COVAR Meeting Minutes

Council of Villas, Associations and Regimes

Date:	April 18, 2026
Location:	Zoom Call - Seabrook Island, South Carolina
Format:	Open Discussion Meeting
Meeting Type:	Informational

1. Welcome and Introduction to COVAR

COVAR — the Council of Villas Associations, and Regimes — was formed to provide a unified voice for the 41 regimes and associations on Seabrook Island when engaging with the Town of Seabrook Island (TOSI), the Seabrook Island Property Owners Association (SIPOA), and the Seabrook Island Club. COVAR also serves as an educational resource, sharing information and best practices across communities.

The meeting was structured as an open discussion, with topics introduced and then opened for questions, comments, and shared experiences from attendees.

2. Governing Documents: Bylaws and Covenants

The meeting opened with a discussion on the importance of reviewing and updating governing documents.

Bylaws

Bylaws were defined as internal governance rules that dictate how an association operates. Key elements that should be included in bylaws are:

- Board structure, size, roles, and terms
- Election procedures and voting rights
- Quorum requirements

- Meeting schedules and procedures
- Powers and duties of officers
- Amendment procedures

Associations were encouraged to review their bylaws, as many were found to be significantly outdated..

A key recommendation was to ensure that bylaws include provisions for virtual (Zoom) meetings so that official meetings — including annual meetings — can be legally conducted via videoconference. Associations were advised to work with an attorney to ensure proper legal language when updating such amendments.

Covenants

Covenants were described as the rules governing property owners — essentially a rulebook for residents. Covenants typically address:

- Property use restrictions (residential vs. commercial)
- Architectural controls (paint colors, fencing, additions)
- Property maintenance standards
- Noise, parking, and pet/rental restrictions
- Enforcement procedures and penalties

Associations can establish rules and regulations that go beyond those of the TOSI or SIPOA. For example, Summer Wind Cottages maintain written Courtesy, Guidelines, Rules and Regulations for all owners and their renters. Enforcement tools available to associations include fines, liens on properties, legal action, and — under South Carolina law — foreclosure on properties with unpaid debts of $10,000 or more to the association.

The process of updating covenants requires working with an attorney, having the changes voted on by the membership, and filing the amendment with Charleston County. One association described bundling multiple amendments together (including Zoom meeting provisions and capital contribution revisions) into a single filing.

Regimes vs. Associations

Regimes typically consist of condos or townhouses (connected units), while associations generally consist of single-family homes. Regardless, the villas, regimes and associations make up the group known as COVAR.

---

3. Architectural Standards and the ARC/ARB Process

Discussion addressed the role of architectural standards in maintaining community consistency and reducing board workload.

Architectural Review Boards (ARBs)

Some regimes have established their own ARBs under their bylaws to review construction and improvement requests prior to submission to the Seabrook Island ARC (Architectural Review Committee). One regime described the challenge of managing new construction for the first time in 20 years, including debates over door colors and building scale.

Standards Development

Associations were encouraged to develop detailed written standards. Having comprehensive standards allows property managers to approve routine requests without requiring full board significantly expediting the process. ARC must review and still provide approval. The ARC can assist associations in creating standards and has template resources available. Associations were encouraged to contact COVAR if they need help establishing their standards.

Unauthorized Modifications

While discussing the standards, an example of why standards are so important was presented in which a property owner installed a stone sidewalk on association common property without approval. The association worked with its attorney to reach a legal agreement allowing the sidewalk to remain, with the property owner (and any future owners) assuming liability for any injuries. The association subsequently updated its standards to explicitly prohibit alterations to common property. The standards protect unwanted changes made to association homes and common areas.

HVAC Structures — Cantilever vs. Tower Design

Following County and town code changes requiring HVAC systems must be installed at or above the base flood elevation. Quite a few associations have been evaluating cantilever platforms versus tower designs. Key concerns raised included:

- Cantilevers being built improperly (one incident involved a unit constructed with drywall nails that collapsed)
- Difficulties in servicing cantilever units
- Noise and vibration complaints from owners

Tower designs were presented as a potentially safer, more serviceable, and more aesthetically appealing alternative. Associations are currently gathering cost estimates for both approaches. An additional consideration is that architectural designs now require a licensed architect's stamp, with fees ranging from $550 to $750.

Code Enforcement

For owners who fail to comply with building codes (such as not relocating HVAC units), associations can involve the Town's code enforcement officer, who can escalate matters to Charleston County for enforcement.

---

4. Projects and Capital Reserves

The importance of maintaining adequate capital reserves was emphasized. It was noted that some associations on Seabrook Island do not maintain any capital reserves, which was described as concerning.

Examples of Capital Projects

- Road and driveway repaving (described as the most expensive project undertaken by one association)
- Retaining wall repairs
- Mailbox stand replacements (some dating back to the 1980s)

Capital projects are significant, non-recurring improvements, replacements, or additions to common area assets that increases the property's functionality or useful life.

