

Holiday Shores
Board of Directors Meeting Minutes

Date: February 11th, 2015

Attendance

Board Members

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

Quorum Present: Yes

Others Present

Glenn Dalton, Rob Frey, Kat Schuetz, Brandy Pickett from the Holishor Office, and Susan Piazza from Republic Services

Holishor Members Present: 6

Proceedings

Meeting called to order at 7:30 PM

Pledge of Allegiance Recited

New Business:

Republic Services with Susan Piazza to represent.

Dave Decker: Republic Services proposal, contract is due for renewal this year. First cut proposal.

Rich Hertel: Questions about cost, proposing on a five year contract at \$19.53 for bulk trash and \$17.92 for yard waste totaling \$37.45/per month. The City of Edwardsville residents pay around \$12.25 per month for one weekly pick up and a recycle every other week. There is no charge for yard waste pick up. There are roughly 1100 Holiday Shores Families using the services, at proposed cost of around \$450 a year per member. The Association will pay approximately \$495,000 per year. When speaking with Edwardsville they service approximately 10,000 families at an annual cost of approximately 1.4 million a year. The Association will be paying 1/3 less than the entire City of Edwardsville for 90% less families. Why there is a \$25 a month difference in price? **Susan Piazza:** The numbers that you have for the City of Edwardsville are correct as to what they their charge residents. The prices that they charge Edwardsville residents are different, because they are subsidized by the city for the cost of trash and recycling to residents through their property taxes. Republic Services bills the city of Edwardsville just under \$16.00 per home for those services, and they are subsidized between \$4-\$5 per month. Factors that come into play for pricing; we send one invoice to the City Of Edwardsville, also and they assume the bad debt. There is also route density, driver cost and fuel cost. With this contract Republic will be assuming all bad debts, take on cost of collecting bad debt and collecting carts for bad debt. Holiday Shores will receive with service 2 bulk item pick-ups per week free whereas Edwardsville is charged a \$50.00 minimum. Also receiving 2 appliances pickups per week free whereas Edwardsville is charged \$35.00 each. Residents would just need to call Republic Services to schedule in advance the pickups for these items.

Rich Hertel: If bulk item pick up was removed what cost saving would there be, it may be something that the residents would like to see. **Susan Piazza:** There are many costs that factor into pricing, I will run numbers on the bulk route and provide to the best of my ability with negotiation of contract. **Susan Piazza:** Information given on Recycle, Diversions rate for recycle is up from 2013 to 2014 is about 20% of what is disposed of is being diverted from trash to recycle. I would like to offer any educational information that you may need or want. I work with clubs and organizations to inform the community of recycling and I would like to offer myself to help with the increase of the diversion rate. **Rich Hertel:** What is average diversion rate? **Susan Piazza:** Average Rate with a cart 23%-25%, so you are not off course. Alton is running 19%-21%, Edwardsville 23%-25%, and Collinsville 19%-21%. There are some that are in the low 30% and another community that is in the 6%. **Glenn Dalton:** We haven't been on the carts that long and have already noticed that there is an increase. Some members also have stated that they do not like the carts, but that it is an improvement in the Community. **Susan Piazza:** It is nice to see the increase in recycling and with the larger carts there is more room for recycling and not having to worry about items blowing away.

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Minutes of January 14th, 2014

Alan Huelsmann, motions to approve. **Roger Rawson**, seconds.

Action: Motion carried.

Minutes of January 28th, 2014

Accepts as amended

Roger Rawson motions to approve, **Gary Kluckman** seconds.

Action: Minutes Approved

Transfers of Property

Nine Transfers of property in last few weeks, Increase of 1 new member and all triggered initiation fee.

Bills & Salaries

Darren Onwiler motions to approve, **Rich Hertel** seconds.

Action: Motion carried.

Treasury Report

Treasurer Monte Thus excused,

Report as end of January, payments of roughly \$25,000 and a little over \$14,000 from special assessments from this year was paid on the North Property loan. The principal balance on the loan is little over \$176,000. Transfer was made for the funding of reserves.

Darren Onwiler motions to approve, Alan Huelsmann Seconds

Action: Motion Carried

Profit Loss Budget

Information Only.

Manager's Report

Read by Glenn Dalton

Dave Decker: When the road plan is put together you should consider putting in a two phase approach so that the budget doesn't impact the road plans. **Glenn:** Execution of phase 1 early in year and phase 2 later in year.

