

Holley by the Sea Improvement Association  
Regular Meeting of the Board of Directors  
September 20, 2011 6:00-8:00pm  
Holley by the Sea Recreation Center  
Approved Minutes  
Secretary, Brooke Goldberg

**Roll Call:**

Pete Peterzen  
Joe Sipp  
Jim Mitchell  
Brooke Goldberg  
Jennie Barrett (GM)

**Quorum:** Yes

**Notice:** Yes

**Committee Reports**

Pool Dome: Compass Solar revised estimate came in about \$10K higher because of some engineering issues. The PDC is exploring other options before asking the BOD to approve the extra funds. The Pool Dome contract with Soper's also came back with approximately \$4500 more in cost than was approved by the BOD. The PDC is not ready to ask for this additional funding yet.

**New Business:**

3. Pool Dome Contract/Costs – see update under Committee Reports. Motion to have a Special Meeting of the BOD to address this issue on 9/27/11, 6pm at the Rec Center J.M, 2<sup>nd</sup> J.S., Approved 4-0. TABLED
6. Budget Workshop – Jennifer Barrett presented her draft operating budget for 2012. Changes to presented budget draft noted here (still a draft, **no BOD action taken**), further action TABLED to 9/27, 6pm Special BOD Meeting. **See attachment.**
  - Administration: Postage – will remove 4% increase
  - Maintenance: Grounds – will probably restore this cost to \$33K
  - Maintenance: Fuel: Propane-Natural Gas – if no action is taken on solar, this number will have to increase to \$45,000
  - Cancellation-Refunds – this is an error, will return to \$5500
  - Fixed Asset Purchases: Office Computers – this number needs to increase substantially, but the BOD still needs to investigate what actual cost for switching to electronic file/storage will require/cost...looking at \$30K range as a starting point.
7. TRX Suspension Trainer Profession Purchase Request – cost \$150 + taxes/S&H POSTPONED

**Old Business:**

1. Member Survey, with assessment notice (8/9/11) POSTPONED
4. Nominating committee – volunteer/appointments (7/29/11) POSTPONED
5. Final inspection of home improvement projects (ACC 5/10/11-6/22/11) POSTPONED
6. Electronic record conversion (ACC/GM-5/10/2011) POSTPONED

7. Formation of beautification committee (5/10/2011) POSTPONED
8. Guest policy review/discussion (6/22/11) POSTPONED

**Adjourn: *Approved 4-0.* 8:12pm**

Brooke Goldberg  
Secretary, Board of Directors

Attachment:  
2012 Budget Draft (operating)

**Jan - Dec - 2011 Proj. Budget Over/(Under) 2012 Budget Draft**

**GM notes**

**BOD Comments**

Brooke, Joe,

	Jan - Dec - 2011 Proj.	Budget	Over/(Under)	2012 Budget Draft	GM notes	BOD Comments
Annual Assessment	1,723,165	1,723,165	0	Not listed yet		
Incidental Income						
Social Events	2,400	3,000	(600)	2,500	No, Based on actual numbers	Was this estimate from the social committee?
Architectural	27,000	20,000	7,000	27,000	No reason it should or shouldn't	Why should this remain this high?
Rentals	30,000	30,000	0	30,000	Yes, Includes Locker, pavilion, campsite, beach house, screenroom, ect.	Have we actually made this much? What comprises this number?
Legal Fee-income	0	0	0	0		What is the legal fee based on ?
Youth Activities	97,000	95,000	2,000	97,000		
Aquatics	24,000	25,000	(1,000)	24,000		
Tennis	32,000	25,000	7,000	35,000	Increased tennis programs income	What accounts for this huge discrepancy?
Fitness	32,000	12,000	20,000	35,000	Zumba and Fitness Training increase	
Incidental Income - Other	26,000	20,000	6,000	26,000	Estoppel fees, tax and copy, vending income, notary fees, little swimmers, ect.	What sources account for this number?
Total · Incidental Income	270,410	230,000	40,410	276,500		
Passive Income	91,000	70,000	21,000	90,000	Assessment related fees.	Where does this come from?
Total · Passive Income	91,000	70,000	21,000	90,000		
Total Income	2,084,575	2,023,165	61,410	366,500		
Administration						
General & Admin	9,400	10,000	(600)	9,700	3% increase Office copiers lease fees.	What is gen and admin ?
Office Supplies	12,000	12,000	0	12,400	3% increase	
Office Equipment	1,300	1,000	300	1,400	3% increase (Upgrading server for Elac recs mgmt should be R&R expenses)	Should we anticipate computer purchases, etc. that have not been noted in the GAR report and therefore come from operating expenses instead of the RRR?
Postage	9,600	20,000	(10,400)	15,000	Anticipated 4% rate increase for 2012 - (Adjusted to 15,000, for amending Covants)	too low would like 15K exp increase mail for admend to covenants
Total Administration	32,300	43,000	(10,700)	38,500		
Maintenance						
Contract Maint.						
Swimming Pool	45,000	57,000	(12,000)	45,000	Getting increase from Tom for 2012 contract. - (Pool dome labor expenses are covered under line 37)	Should this still be \$45,000 or more (why the decrease)? And does this include increased labor/rental costs for set-up/take-down of dome?
Grounds Contract	0	0	0	0		
Contract Maint. - Other	2,300	2,400	(100)	2,300	3% inflation rate	