Capital Contributions at Sale

Some associations collect a capital contribution when a property is sold. It was recommended for HOA boards to review the details of their capital reserve contributions when property exchanges title. One association previously collected $100 per sale. With attorney guidance, the HOA amended and restated its covenants and restrictions. The new documentreflected the new owner contribute to the working capital reserve a sum equal to the greater of one quarter (25%) of the regular annual assessment in effect as of the day of the transfer of title OR one quarter of one percent (0.25%) of the sales price. This change required a covenant amendment, membership vote, and filing with Charleston County.

Reserve Studies

Some associations have conducted formal reserve studies using engineering firms, with reviews every five years. Others with simpler capital needs rely on known project estimates rather than formal studies.

Investment of Reserve Funds

Associations reported investing reserve funds primarily in money market accounts and laddered CDs to maintain liquidity. One association noted that increased interest income on reserves (held in accounts exceeding $100,000) resulted in a notable increase in tax liability, which was flagged during review of tax returns.

---

5. Budgets and Financial Management

Associations were encouraged to maintain current budgets and provide regular financial reporting. It was noted by a senior officer in a property management company that some associations currently lack budgets or up-to-date financial reports.

Budget Process

Budgets should be prepared prior to the start of the fiscal year (which varies by association). The recommended approach includes:

- Reviewing an actual-versus-budget report for the current year
- Contacting key vendors (property management, landscapers, tree trimmers) to determine anticipated price increases
- Building both an operating budget (annual revenue and expenses) and a capital budget (planned projects)
- Presenting the budget to owners at the annual meeting

Long-Range Planning

Associations were encouraged to plan 3–5 years ahead for major projects and assessment increases. The goal is to minimize sudden increases by gradually incorporating rising costs into quarterly assessments. One association reported average increases of approximately $25 per quarter.

Painting Reserves for those HOAs that provide this service

The IRS does not allow painting to be classified as a capital improvement., A separate savings account should be used for exterior painting funds rather than a capital reserve.

---

6. Insurance

Association-Level Insurance

Associations were advised to evaluate their insurance coverage. Two types of policies were highlighted:

- Property insurance — covering damage to common property from storms, wind, fallen trees, and similar events
- Liability insurance — protecting board members from personal liability for board decisions

Regime Insurance

For regimes (condos/townhouses), the regime typically holds the master insurance policy as the largest budget line item. Regimes should periodically reassess property values and communicate to owners their share of any potential deductible in a catastrophic event.

A cautionary example was shared of a condominium building fire in 2015 in which some owners who relied on rental income could not afford their share of the deductible, resulting in several financial hardships.

Bundling Insurance

It was noted that bundling insurance across regimes and associations for volume discounts is generally not feasible, as insurers price policies based on unique factors including building age, elevation, construction type, desired deductibles, and coverage levels.

Individual Owner Insurance

For single-family home associations, each owner maintains their own insurance policy. Some condominium declarations require owners to maintain an HO-6 policy (walls-in coverage).

---

7. Storm Recovery and Disaster Planning

Town-Led Coordination

The Town of Seabrook Island leads storm recovery efforts in coordination with SIPOA, the Seabrook Island Club, Berkeley and Charleston County EMS, the St. John's Fire District, and COVAR. Currently, two COVAR representatives serve on the Town's disaster planning council and as Seabrook's fire commissioner for the St. John's Fire District.

CERT (Community Emergency Response Team)

CERT is a county-certified group of Seabrook Island residents trained to assist in disaster situations. After an evacuation, CERT members return with key personnel to conduct windshield surveys of the island, and the fire district clears main roads of fallen trees.

Disaster Plans

One regime shared that a board member (a trauma surgeon formerly on the public safety committee) developed a comprehensive disaster plan for their regime, including identification of evacuation routes and shelter locations. The offer was extended to share this plan with other associations.

Pre-Storm Preparation

In the past, COVAR published an annual article in The Seabrooker during hurricane season with preparation checklists covering before, during, and after a storm.

Hurricane Awareness Day

Event	Date	Time	Location
Disaster Awareness Day	May 29, 2026	10:00 AM – 12:00 PM	Kiawah Island Town Hall

The event will feature speakers and information from emergency service providers. Attendance was strongly recommended for all residents.

---

8. Renter Communication and Safety

Communicating evacuation and safety information to short-term renters was identified as a significant challenge.

Current Approaches

- The Town maintains contact information for all rental companies on Seabrook Island and sends evacuation notices through those companies to reach renters.
- Owners who self-rent are responsible for communicating directly with their tenants.
- Some associations include safety information in rental packets or rules-and-regulations documents displayed in the units.

- One creative approach highlighted was the use of an electronic picture frame displaying rotating safety and rules information for renters.

Technology Solutions

It was suggested that mass notification software — similar to systems used on college campuses — could be explored for reaching renters during emergencies. SIPOA's existing registration system (which collects renter contact information via QR codes for gate passes) was identified as a potential data source for such notifications. This idea was referred to the SIPOA board for further exploration.