Security Report

Read by Glenn Dalton

Total incidents 17, total citations 6, Animal Incidents 2, Vehicle Incidents 1, Property Incidents 3, Incidents Involving Persons 3, Alarm Responses 2 Other Incidents 6.

Correspondence

Letter from Greg Huene, Ski Club

Read by Rich Hertel: Preparations for the 2015 Ski Club season have begun; this year will be the 50th Anniversary Celebration of the Holishor Association. Ski Club request of the board of directors to use the property on the north end of lake for show practice and water ski clinics. Would also like to request permission of the board of directors to perform a dress rehearsal at the Clubhouse for the 4th of July ski show on Thursday evening July 2nd and to perform the show at the Clubhouse 4th of July at noon, if canceled due to weather they will perform the ski show on the rain date that is provided by the Holishor Association. Thanks the Board for the continued support.

Darren Onwiler: Motions to approve, **Rich Hertel** seconds.

Action: Motion Approved

Old Business

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Covenant Amendment Affirmation Status

Dave Decker: After the “special invitation” mailing to people that may not have been aware they haven’t voted with the annual billing, we have about 100 votes to go and that may change after recent conversation with our lawyer. I have also talked with the lawyer about what we can do to capture the current resident. We are concerned about the actual procedure for doing the affirmation certification and he stated we should be able to submit a request to Madison County and get a list of the residents and property owners which will make the affirmation certification much simpler and more efficient.

Restaurant Update

Dave Decker: Moved opening date to later in the month and possibly first week of March. They have run into some problems with some of their equipment. They are very pleased with the progress they are making, but have not given an official open date. They are getting closer.

Port Lane Drainage

Dave Decker: We received a work order to perform a study for potential improvements, and will be discussing this in executive meeting. **Glenn Dalton:** This is only the first initial step.

Barge Utilization – Rules Review

Dave Decker: We have been discussing this subject off and on for a couple weeks with B and R Construction and his requirements and did a tour with Glen looking at potential sites. He gave a good impression. If we are starting to allow this we would be authorizing any and all contractors. **Darren Onwiler:** Would not want to micromanage, we need a basic set of rules and guidelines. **Dave Decker:** The contractor focused on doing more than just seawalls. He was focused on doing dock and boat lifts other items. **Rich Hertel:** I have some concerns regarding how many people would really want to use this. Would like to, before we approve, make an effort to reach out to the community and get their honest opinions. The costs and the demand for the use of barges is also a concern, considering the smaller coves and the sizes of the barges. **Darren Onwiler:** The cost of services, or where the contractor would make the money, or how many would use it, if the member is interested in having this done, then that is on them. However, they would be improving their property. **Roger Rawson:** They don’t come in that way. They can come in on trucks in sections to make one large barge as needed, looking at it once or twice a year. **Gary Kluckman:** They come in 10 foot sections. **Roger Rawson:** Establish a set of rules and if there is business then he will be here. Contractor stated that he doesn’t want to work in dead of winter, October- March that he would be allowed on lake. Can’t restrict to only bad weather months. **Darren Onwiler:** 6 months out of year to be on lake. I have a huge concern with barges on lake during recreational season. Safety issues. **Roger Rawson:** He isn’t blocking the lake with a 24x48 barge to haul rip rap. When boating you have to be 75ft away from the shore. He would be in that 75ft, not in the middle of the lake. I think we need to allow and let business handle its self. **Dave Decker:** We have several rules and guidelines that have been proposed. At the next meeting we will start going through those and see what we want to do. My big concern’s the staging area, location by the ski beach, what needs to be done to prepare and what it will look like before and after. To me the contractor may have the potential to have a higher demand for some docks and doing some of the other buildings on the lake for the people. When you start adding more features there may be a bigger demand and a possibility for that equipment to be on lake that much longer. Next board meeting, include guidelines and potential drawing of the staging area. We need to be real careful if we are headed down this path. **Rich Hertel:** Should Lakes and Dams be involved. They did the original drafting of the proposal. **Dave Decker:** They have done their proposal and are welcome to be at any of our board meetings.

