

**Holley by the Sea  
Board of Directors Meeting  
October 18, 2006  
6:00 PM**

**Minutes**

**Call to Order:**

Mr. Harrington called the meeting to order.

**Roll Call:**

Mr. Rogers called the roll and Ms Reilly, Ms. Gallup, Mr. Harrington Ms. Gardner, and Mr. Rogers were present.

**Determination of a Quorum:**

Mr. Harrington determined that a quorum was established for the meeting.

**Proof of Notice of the Meeting:**

Mr. Harrington asked if the meeting had been properly noticed.

**Consideration of the Proposed Budget and Annual Assessment for 2007:**

Mr. Harrington gave a brief account of the proposed budget for 2007.

Ms. Gardner stated that she felt the proposed budget and resulting assessment of \$377 per lot was the correct amount and she is in favor of approval of the budget and assessment of \$377.

Mr. Rogers stated that based on his efforts to collect data and interview staff that he does not feel that the proposed budget is consistent with what is required and what the staff is saying that is needed.

Mr. Rogers said that the information he collected seemed to corroborate this.

Mr. Rogers stated that he felt there may be some excess in salaries and proposed to phase in the replacement of the pool dome and air conditioning over a three to four year or five year period.

Mr. Rogers said he was aware of the repairs having been done on the AC over last summer but that the system seemed to be working fine. He also stated that the last time he saw the pool dome it was intact and was not convinced that it needed to be replaced next year.

Mr. Rogers stated that the Association had a reserves study that was completed before Ivan that needed to be revisited and brought up to date so we could follow a plan instead of fixing all of these items this year.

Mr. Rogers stated that he supports his previous position of \$320/lot.

Ms. Gallup discussed the apparent needs of the association and the need to build up our reserves. She stated that she was in support of the proposed \$377. She went further to state that she feels it should be a greater amount.

Ms. Reilly stated that since the previous meeting, she had done a considerable amount of research and checking of the numbers in the proposed budget. She stated that in her opinion there were no excess funds in the budget with respect to salaries.

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Ms. Reilly stated that she felt the numbers for electricity were exact.

Ms. Reilly stated that she felt the amount provided for the tennis courts was needed and that it is required of the Board to maintain the tennis courts.

Ms. Reilly stated that it is her opinion that since the HVAC contractors had recommended that the air condition needed to be replaced, it needed to be replaced and that she was not a HVAC professional she could not question such a recommendation.

Mr. Reilly stated that the operation of HBTS was a bit inefficient and new computers are required to improve efficiencies.

Ms Reilly stated that since there was a pool dome when she bought into HBTS that HBTS is obligated to ensure there is a pool dome and that the proposed expenses for the pool dome is a requirement.

Ms. Reilly stated that the proposed budget and assessment does not provide any money to be placed back into our reserves.

Ms. Reilly stated that she did not agree with Mr. Rogers that there was any amount that could be cut from the proposed budget.

Ms. Reilly stated that she is in favor of the proposed budget of \$377/lot.

Mr. Harrington summarized the cash flow from the end of 2005 to the present indicating that the Board had spent about \$2.6 million during this period.

Mr. Harrington stated that Ms Hoeflich had prepared a detailed statement itemizing those expenditures and that this data will be soon available to the members.

Mr. Harrington stated that there may be some excess in salaries that we may not need to use and he hopes that is the case.

Mr. Harrington stated that we might possibly replace some of the AC units this year and so on, but he recommend that we do it now as opposed to later.

Mr. Harrington said that he does not use the pool dome but feels it something that is required. He stated that Chuck had examined the pool dome and it was in pretty bad shape. He noted that the proposed cost was \$120,000 and not \$140,000 as Mr. Rogers had stated.

Mr. Harrington explained that he and Ms. Hoeflich had performed a study and concluded that it would take about \$300 just to open the doors to the facility for 2007.

There was a severe disruption and outburst from an individual during the meeting.

Mr. Rogers replied by saying that he did not favor disposal of the pool dome but that he was in favor of raising the existing dome and examining it.

Mr. Rogers explained that an HVAC would consider only the total dollars spent on which to base a decision to replace the AC units and that a costs vs. benefit analysis must be preformed considering also the time and the cost of money and that such has not been performed. So Mr. Rogers could not support the expense at this time.

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Mr. Rogers stated that we should have a plan prepared, seek buy-in from the members, then work the plan.

Mr. Rogers stated that he was maintaining his position of \$320/lot.

The meeting was disrupted by the crowd.

Ms. Gallup made a motion to approve \$377/lot. Ms. Gardner second. The Votes was 4-1, Mr. Rogers opposed.

**Adjournment:**

Ms. Gallup moved to adjourn. The meeting was adjourned on a vote of 4 -1, Mr. Rogers opposed.

The meeting was adjourned.

*Neal A. Rogers, Jr.*

Neal A. Rogers, Jr.  
Board Secretary