

**BOARD OF DIRECTORS**

**June 8, 2004**

**7:20 P.M.**

**DRAFT**

**8/03/04**

**9:00 a.m.**

**Call to Order:** The President, Endell Stevens called the meeting to order at 7:00 p.m. on June 8, 2004 at Holley by the Sea Recreation Center.

**Roll Call/Determination of a Quorum:** Present were Board members: Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker and Mr. Stevens. Quorum present.

**Mr. Crouch stipulated the meeting notice was posted as required by law.**

Mr. Parenteau added variance request to the agenda for Barefoot Creek under new business.

**Reading of Minutes:** Mr. Crouch read the minutes of the May Board meeting. Mr. Parenteau moved to pass the minutes. 2<sup>nd</sup> by Mr. Pinter. Motion passed 5-0 by Mr. Crouch, Mr. Pinter, Mr. Stevens, Mrs. Walker and Mr. Parenteau.

**President's Report:** President Stevens reported all the ballots have been mailed out within the time frame and in accordance with the law.

**Treasurer's Report:** Mr. Parenteau reported as of May 31, 2004 \$631,853.90 in the operating, in the sweeps account \$88,465.67 in the reserve fund \$966,239.98 total of \$1,731,041.55.

**Secretary's Report:** Mr. Crouch reported all ballots were mailed out to approximately 4,479. 300 ballots were not mailed out due to delinquent accounts. The people who did not receive their ballots under a trust were mailed new ballots. The certificates required by law were thought to be on file but they were not, 50 certificates were mailed out today. Mr. Crouch assured that all the ballots, which are legal, would be counted. Mr. Crouch stated he did not have any ballots the CPA issues the ballots and reissues ballots when needed. The CPA crosses out the old ballot number and issues a new ballot.

**Internal Vice-President Report:** Mrs. Walker presented a power point presentation concerning the improvements done on the common grounds. Mrs. Walker reported there was no permits pulled for electrical and water work, which was done at the beach house. There is a hole on the outside on the siding, which would allow bugs into the building. Flashing which is coming up on the roof. The back door frame is rotted out. The new tile does not match and is buckled. The kitchen cabinets are cheap kit cabinets. We use to have birch cabinets. The roof is in poor repair; it is eroding the foundation and is possibly leaking. This could affect the new acoustical tile in the beach house. Mrs. Walker said she had questions she would liked answered. Who decided what would be done and why? Where are the kitchen cabinets that were removed? Where is the previous \$4,000 ice machine? Mr. Crouch stated the ice machine was disposed of in the trash because it was rusted out and not serviceable. Who inspected the floors and the other work? Where is the license for the electrical work that was done? The license is important because if electrical work is done without a license this is a felony. Mrs. Walker said she has asked for the license and still has not received the license. Mrs. Walker said she had received another estimate after the work was done and the contractor said he would sub-contract the electrical and water work and that he would still make money and charge \$15,000.00 we spent \$30,000.00. Mrs. Walker said we should have more than one bid. Mr. Crouch said we had 5. Mrs. Walker said she did not see them and she has asked for things and does not get them. Mrs. Walker reported on the ball field. Mrs. Walker said she received a quote from the same contractor and it was for \$3,000.00. We spent \$17,000.00. Mrs. Walker said we needed grass on the side of the newly paved road and to do this very quickly since it was eroding and is ready to wash out. Mrs. Walker said we address issues in the future very carefully. The contracts are not specific they are open ended, failed to check contractors license, poor criteria, poor scope of work, poor record

keeping and did not have competitive building and low standards of work. Mr. Stevens stated the contractors were all licensed. Mr. Vickers said he provided the board with several comprehensive progress reports plus a bid matrix and analysis. This is fully and completely documented. Mr. Stevens said the hole in the beach house wall was not part of the contract and it had been there for a couple of years. The tile has to do with the manufacturer. Mr. Vickers said we have an outstanding claim with the manufacturer of the tile. Mr. Stevens said the birch cabinets were actually particleboard, the road we need to have fixed. Mr. Parenteau on the roof of the beach house according to the reserve study it will be in 2010. Mrs. Walker said to have that done as soon as possible. Mrs. Walker said the flashing should be repaired. Mr. Vickers said he was not aware of this and he would look into this. Mr. Stevens said all the Board members were invited to come down during the 3 months he spent down there for the improvements. Mr. Stevens said we got more than we paid for and a lot of this work was done without additional charge. Mr. Vickers said all of the contracts have been completed.

**External Vice President Report:** No report.

**General Manager's Report:** Mr. Vickers reported:

**Overtime/Sickness-**We had no sickness hours taken during the month of May. Employees worked 36 hours of overtime for the security gate and preparatory hours for summer camp. During the month of May we hired 5 lifeguards-part time temporary people and 8 part time summer camp counselors. We hired a full-time Architectural Liaison and a full time maintenance coordinator person.