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2016 Budget Proposal

Dave Decker: Tony Harris is who assistant treasurer was at the meeting along with Glenn and me and though Monte Thus is not here we are still going to keep this moving forward. **Darren Onwiler:** Everything looks to be inline, the only question I have is on page 4, road resurfacing. 2016 proposed amount of \$44,400 being significantly less than what previous actuals were for 2013 or 2014 and the Revised for 2015. **Dave Decker:** Revised for 2015 shows the funds that we had from last year. They were used to increase that amount. That is one of the reasons it is significantly higher. If that hadn't been there, then it would have been more in line with this year if not less. As you pointed out when we start to balance the budget, the roads are one of the areas that is impacted when we don't have the funds for other portions of our expenses. **Glenn Dalton:** The other thing to look at Darren is funds for reserve. The finance committee is looking at our reserves at 100% required for that year, basically we are going up a little bit from where we were in 2015. **Tony Harris (1222)** Look at revenue for 2014 and 2015 it's higher than in 2016, we have had quite a few large collections so we have proposed some going forward but not at the same level, I know we had one large collection at around \$25,000. So if we would have that same type of thing occur there would be more funds to put into the roads but without that you will see that 2014 income was at 1.7 million and for 2016 it is only at 1.12 million. If we would have similar revenue then that money would fall into the budget for the roads. **Glenn Dalton:** Our collection estimate is conservative, we feel at the rate it is currently going we are going to be in good shape for collections this year. **Dave Decker:** The budget that is proposed does not include any increase in the annual assessment. With that said Tony had put together a spread sheet in regards to potential impact of a minimum wage increase. The first scenario, giving only individuals making under minimum wage receive the increase. Second scenario, is giving all hourly employees the same incremental increase. The Third scenario is based on percentage to minimum wage. If the minimum wage goes to \$10.00 an hour then with scenario one, you are looking at \$2687.00 increase, scenario two almost a \$30,000 increase and scenario three would be just over \$41,000 increase. Based on membership, scenario 1 would cost each member \$2.36, scenario two \$26.06 and scenario three \$36.15 and that is just to cover that salary adjustment of going up to \$10.00 an hour. We have no idea what the state of Illinois will approve and in my opinion, we need to come up with a way depending on what scenario we want to go with, to fund the increase. We need to come up with an amendment to the budget that said if the minimum wage was increased then we would have an additional assessment of something and try to lay out a graduated scale or calculation based on which scenario we believe is appropriate and that is approved at the same time the budget is approved, I do not think that the two can be separated. **Rich Hertel:** If for some reason the revenue would increase enough to offset the scenarios, would you still entertain an increase? **Dave Decker:** The problem is when would you know that those revenues had increased? **Rich Hertel:** For Example, Glenn gets a "big hit" on some collections **Dave Decker:** well when do we get that big increase, in January or December? I am just asking the specifics of your scenario, because it does impact it. If I don't have that "big hit" until December then I have had to pay all year and I don't have the money in my "pocket" to do so. However if it comes in January then I do have that money in my "pocket" so that is the problem. We budget based on what we expect to have come in. Do we have adjustments to that; absolutely both on the positive and the negative. A few years back we budgeted more income than we had received. Last year we had more income than we had budgeted. I don't know how to budget for this without putting something like this in place. In May we will vote on a 2016 budget and we do not know what the State of Illinois will do between now and May. We have to have this ready to be mailed out a month and a half before the 2016 annual meeting. We do not know what they are going to do between now and May, and between May and January 1. I can't think of any other way to prepare individuals for that. **Darren Onwiler:** Based on scenario one, for the folks who are earning less than the potential of \$10 an hour, do we have a percentage of our employees that fit that criteria? **Tony Harris:** it is in there, I do not know off the top of my head. **Glenn Dalton:** We did provide that information as far as a percentage no, we gave Tony hours. **Tony Harris:** I got a list of hours and rates, it is hidden in this, I can send the files to where we could take a look at that, I just summarized it up so that we could see it here where we could see it without going employee by employee so also what we do not know is will the wage go up to \$10 or will it be raised by \$.50,

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the reason for the table we have no increase in scenario one until we get over \$8.75, but everyone now is over that \$8.75. **Glenn Dalton:** That was based on 25 employees, and our average wage is \$9.99 an hour. **Tony Harris:** that is just an average based on the hours that people are working which is a little higher depending on which way you want to look at it. **Dave Decker:** you didn't weight it based on the hours per period? **Tony Harris:** No the \$9.99 is just an arithmetic average, a weighted average on the hours working ends up being \$11.45 an hour **Dave Decker:** because lower wage folks fall under that category. I think by the next board meeting we need to have the budget solidified, back to the primary budget are there any more questions anything that needs clarified? **Rich Hertel:** I have no problems with this budget. **Darren Onwiler:** I only had questions on the one point, everything else looks to be very much inline. **Dave Decker:** without proposing an increase that is where you get impacted most significantly. Roger had asked me at the last meeting did the Finance Committee consider increasing the assessment to keep that road budget up? My response to that was, coming out of a year where we beat out budget by more than I have ever heard of beating our budget, it is really hard for me to come back and say that I will need an increase of the assessment, from my perspective. I think that the Finance Committee was in agreement. Monte Thus will present that at the next board meeting. Think again about the staff and what our approach is going to be when minimum wage goes up.

