motion by Mr. Bob Gilman and a second by Mr. Larry Ferguson with eight approved and one abstained, the Resort Fee Proposal was approved and the meeting was adjourned.

ROLE CALL

Bob Postiglione	Yes
Larry Ferguson	Yes
Bruce Allen	Yes
Scott Manhoff	Yes
Royce King	Abstain
Wayne Flowers	Yes
Bob Gilman	Yes
Jim Guzewich	Yes
Cynthia Steen	Yes

ADJOURNMENT

There being no further business to bring before the Board, and upon a motion by Mr. Larry Ferguson seconded by Mr. Bob Gilman the meeting was adjourned.

Bob Postiglione
President

Scott Manhoff
Secretary