**Program Activity Report-**This report reflects a profit and loss position for each of the programs. Fun Factory shows a loss for the year. After school program also shows a loss. However, summer camp is doing well. Aerobics program continues to show a loss of \$660 and will have a \$1200 approximate loss for the year. Mr. Vickers said it is his recommendation to cancel some of the low participation classes this will return to a break-even position. The Luau expenses have not been included in the amount for Adult Social, which currently shows a \$1,347 profit. Swim lessons are a busy program. The swim team we are showing a loss. The summer will show a significant jump however; we may want to look at the fall. Gymnastics, Tae Kwon Do and Tennis are profitable.

**Proposed revised contract for Grounds (Griffin Company)-**Provided is considerable data for your review. On April 7<sup>th</sup> President Stevens was given a proposed 3 year contract stating that the cost would be the same the work scope in fact picking up the trash in the community and mowing the road right of way in the community. April 13<sup>th</sup> the offer was presented to the board for consideration. On April 22<sup>nd</sup> Griffin Company sent Holley By The Sea a letter stating they review the contract and determined there was a substantial loss to their company and verbally withdrew the offer. May 3<sup>rd</sup> Griffin Company issued a letter to Holley By The Sea a new monthly rate of \$13,000 verses the April rate of \$6,359 approximately \$80,000 per year. May 7<sup>th</sup> Griffin Company sent a letter proposing a reduction of work scope and revised yearly contract and work scope for \$84,000. However, the work scope excluded the pool maintenance and roadside mowing. June 8<sup>th</sup>- Mr. Vickers said he received a letter with a significant reduced work scope and a monthly contract price of \$7,000. This offer has not been evaluated or incorporated in this analysis. Mr. Vickers presented the bid matrix package to the board. Mr. Vickers said he recommends we could add 4-5 man-hours and use the staff for the pool chemicals. President Stevens suggested the Board review the bid packets. Mr. Crouch said this board needs to solve this and if necessary hold a special meeting and not to pass this on to the next board. Mrs. Walker asked if we only received one bid on the tennis courts. Mr. Vickers said that was correct. Mr. Parenteau asked how long it would take to have the employees certified for pool care. Mr. Vickers said it would be a week to 10 days and he is pool certified. Mr. Vickers recommended we use our own people to do the tennis courts and the pools. Mr. Crouch I move we solve this issue within a week to 10 days. 2<sup>nd</sup> by Mr. Pinter for discussion. Motion died. Mr. Pinter said to

take the time to review these issues and not make a hurried discussion. President Stevens said to let the new board make the decision and take the time to review these issues. Mr. Vickers said he was concerned on the grounds condition. Our irrigation system is in bad disrepair and we need to get attention on the irrigation immediately. Mr. Vickers suggested we do hydro seeding throughout the property to get some turf growing. The retention pond will give us the water for the irrigation but however, we need to get the irrigation taken care of the property. Mr. Vickers said Griffin Company is cutting corners at this time. They are not edging, mowing the grass therefore they are not fulfilling their contract at this time. Mr. Vickers said he would have to hire a custodial person. Motion by Mr. Crouch died because of no vote.

**Reclaimed water supply to south side Hwy. 98-** Mr. Vickers said the water department had a problem with a permit. He said it would be another 30 days before they could start. Mr. Vickers said if reclaimed water is used we might have to scrape the current irrigation system and go to blue pipe. Mr. Vickers said an engineer told him this about the pipe.

**Security patrol for Holley By The Sea Park-** Mr. Vickers said we need some type of security patrol during the summer since we have had reports of people using drugs at the beach and playground area. Mr. Vickers said he would like to hire an off duty police officer to patrol the area. Mr. Stevens said he spoke to the Santa Rosa's County Sheriff's office and we would have to hire off duty officers as a Holley By The Sea employee in order for them to be fully insured. Mr. Vickers said he would explore this further and report back to the board.

**Lot foreclosure scheduled for June 25<sup>th</sup>, courthouse steps-**Mr. Parenteau and Mr. Stevens said they would attend this meeting.

**Request for variance in HCE-Fischer construction submitted a variance.** The committee recommends not to the grant a variance to the developer. Mr. Parenteau I move to disapprove the variance at this time. 2<sup>nd</sup> by Endell Stevens. Motion passed 5-0. Motion passed by Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker and Mr. Endell Stevens.

**Proposed beverage vending contract from Coca Cola-** Mr. Vickers recommended approval on the proposed contract with Coca Cola. Mr. Stevens said he preferred Pepsi to Coca Cola. The profit amount Holley By The Sea for annual estimated total vending revenue according to Coca Cola would be \$2,430.00. Mr. Crouch I move to accept the contract with Coca Cola as presented. 2<sup>nd</sup> by Mr. Parenteau. Motion passed 4-1. Motion passed by Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker. Opposed by Mr. Stevens.

**Political Candidates right to appear & speak at Holley By The Sea-**Mr. Vickers reported he had been contacted by a candidate who wants to speak here. Mr. Crouch said there has to be guidelines and he has to abide by the rules set forth in the covenants.

