

Holiday Shores
Board of Directors Meeting Minutes

Date: February 26, 2020

Attendance

Present: Dave Decker, Ali DeVries, Tony Harris, Anthony Harrell and Shaun Diltz

Excused Absences: Steve Yates and Matt Ressler

Others Present

Rob Clarkson, Rob Frey and Megan Jackson from the Holishor Office

Holishor Members Present: 3

Proceedings

Meeting called to order at 7:30 PM

Pledge of Allegiance recited

Meeting Minutes of February 12, 2020

Ali DeVries – Motions to approve the minutes as amended.

Tony Harris – Seconds.

All in Favor.

Motion Carries.

Transfers of Property

There are two transfers of property. There is one house and one lot with one triggered initiation fee.

Assessment Drawing Winner

Donna Franzini

Old Business

2020 Ditching

Roads on Priority 1 2020 Ditching: Anchor, Brigantine, Captains, Key Largo Terrace, Nassau and Tartuga.

Roads on Priority 2 2020 Ditching: Sextant, Bahamas and Shore Drive SW.

Rob Clarkson – The only thing I added on the ditching map was to show where the existing crossroad culverts are and the proposed crossroad culverts. The proposed one is actually flow filling and I cannot understand why it was installed the way it is. The additional culvert will be placed at Brigantine and Anchor. Right now, they have the water coming down one side of Brigantine crossing underneath the road going down further crossing again back to where Anchor is. That will eliminate that and correct the flow and alleviate some of the flooding. **Dave Decker** – The total estimate on here \$280,000. Priority one is \$171,000 and priority two is \$109,000. **Tony Harris** – After finishing the proposed updates for the 2021 budget, I put this together as a summary. What we have available now that is in the revised 2021 budget adds up to be \$30,000 for road repairs, \$118,000 for storm water improvements, road resurfacing for \$66,000 and then the engineering estimate based on last year's footage is \$40,372. As for what is needed in 2021, the same \$30,000 for road repairs before any numbers come from reserves, \$109,000 for storm water improvements, \$56,000 for road resurfacing and the engineering for \$40,372. In this one, I project taking \$43,000 out of the reserves this year and that gives us enough money to fund the projects that were presented by Rob, which would be \$171,000 for priority one ditching in 2020 and we will finish priority two for \$109,000 next year. That leaves \$30,000 each year for road repairs and then the resurfacing is the same number Rob had of \$56,564 putting that number in for both years. The engineering design is based on approximately 7,500 feet of roads last year and combined between priority one and two, we have 15,000 feet. Basically, the amount is 40,000 each year for the engineering. All said and done in the two years, we come up just \$4,000 short. I suggested some options to come up with that \$4,000. We could spend that amount less in road repairs, we could allocate the interest from reserves from 2021 which is budgeted to be \$12,200, we could spend less in ditching, rather than spending \$109,000 we could spend \$105,000. We could also allocate any overages from the 2020

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budget. My thoughts for this is to approve priority one projects for this year with the road resurfacing that Rob has proposed, see how this year goes budgeting for the priority two projects and road resurfacing for next year. If we fall short, then we finish it in 2020. **Ali DeVries** – I like that idea. **Tony Harris** – That is my proposal based upon the math. **Ali DeVries** – Rob, how do you feel about that idea? **Rob Clarkson** – Sounds good to me. **Shaun Diltz** – I’m still catching up a little bit. The priority one, that is just ditching. Are we doing any road resurfacing from the budget? **Rob Clarkson** – It is completely separate from this. We approved the road plan at the last meeting. **Dave Decker** – The biggest piece of this means we haven’t planned within our current budget is pulling almost \$43,000 out of the road reserves for this effort. Correct? **Tony Harris** – Correct. **Dave Decker** – We have been putting the money in there for opportunities like this. **Tony Harris** – In our packet, we have the reserve schedule to show we have that money in there in the road reserves. We could obviously move some of priority one to next year if we wanted to and pull the money out of reserves next year versus this year. I picked that number based on the numbers Rob presented. It doesn’t matter a whole lot which year we do them as long as there is a good stopping point on the roads themselves of where to start and stop. Another thing is that Rob mentioned that these are priorities and it needs to be done whether it gets done in one year, two years or three year. Unless something changes, these are still the top priorities. Even if we do not do some of these until 2022 instead of 2021, it is the same order and it wouldn’t change. If we find out that something happens this year or an unexpected expense comes up, we just move some of this work until the following year. **Dave Decker** – Just to add to that, you have heard that the Board is relatively flexible. So, when you start talking to the engineers about doing the work and looking at the estimates. If you see benefits of combining that engineering work, we could consider doing that. We have the money in the reserves to do it.