Grounds	33,000	55,000	(22,000)	11,000	why under	
Tennis Court Maint.	23,000	24,000	(1,000)	25,000	3% inflation rate (No)	Does this include repairs/replacement of fence?
Repairs & Maint. - Pools	8,000	18,000	(10,000)	8,300	3% inflation rate -Will have to research	expect need for handicap mod to maintain pool why cut 10K
Supplies	37,000	33,423	3,577	38,500	3% inflation rate (Went by average rate increase over past 10yrs, 2.76% annually)	the inflation rate not based on govt is 10% why so low
Rec. Center and Equip Repairs & Ma	37,000	40,000	(3,000)	38,500	3% inflation rate	
Beach House Maintenance	2,000	1,000	1,000	2,100	3% inflation rate (R&R as it is to repair the sound issue)	Will carpet come from RRR or IE fund?
Total - Maintenance	187,300	230,823	(43,523)	170,700		
Fuel						
Motor Vehicles/Mileage	4,000	5,000	(1,000)	4,300	2011 energy inflation 19.9%, 10yr avg is 6.7% * Gave 6.7% increase	
Propane-Natural Gas	22,000	50,000	(28,000)	26,300	change due to solar power being installed - 2012 \$4000 x 5	
Total - Fuel	26,000	55,000	(29,000)	30,600		
Utilities						
Cable/Satellite	2,200	2,200	0	2,300	3% inflation rate	
Electric	90,000	85,000	5,000	99,000	10% rate increase for 2012	
Electric-Street Lts	70,000	75,000	(5,000)	77,000	10% rate increase for 2013	
Telephones						
Monthly Service	12,000	16,500	(2,600)	14,500	3% inflation rate	
Cellular	1,900	1,900	1,900			
Total - Telephones	13,900			14,500		
Waste Mgmt. Services	2,000	2,200	(200)	3,000	getting additional recycling change	
Water	7,000	8,000	(1,000)	8,000	No, but I will	Have you talked to the water supplier about expected increases? inflation accounts for increase?
Total Utilities	185,100	188,900	(3,800)	248,900	Yes	
Direct Program Expense	63,000	60,000	3,000	70,000	Increased tennis and fitness splits	
Education & Training	2,500	5,000	(2,500)	5,000	Left the same	
Insurance Property	100,000	140,000	(40,000)	115,000	(2012) Citizens + 20%. All others 10%	
Fitness Equipment Lease Fees	10,000	10,000	0	11,000	\$1000 increase	
Newsletter Production	7,200	20,000	(12,800)	7,500	3% inflation rate	
Other	11,000	10,000	1,000	12,000	3% inflation rate	
Bad Debt	300	20,000	(19,700)	10,000	??	
Pest Control	3,000	3,000	0	3,100	3% inflation rate	
	197,000	268,000	(71,000)	233,600		
Real Estate & Personal Taxes				0		
Real Estate & Personal Property	5,000	16,800	(11,800)	16,800	has to be other taxes (call Saltmarsh)	

Total - Real Estate & Personal Taxes	5,000	16,800	(11,800)	16,800	
<b>Payroll-Wages</b>					
Contract Labor					
Payroll Health	96,000	70,000	26,000	110,000	15% plus 2012 may 1 health increase.
Payroll Taxes & Admin Fee	93,000	77,000	16,000	109,000	14% plus 2012 Jan 1 tax increase
Workman's Comp Insurance	26,000	22,000	4,000	29,500	4% plus add \$55 per employee for 2012.
					Deleted former & current GM salary. Added 3% increase for remaining (employee merit increases), then added bookkeeper (21 hr) and GM (29hr). (Per condo jobs) Adjusted to 5%
Payroll-Wages - Other	640,000	643,000	(3,000)	687,000	
Total - Payroll-Wages	855,000	812,000	43,000	935,500	Is 3% significant enough of a wage improvement?
Cancellation-Refunds	5,500	0	5,500	11,000	Not in 2011 budget
Dues & Fees	15,000	20,000	(5,000)	20,000	Left the same
Total Dues & Fees	20,500	20,000	500	31,000	
Professional Fees					
Accounting-Audit	17,000	17,000	0	18,000	Slight increase
Legal Fees					
Litigation Support	5,500		5,500		
Assessment Enforceme	37,000		37,000		
Covenant Enforcement	14,000		14,000		
General Legal	41,000		41,000		
Total Legal	97,500	120,000	(22,500)	110,000	Legal less than anticipated/Taking the average
Professional Fees - Other	3,100		3,100	3,100	Left the same
I - Professional Fees	117,600	137,000	(19,400)	131,100	
<b>Security</b>					
Monitoring Fees	1,100	1,200	(100)	1,200	Left the same
Security - Other			0	0	
Total Security	1,100	1,200	(100)	1,200	
Capital Improvement		0	0	0	
Replacement Fund Allocation	147,000	147,000	0	220,800	GAB Recommended 2012 funding amount
Fixed Asset Purchases					
Office Computers		5,000	(5,000)	5,000	
Fitness Equipment		12,442	(12,442)	12,000	
Total Other	147,000	164,442	(17,442)	17,000	
				0	

2011 Collection Shortfall

	96,000	86,000	10,000	100,000	Not expecting an economic change
	<u>96,000</u>	<u>86,000</u>	<u>10,000</u>	<u>100,000</u>	
	<u>1,965,900</u>	<u>2,023,165</u>	<u>0</u>	<u>0</u>	
			<u>(57,265)</u>	<u>2,175,700</u>	
	<u>118,675</u>	<u>0</u>	<u>118,675</u>	<u>(1,809,200)</u>	With changes \$383.00 per lot
Estimated Carry over				<u>118,675</u>	

(1,690,525) If we include projected carry over funds, \$360.00

0  
0  
0  
0