**Request for payment for Griffin Contract 2004 Special projects-** Mr. Vickers said they are owed \$7,000 for final payment for the jogging trail and the ball field. Mr. Pinter he believes a board member should be present for judging the work scope of the contract when work is completed and review the contracts to make sure the parties involved comply with the contracts. Mr. Parenteau said the contracts are very vague and the contracts need to be more detailed and defined along with a more defined work scope.

#### **COMMITTEE REPORTS:**

**PLANNING COMMITTEE-no report**

**STORM WATER COMMITTEE-no report**

**NEWCOMER'S COMMITTEE**-Betsy Traynor, Chairperson reported we had a meeting and we had 15-20 people attended.

**ADULT SOCIAL COMMITTEE**-Adell Crouch-Chairperson reported everything was on track for the Luau. There will be no activity in July, however a potluck is scheduled for August 21, 2004 at 6:00 p.m.

**ARCHITECTURAL**- Mr. Traynor reported there were 23 complaints 18 of them solved. We are up 85 homes for the year so far 247 homes for the year. Architectural Committee problems from the last meeting will be brought up at the next board meeting. A builder requested a variance for lot 228/11 and the board suggested the plans be sent back for revising and resubmit to the new board.

**TENNIS COMMITTEE**- no report.

**NOMINATING COMMITTEE**-no report.

#### **OLD BUSINESS:**

**Street Lights:** Mr. Parenteau moved to table the motion. 2<sup>nd</sup> by Mr. Crouch. Motion passed 5-0. Motion passed by Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker and Mr. Endell Stevens.

**Policy regarding communications with Association Attorney:** Mr. Parenteau I move at any board meeting the board of directors can agree to send any issue to the association attorney. If the board needs to give an issue or concern to the association attorney outside of a board meeting, the board needs to do this in writing with at least three board member signatures. The general manager being the main point of contact for the association may bring an issue to the association attorney that he/she deems an immediate concern for the association. If the general manager contacts the association attorney he/she will notify all board members with the concern and the response or expected response. 2<sup>nd</sup> by Mr. Crouch. Discussion. Mr. Parenteau said he had been left out of a lot of issues in the past. Mr. Parenteau said this would insure all board members will be kept in the loop of what is going to the attorney. Mr. Stevens said there was a policy in place that anyone wanting to speak with the attorney is to go through the President of the board. Mr. Crouch (as Parliamentarian) the subject and the board will no longer have to go through the president to send a question to our attorney. Motion passed 5-0. Motion passed by Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker and Mr. Stevens.

**Employee Violations:** Mr. Crouch withdraws this and is in the general manager's hands.

**Cost of Living pay increase for employees:** Mr. Crouch said this is up to the general manager. Mr. Pinter asked if the employees had received a cost of living increase. Mr. Vickers said we have a program for an annual increase and at the end of the 90-day probation period for employees. Mr. Crouch said the general manager is responsible for hiring, firing and pay for the employees, however, the board handles the general manager's. He was due an increase in January. Mr. Parenteau I move we give the general manager a 10% increase retroactive to January. Mr. Parenteau asked Mr. Vickers and Dawn Rinehart to leave the meeting. Mr. Parenteau made the motion to give a 10% increase to the general manager effective June 1, 2004. 2<sup>nd</sup> by Mr. Crouch for discussion. Motion passed. 3-2. Passed by Mr. Stevens, Mr. Parenteau and Mr. Pinter. Against-Mrs. Walker and Mr. Crouch.

**Security Gate:** Mr. Vickers said the parts were on order for the security gate and would be operating soon.

**NEW BUSINESS:**

**Presentation of 2003 external financial audit:** Presented by the Association's auditor at the beginning of the meeting.

**Proxy-Ballot for 2004 BOD election:** Mr. Crouch discussed under the Secretary's report. Mrs. Walker stated the database was corrupted and questioned the mailing of the ballots. Mr. Crouch stated that either member on the warranty deed could sign on the proxy ballots which were mailed Mrs. Walker said the voting would be contested.

**Variance on Barefoot Creek:** The board reviewed the variance request and would like to review the plans for the home by Kaufmann builders before granting the variance.

Mr. Vickers addressed the board concerning the \$2,000 builder's bond. Mr. Stevens questioned why we were not collecting the money, which is stated in the covenants. Mr. Pinter asked why were we not collecting the \$2,000 up to \$10,000 for the buildings from the builders. Mr. Vickers said that there is only one builder who has the \$10,000 builder's bond in place. Mr. Parenteau I move we collect \$2,000 per home under construction up to \$10,000 as stated in the covenants. 2<sup>nd</sup> by Mrs. Walker. Motion passed 5-0. Motion passed by Mr. Crouch, Mr. Parenteau, Mr. Pinter, Mrs. Walker and Mr. Stevens.

**Meeting Adjourned at 9:40 p.m.**

**Open Forum**

Respectively Submitted,

Harry Crouch/Secretary/Parliamentarian