Code Red Alerts

Residents and owners were encouraged to register for Code Red alerts through the Town of Seabrook Island website for real-time emergency notifications.

---

9. Routine Maintenance

Soft Washing and Exterior Cleaning

Due to Seabrook Island's coastal environment (pollen, salt air, fungus), annual soft washing of buildings was strongly recommended. Some associations negotiate group discounts with vendors for roof cleaning, gutter cleaning, power washing, soft washing, and window washing. In most cases, the cost is passed to individual owners at a discounted rate rather than being paid by the association.

Tree Trimming

Associations typically trim palms in the spring (after seed pods drop) and hardwoods in the fall. Insurance companies have become increasingly aggressive about requiring limbs to be kept away from dwellings. Two tree-trimming companies — Arbor Care and Tree Logic — were noted as well-regarded options on the island.

Storm Drain Maintenance

One regime discovered that their storm drains had not been maintained as a regular line item. A vendor who performs drain work for SIPOA offered to service association drains at a reduced rate when already on-island for SIPOA work, reducing costs from approximately $1,600 to $400–$800. Associations were encouraged to coordinate with SIPOA's maintenance schedule for similar savings.

---

10. Economies of Scale and Vendor Coordination

A significant portion of the discussion focused on opportunities for regimes and associations to achieve cost savings through collaboration.

Shared Contracting

Geographically adjacent regimes were encouraged to explore joint vendor contracts for services such as landscaping, tree trimming, and paving. Combining projects could reduce:

- Gate-pass fees (noted as exceeding $1,000 per project)
- Mobilization costs
- Per-unit pricing

COVAR offered to facilitate mass email outreach to identify associations with overlapping project timelines.

Gate Pass Fees

Equipment and contractor access to Seabrook Island requires gate passes, which represent a significant cost. Coordinating projects with SIPOA's scheduled work or combining multiple regimes' projects can allow contractors to leverage existing passes.

Challenges

Consolidation faces several obstacles, including:

- Different property management companies with established vendor preferences
- Varying levels of existing vendor pricing (some associations already receive competitive rates)
- Limited capacity among smaller local contractors to serve multiple regimes simultaneously

An RFP (Request for Proposal) process was suggested for larger consolidated contracts.

SIPOA Long-Range Planning Committee

SIPOA representatives on the call confirmed that the long-range planning committee is actively exploring ways to support regimes and associations, including potential standards and economies-of-scale initiatives. It was noted that COVAR Villas, Regimes and Associations represent approximately 50% of SIPOA's population.

---

11. Property Management Oversight and Financial Vigilance

The meeting included a candid discussion about the importance of active board engagement and financial oversight.

Industry Concerns

A representative from a major property management company reported that an estimated 90% of their clients are not in sound financial condition — many lack reserves, do not collect sufficient assessments, and defer routine maintenance, leading to deteriorating building conditions.

Financial Oversight Best Practices

Boards were encouraged to adopt the following practices:

- Do not rely solely on property manager vendor recommendations — obtain multiple estimates
- Actively review financial reports and tax returns
- Maintain healthy reserves and operating accounts
- Plan for long-range capital needs

Cautionary Example

A historical incident was described in which a property management company owner was arrested for embezzling funds from multiple Seabrook Island regimes and associations, using money from some accounts to cover shortfalls in others. One association's vigilance in demanding detailed financial records led to their early detection and exit from the company, but other associations lost their capital reserves entirely. This incident underscored the critical need for boards to remain actively engaged in financial oversight.

Special Assessments

When associations face severe financial distress, owners ultimately bear the cost through special assessments. At least one Seabrook Island regime required multiple special assessments to recover from financial difficulties, placing significant burdens on owners.

---

12. Communication, Outreach, and Closing

COVAR Communication Channels

- Meeting minutes will be distributed via email blast to all regime/association presidents and property managers.
- An article summarizing the meeting will be published in The Seabrooker.
- COVAR maintains a website and a Gmail account (covarseabrookisland@gmail.com) for inquiries.
- It was noted that emails from COVAR's Gmail account sometimes land in spam folders, and recipients were encouraged to whitelist the address.

Real Estate Transactions

COVAR has attempted to compile updated information on assessments, property management contacts, and regime/association details to assist real estate brokers in educating prospective buyers. Some regimes declined to share assessment information. Board presidents were encouraged to be accessible to prospective buyers for questions about their communities.

Offer of Assistance

COVAR leadership extended an open offer to assist any regime or association — particularly those with new or inexperienced board members — with guidance on governance, budgeting, standards, and best practices.

COVAR Leadership Contact Information

Role	Name
President	Debra Lehman
Vice President	Sona Sliker
Secretary/Treasurer	Marie Wardell
General Inquiries	covarseabrookisland@gmail.com

Adjournment

The meeting was adjourned with thanks to all participants for their contributions and engagement.

— End of Meeting Minutes —