Ali DeVries – Motions to approve the priority one ditching and assess priority two for next year.

Shaun Diltz – Seconds.

All in Favor.

Motion Carries.

Shoreline Erosion Prevention

Dave Decker – In our packet we have the markup version. We have really been focused on the concerns of making sure the date structure is correct. **Tony Harris** – In that first paragraph under erosion control structures, shouldn’t that really be ‘prior to January 1, 2026’? I thought we needed both dates of 2021 and 2026. **Shaun Diltz** – For each lake? **Tony Harris** – Yes. Don’t we need to label 2021 for Holiday Lake and 2026 for Su Twan Lake? **Rob Clarkson** – I thought the discussion from the last meeting was what we are adding on the main lake, the back coves and everything were not touched the same as Su Twan. You do have that statement under deposits. **Tony Harris** – The way it reads now is ‘any structure that exists prior to then may not be deemed unapproved as to design or materials, only deemed and improperly maintained’. **Anthony Harrell** – The main lake should say 2021. **Tony Harris** – I think it should say existing structures that are there now on the main lake. **Anthony Harrell** – Correct. **Dave Decker** – Let’s just take a half step back and talk about what we wanted. Then we will focus on the verbiage. All of the structures that currently fall under this rule on the Holiday Shores lake would stay but all of the ones in the areas the ones that are not currently covered would take effect January 1, 2026. That is our theory, right? **Tony Harris** – Yes. **Dave Decker** – I don’t think there is any way you can just change this one date, and have it meet that one criteria. **Anthony Harrell** – All the areas that did not require seawalls in the past were erosion control should be 2026. **Dave Decker** – If you left the first paragraph as it was and you created a second paragraph that is what is here, is that really what we want? I know that is not the way to write or present it. **Tony Harris** – That is basically what we are saying but I think we could combine the language. That is the idea to have everything that is on the lake now by 2021 and the new areas that were causing to fall under this by-law to be effective January 1, 2026. **Ali DeVries** – Could it just be solved with a statement before the erosion control structure apply to Holiday Shores Lake as of January 1, 2021 and Su Twan Lake as of January 1, 2026? **Dave Decker** – No, because some of the areas on Holiday Shores Lake fall under the old rule and some areas do not. We want to have those incorporate in and give them until 2026. They are being given that same time frame because that allows them to get up to speed as we are with Su Twan. Also, coves today have to have seawalls, many of them. **Ali DeVries** – I’m not stuck on the verbiage I used but that was theory I was going for. **Tony Harris** – I think the language we have under Deposits is fine but, I think that last sentence under that paragraph is what we should use. We just have to move it up on the document.

