

Holiday Shores  
Board of Directors Meeting Minutes

**Date:** January 28, 2015

**Attendance**

*Board Members*

**Present:** Dave Decker, Roger Rawson, Monte Thus, Rich Hertel, Alan Huelsmann, and Gary Kluckman.

**Excused:** Darren Onwiler

**Quorum Present:** Yes

*Others Present*

Holishor Members Present: 12

Glenn Dalton and Rob Frey from the Holishor Office and Ross with B&R Construction.

**Proceedings**

Meeting called to order at 7:30 PM

Pledge of Allegiance Recited.

**Minutes of January 14, 2015**

**Dave Decker:** There is a section in the January 14, 2015 minutes that we would like to review a little closer. We are going to push those off until the next meeting.

**Transfers of Property**

*One. Information Only.*

**Dave Decker:** Just for everyone's information, as of December 2014 there are 1,255 memberships.

**Correspondence**

*50<sup>th</sup> Anniversary (Social Committee)*

**Read by Rich Hertel.** Letter requesting date for the 50<sup>th</sup> Anniversary of Holiday Shores to be held on Saturday,

September 5, 2015. **Dave Decker:** I have polled the Board and they agreed with the date. So the Social Committee can move forward.

**Old Business**

*Covenant Amendment Update*

**Dave Decker:** We are now under 100 affirmations needed. We have made pretty good progress in the last month. In addition to that, I have been told that we have verbal commitment from a couple decent size lot owners. We continue to appreciate everybody participating in that effort.

*Restaurant Update*

**Dave Decker:** I hear that things are moving well. They are still planning on opening in the first part of February and are on target.

*Barge Utilization (B&R Construction)*

**Ross with B&R Construction:** I was asked to come in to speak to you on some erosion control problems that you guys are having. You are possibly looking at putting a barge on the lake and allowing some work to be done that way. We have been in business since 2006. We do boat docks, shore walls, dredging, and manufacturing steel sections of barges and work boats. We also have boat line where we sell and service boats. We have four crews that work out on the lake full time. We were approached about having to come out here and help with some issues that you have. *Ross from B&R presents a slide presentation to the members and the Board.* **Dave Decker:** Have you seen our ramp facility out here? **Ross:** Yes. That would work fine for us to get in and out of. We also drove around the lake and looked at some loading sites where we could load material on and off the barge too. We really don't need a stockpile facility because we will only bring material down

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enough for one or two jobs at a time. It will all stay on our barge. We would only need an area where we could get up close to the bank with a piece of equipment and a truck to be able to pull the material off of the truck onto the barge. We don't do the finishing work. We could subcontract it out to a finisher or the homeowner could do the finishing work themselves. There are benefits and downfalls to the steel walls that we do. The downfall to the steel wall is that it has a bathtub effect. The water will hit the wall and bounce off of it creating the bathtub effect. We could put rip rap in front of the wall to deflect the waves before it hits the steel wall. The benefit of the steel wall is that rip rap is going to keep sliding down into the lake over time and you have to keep maintaining it every couple years to keep in looking good. The steel wall is about a 20 year product if it is put in right. We put a five year warranty on it but you should get at least 20 years out of a steel wall. It's more long term than short term. **Monte Thus:** How much draft do you need per load? **Ross:** Fully loaded we only draft about two feet. **Roger Rawson:** And these are sections that you bring in on a truck? **Ross:** Yes. They come in and then they are put together on the job site. **Rich Hertel:** What's the size of the average barge? **Ross:** We have two platforms that we work off of. One is a 30' x 40' and one is a 24' x 48'. The boat that would be behind it would either be an 8' x 25' or an 8' x 30'. We typically put that against the end of the barge or we will put it to the side of the barge so we're not hanging out 70' into the lake. **Roger Rawson:** What is the time length of your average job? **Ross:** About a week. If we do a shore wall and a boat dock, we would probably be out here about two weeks. Typically we could do 100' of shore wall in about three or four days. **Roger Rawson:** So you bring the barge out, load all the equipment and supplies on it, you go to the job site, and it stays there until you're done? **Ross:** Correct. The only time we would have to shuttle is if we are doing rip rap. That is going to take a lot more moving back and forth to reload the rock. If we are running rip rap, we are going to be moving up and down the lake quite often. If we are coming out to do a boathouse or a steel wall, all of our equipment and materials will be on the barge and the barge will stay in place until the job is completed. **Roger Rawson:** You don't have a problem with which time of year you do this? **Ross:** We still have two crews that are still working right now. The bad part is that when you get into this season, we have to break ice which really slows us down. We prefer to do it during the warm season. Our main season is March/April until right before Christmas. If weather permits, we will stay working all year. **Joe Roth (1030):** How much work would you have to have to come out here? **Ross:** It will cost us about \$3,000 to come down and get mobilized on the lake. Depending on the size of the jobs, we would split the mode cost between the jobs. If we get five small jobs, we would split the mode cost between the five jobs. If we get decent sized jobs, about eight to ten, we wouldn't even charge to mobilize. **Rich Hertel:** So you're not talking about just sea walls, you're also talking about building an actual dock? **Ross:** We would like to do that, yes. *Conversation ensues. Topics regarding materials and B&R's processes and the lake draw down.*