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Jerry Theodore, 1346 – Should you change the term ‘coves’ to ‘lots’? Would that be better because it is not the entire cove that was exempted, it was only certain lots. **Dave Decker** – It helps with a piece of it, but yes. **Shaun Diltz** – I guess I do not know the history. Do we have lots in coves that are completely exempt from having any erosion structure? **Dave Decker** – If you look under Variances, if a property is in a cove area and is not affected by wave action. Today, it isn’t required to have erosion control. That is on the main lake because some of the coves way in the back were not required to have anything. Up to this point on what the Board has said, we want to require those on Su Twan to have seawalls and have protection. We also want to have those folks on the main lake to be required to have that protection, but we do not want to force them to have it in six months. We want to give them that leeway until 2026. **Shaun Diltz** – Do we have a list of the lots that do not fall under this list? What would be the verbiage on that? It basically says everyone has until 2026. Who do we not want to have until 2026? **Dave Decker** – Those that are currently not exempt. What if we were to just leave the first paragraph the way that it is and add a sentence on the end that says, ‘all lots on both lakes will fall under this requirement effective January 1, 2026’. **Ali DeVries** – I’m running out of things to say but I feel like that will solve a lot of this. ‘Waterfront properties on Holiday Shores lake, except those that are exempt will take effect on January 1, 2021 and Su Twan Lake previously exempt lots will take effect January 1, 2026. **Anthony Harrell** – Perfect. **Shaun Diltz** – Do we have a map of those who are exempt? **Rob Clarkson** – No. **Shaun Diltz** – I’m assuming that we currently have people fined for unkept seawall? **Tony Harris** – You wouldn’t start fining the ones on coves or on Su Twan until 2026. **Shaun Diltz** – We should be fining them already. **Dave Decker** – If we have people who are not in compliance, then yes, we should already be fining them. **Tony Harris** – Su Twan is already exempted. **Shaun Diltz** – I’m talking about the ones fall under this requirement currently. **Jerry Theodore, 1346** – What is normally done is the Lake Committee rides along the shoreline and identify the areas that we think need some sort of erosion structure. We then follow up with Rob and he sends them letters. **Shaun Diltz** – Right now, I was just curious if we are fining people. I’ve seen a handful of lots that this will affect. **Robert Rhea, 48** – I don’t know whether I need erosion control or not. I think maybe there is a lot of other people out here that also do not know either. I was thinking maybe some sort of map with highlights would fix a lot of issues. I figure I would because have wave action on both sides of my property but that’s an assumption. **Dave Decker** – Do you have erosion control now? **Robert Rhea, 48** – Yes, I do. **Dave Decker** – Then you’re required to have it. **Robert Rhea, 48** – I understand. It doesn’t sound like this specifies who is supposed to have it or not. **Dave Decker** – Today, the rule states that if a property is in a cove area not affected by wave action. If you’re at the back of a cove and you do not have any wave action, then there is not a requirement to have it. The goal moving forward is to have it there also unless there is some extreme condition. **Robert Rhea, 48** – I understand. I just feel that a map or a list of lot numbers would help clarify this. **Dave Decker** – When you get to this point, there is no need for a map. Everyone will be required to have erosion structure. If you disagree or think that you do not need some sort of erosion structure. You would have to come to the Board for a variance. **Robert Rhea, 48** – I guess the Association does not know how many individuals are in violation of this. **Dave Decker** – That is why the Lake Committee goes out for inspection. Most of what they are going to identify is if they already have structure that are not doing what they are not doing what they’re supposed to. You’re right, it’s very subjective and that’s part of the problem. There are people that believe they have an exemption when they really don’t. I think it is written in some by-law somewhere that their lot number does not have to have it. That is the goal of this is to get passed that. Otherwise, we would be talking for months trying to determine which property needs a variance or not as opposed to solving a problem that we don’t know exists yet. **Robert Rhea, 48** – If you define that now, there will not be any questions. **Dave Decker** – Then we would be spending months trying to solve a problem that may not even be an issue. As I said, we will let the Lake Committee perform their inspections and then move forward. **Jerry Theodore, 1346** – I don’t think that list is still around, I have no idea. This was done in 1987. At one time there were lot numbers that were exempt. I don’t believe that still exists, but I can tell you that most of them were way back at the end of coves. **Dave Decker** – Was it a Board vote that those were exempted in 1987? **Jerry Theodore, 1346** – Yes. That is why I’m saying there is no list. I just remember seeing a list many years ago. If this passes, the issue of determining whether they are exempt or not goes away. Unless, they come to the Board for a variance. **Tony Harris** – Every lot will be required to have erosion control if this is passed.

Conversation on verbiage ensues.