#### *Port Lane Drainage Update*

**Dave Decker:** Have we heard from the engineers? **Glenn Dalton:** Our normal in house engineer that we normally work with has a medical condition which he will recover from in the April/May time frame. I spoke with the person that this project has been handed down to and by the next Board meeting, we will have a work order which will outline the specifics of what they intend to do. We will have a representative here at the time to answer and questions for us.

#### *New Illinois Boating Law*

**Rich Hertel:** A few months ago we discussed the new Illinois law regarding having an orange flag displayed on the boat when towing someone. I haven't seen anything happen yet where we are going to notify the people about the new regulation. There hasn't been a boating meeting to discuss this. I looked it up today and it seems like it's a pretty straight forward rule. If the Board is okay with it, I could draft it up and send it to the Boating Committee to look it over. We need to get this out to the members so they can be prepared for next year. This should also go into the Boating Rules just like any other boating rule. This is a brand new rule that needs to be added. **Dave Decker:** We have a rule in the Boating Rules that states that we follow all of Illinois State rules.

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*Conversation ensues. Security to put notification in the Holiday Times. Committee will meet regarding this topic.*

*Holiday Times*

**Roger Rawson:** I would like to talk about the Holiday Times going digital. Laura Scatturro and I are still working on that. We don't have much progress yet.

*Annual Audit*

**Dave Decker:** Our Annual Audit is coming up here shortly.

**New Business**

*2016 Budget*

**Monte Thus:** The Board was given a proposal from the Finance Committee for the 2016 budget. We need to get this done within the next month. **Dave Decker:** We want to discuss the changes that we had from the Budget sent out in the packet. Come next month, we are going to be needing to vote as to whether or not this is the budget we want to submit for the Annual Meeting. The changes were relatively insignificant with minor monies moved from one spot to another. **Glenn Dalton:** The one thing that we were looking at on this budget was coming up with our projection for the reserves for 2016. The number that you see is the proposed reserve funding. That number is \$73,485. **Rich Hertel:** Just to clarify, this does not include any potential increase for any potential minimum wage increase or requirements. **Monte Thus:** We have three options that we are looking at if that happens. Tony Harris, the Assistant Treasurer, is going to put together a spreadsheet to explain these options. **Dave Decker:** Once this gets voted on at the Annual Meeting, it's locked in. The Finance Committee was discussing putting an amendment onto the budget which states something along the lines of if the minimum wage is increased by x or to x, that the assessments would increase by y or z. A \$42,000 hit is 4% of our budget. Also, with this budget, the roads are down to roughly \$65,000. Most likely, the majority of the minimum wage increase would come from the roads budget. Then you would be looking at a \$23,000 budget for roads. From the Finance Committee's prospective we felt that that was a fair way to lay it out there. I am curious as to what the Board's opinions are and what the attending member's opinions are on this if we were to take that type of approach. **Rich Hertel:** When is the North Property Loan scheduled to be paid off? **Glenn Dalton:** We are in our second year now and it is scheduled for five years. **Monte Thus:** June of 2018 is the year it is to be paid off. **Roger Rawson:** I would say that is a very wise proposal. **Alan Huelsmann:** I think it would make sense to do that too. **Joe Roth (1030):** I don't know of any other way you could do it. **Roger Rawson:** Has anyone talked about having an increase in the assessments? **Dave Decker:** Not in the Finance Committee. If there is some interest in that, now is the time to have that conversation. **Rich Hertel:** It's my understanding from what hear that the minimum wage won't be slam dunk all at once. Maybe it'll be .30, .40, and .50 per year until it gets up to \$10.00 per hour. If that's the case, it would be a \$14,000 per year hit. **Monte Thus:** Hopefully sometime during this calendar year we will know what's going to happen. **Dave Decker:** At this point, I am more confident that they are going to vote on the minimum wage increase this year than next. *Conversation ensues. Topic covered when and how the minimum wage increase will take place and collections.* **Dave Decker:** Your total income is over \$60,000 higher 2016 than 2015. The majority amount is the carryover from last year. There are very minimal differences between what was forecasted for this year versus next year. **Gerry Theodor (1346):** I would like to comment on the issue with the wage increase. A couple years ago, we wanted to have an assessment for paying off the North Property. It was really important that we had to change the wording in that proposal to make sure that we didn't use a penny more than what was needed. I recommend that if you do put an amendment on there, that you might want to consider doing the same thing. Something along the lines of only taking the monies necessary to cover the increase up to the next budget vote. **Dave Decker:** It would be difficult to do that with the payroll. It's impossible to calculate how many hours everyone is going to work throughout the year. I understand your thought and that is something that we are going to have to be very careful about how we forecast it. What we discussed was basically a formula or projection that says these are the hours that we expect to work at these rates and as a result of the increase, this is the impact. Not everyone works 2,080 hours in a year. **Gerry Theodor (1346):** You might want to consider that if you collect more money than necessary to be spent up until the next budget vote that the money could be refunded to the next year's assessment bill. **Dave Decker:** Thank you. Board, please take this proposed 2016 budget home and look

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at it very closely and if you have any questions or concerns about it please forward your questions or comments to Monte.

**Open Floor**

**Jeanie Votruba (493)**- I would like to have it clarified to me about the possible opening of the restaurant. Dave had mentioned that they will be opening the first part of February. I had heard that it was more toward the end of February or the early part of March. Do you have anything for sure? **Dave Decker:** Like I said, I haven't talked to the restaurateur for the past two weeks. But the last rumor I was hearing was the first part of February. I'm sure that when they open, it will be very visible. I would expect that it would show up on the marquee and maybe even the Facebook page.

**Gerry Theodor (1346)**- I have a Building Committee issue. Glenn contacted me the other day. He is looking ahead at the draw down and seawall work and we have in our Building Rules a deposit of \$500 for seawalls and only a \$100 refund. Other than for a home or an addition, that doesn't really follow our norm on how we handle deposits and refunds. Glenn had asked why we set it up that way. **Dave Decker:** We had a meeting about a year and a half ago where we went through all of the deposits. I would recommend that we go back and look at those minutes and that discussion and figure out why we did it like that. **Gerry:** Well, that can be done but let me tell you what we think we should do to see if you concur. We think that that deposit and that small amount of a refund is detrimental for getting members to do seawall work. In a sense, it's going to cost them \$500 up front and when it's all done, it still cost them \$400. We sure don't want to discourage people from doing seawall work. The Building Committee discussed this last Tuesday and would like to make a recommendation that we go to a \$400 deposit with a \$200 refund. Would the Board like to pursue this further before we go forward with that or do you want to consider this a formal recommendation? **Roger Rawson:** As far as charging for these permits with the money that is kept, is the sole purpose of these permits for income? **Gerry:** The permits are for work that is performed does a certain amount of damage to the community depending on what it is and what they're hauling in here. One of the biggest things it damages is our roads. So the deposits are set up not only to pay for the clerical staff to process permits, but it is also set up for the rest of it to go into the road fund. That is the main reasons for the deposits. The reason we give the bigger deposit is because it gives us a lever to control the amount of time and the quality of the workmanship. We can forfeit the refund if they don't do the work properly and so forth. It has a twofold purpose. **Dave Decker:** There's no direct accounting that says these deposits go to the road fund. It ends up in the General Funds account. **Roger Rawson:** I think your proposal has merit. **Rich Hertel:** Your committee was 100% in for this. **Gerry:** There weren't many people at the last Building Committee meeting. **Dave Decker:** If I recall, there was discussion about the topic of erosion and that money being used for that and that was why the differential was there. **Gerry:** The erosion is a consideration on the seawall deposit. **Dave Decker:** I believe it was a funding to try to get the erosion out of the lake. Board, Gerry has made a request for a change in the deposit and refund amount. Is there anybody on the Board who is willing to make a motion to make that change? **Gerry:** Thank you.

**Roger Rawson** makes motion to change the seawall deposit to \$400 and the refund to \$200. **Rich Hertel** seconds.

**Action:** Motion carried.

**Joe Roth (1030)**- Just to clarify about the barges. You have not given permission to have barges on the lake yet right? **Dave Decker:** That is correct.

**Roger Rawson** makes a motion to adjourn to Executive Session. **Alan Huelsmann** seconds. **Motion carried.**  
**Meeting adjourned at 8:56 p.m.**

**Meeting minutes submitted by Rich Hertel.**