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New Business

2021 Proposed Budget

Dave Decker – Tony, what are the significant changes between 2021 and 2020? **Tony Harris** – On the revenue side, the main change there is the restaurant. Out of both the expense and revenue, we removed items that were from 2020 for draw down year. Then you will see that we have a 3% increase on most of the items in the budget. The roads are a big item, but we have already talked about that. The labor components reflect the increases in the minimum wage in 2021. **Shaun Diltz** – On the restocking of the lake, the number has been \$6,500 for the last twelve or thirteen years. Tony, you had just mentioned that everything has a 3% increase of inflation and that is a line item that has not increased. The price of fish is up to 250% since then. **Tony Harris** – What we talked about a few meetings ago that we would look at the end of 2020, if we had carryover, we would mark that to go toward increasing fish stocking. **Shaun Diltz** – There is a lot of volunteer work from the Tiki Bar Bass Club that they put a lot of their own stuff in the lake. The fact that line item does not get any inflation increase when the price of fish has increased. I would definitely call attention to it because I think the club has made big improvements after meeting with IDNR this year. For them to focus in on the number of fish we are stocking is the number of fish for a fifty-acre lake rather than a five-hundred-acre lake. For him to tell us that has the club excited to raise more money to supplement more fish. I think the community would like to see a 3% inflation increase. **Ali DeVries** – I’m assuming this will be in the Annual Meeting packets. **Dave Decker** – Yes. This will go to the membership for their vote to be approved.

Ali DeVries – Motions to approve the 2021 Proposed Budget as submitted.

Anthony Harrell – Seconds.

All in Favor.

Motion Carries.

Reserve Schedules

Tony Harris – What we have here is the reserve schedule for both 2020 and a copy of what 2021 would look like. All I did was take the 2020 schedule, add the membership approved contributions and remove what we have tentively approved to come out of the reserves for 2020 adding the budgeted amounts for interest to get a year-end number, roll that into 2021 to see what would be required so we could come up with a number for 2021. That is the methodology that was done, to come up with what we would need which is \$57,538 to fully fund all the items in the budget. **Dave Decker** – That seems really low. **Tony Harris** – We have a number of items that are fully funded. Some of the items we haven’t spent have been fully funded. We are attentively using this in ten years to replenish that. The difference that we have seen traditionally for funding is a lot of the vehicles that have already been funded so there is nothing to currently fund. **Shaun Diltz** – I was just thinking, if those things get postponed and the prices increase as they get postponed, do we just look at this every year to make sure? **Tony Harris** – It’s usually every two years, but yes. We try to update the cost and the life of these things. **Shaun Diltz** – You wouldn’t want to just all of a sudden take out a ton. **Tony Harris** – Correct. **Shaun Diltz** – It seems that everything is staggered really well. **Tony Harris** – This is all informational so we can see where we are at and where these numbers came from.

Open Floor

Robert Rhea, 48 – I’m just curious if anything has moved on the restaurant? **Dave Decker** – We have had a couple people show interest, but we don’t have anything serious in place yet. **Robert Rhea, 48** – What have been the main obstacles that have made people not stay? **Dave Decker** – Between the last two operators, has been the way they operated. If you’re going to come in here and serve this community, you have to have to provide a quality product with quality service. You need to have a credit card machine, that will get you your business. The last two vendors did not do that. The challenge from the folks coming in is primarily focused on the concern of people not having that business to keep them busy and make a profit. **Robert Rhea, 48** – What does it cost us to have them here? **Dave Decker** – It does not cost anything? We do not pay them to be here. **Robert Rhea, 48** – I understand that. I think most of the membership would like there to be a restaurant. Obviously, there is a lot of issues to support a vendor and make it profitable. Is there anyway to supplement that effort I guess is what I’m getting at. **Dave Decker** – The only way I know to supplement the way some membership clubs do is every member has to pay a certain amount to pay the restaurant operator. **Robert**

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Rhea, 48 – Has a partial lease been considered? **Dave Decker** – The Board is open to any conversation from anybody that is interested. **Robert Rhea, 48** – Has a partial lease been turned down in the past? **Dave Decker** – No, not in my recollection. **Tony Harris** – Yes. **Robert Rhea, 48** – Thank you.

Tony Harris – Motions to adjourn to Executive Session.

Ali DeVries – Seconds.

Meeting adjourned to Executive Session at 8:38 PM

Meeting Minutes submitted by Megan Jackson