Building Committee Report

Read by **Rich Hertel**

2 permits for fences, 1 permit for a porch rebuild were approved, 2 permit extensions approved

Open Floor

Seawall Recommendations

Roger Rawson: Would like to address seawall recommendations again because we have yet to come up with anything. **Dave Decker:** If I recall correctly, the last time we talked about creating recommendations from the building committee and not requirements.. **Roger Rawson:** It has died off and we are looking for rules or recommendations for heights and seawall construction, I don't recall that we ever approved anything. **Gerry Theodore (1346)** We gave you the recommendation three times and it has been put on a back burner each time over two years. It has been dusted off with very few changes, it does give recommended heights and that type of thing and it does not give recommendations of footings or types of materials or any different type of construction methods. So I am not sure what you are looking for Roger. **Dave Decker:** It was for seawall recommendations, not sea wall requirements. If I recall it basically died because voting on recommendations from my perspective didn't make any sense to me, and I think that was the general consensus. If you would like to revisit that we can do so. **Gerry Theodore:** The main part of it is we recommend rip rapping over other methods because of wave action. We recommend that any material that you use, you place it at an angle. We don't mind you placing a concrete wall if it is sloping up into your yard instead of being vertical, and that was one of the main portions of it. We also had a recommendation on a height if I recall 2 foot over the nine inches above full pool that we have no wake. I think it was a foot and half or two feet above those nine inches. You end up with a seawall between 2-3 feet higher than full pool. **Dave Decker:** If you would like to re-address this get with Glenn for the latest version of that to be included into the packet, so that we can make a decision as to which way to go. **Roger Rawson:** I personally believe that there should be a code as far as seawall height and rip rap in front of these walls. I have noticed over the year that deterioration of these walls because of the bathtub effect, on these straight walls. It causes so much more boat deterrent because it is getting rough. **Gerry Theodore:** I don't recall the board having a lot discussion on the seawall recommendation, but I do recall regarding the wave action. The committee's recommendation was going to make a recommended seawall height and slope to make it a recommendation for the people do it. Some board members agreed and others wanted to make it mandatory. I know that was an issue for some of the Board Members **Rich Hertel:** what I recall of the meeting and discussion was in order for my personal property alone to comply I would have to raise mine by 18" with the recommended height and to terrace it in. This would cost mega bucks and to demand that of every lake front property owner would be just something I don't think the owners would handle very well. But I believe that on new construction we could recommend. **Gerry Theodore:** The committee took the approach of going along with the recommendation, because of the reasons Rich just stated. However that is only a recommendation, the board can choose to make it mandatory. I feel that if you do make this mandatory, then you will make people not want to replace seawalls until

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they are completely falling down, if at all. The only penalty was made in the 80's and it is I think \$3.00 a foot for the area that is bad. So unless the board would act on that as well then it is not much of a fine and penalty. **Dave Decker** let's get a proposal in front of us and start a current conversation with the current sitting board and see what they want to do. **Gerry Theodore:** it was a joint effort of the Building Committee and the Lake Erosion Committee.

Dave Decker

Addresses the board to request any Bylaw Changes for the annual meeting to be submitted by the next board meeting.

Gerry Theodore (1346) Regarding Port Lane, I don't think the association is the main culprit in the port lane drainage issue. I have a problem with mine and others assessment money going to fix a problem that other members created. The problem exists because the member (which may not be current owner of lots) filled in ditches and have eliminated the proper flow of water may not be the current owners but someone did it may.

Dave Decker: In response as to how we are going to address this issue, At this point we are not sure, we need to understand how bad the situation is and what potential solutions are. I agree 100%, I have a hard time spending association money fixing something that members did.

Darren Onwiler: Agrees

Jeanie Votruba (493)- I have had no further results on anyone else running for Board.

Dave Decker: To qualify for drawing for annual assessments payments made in full by February 14th and drawing will take place next meeting, February 25th 2015.

Motion to adjourn to Executive Session

Darren Onwiler Motions, Alan **Huselman** seconds.

Meeting adjourned at 8:53 p.m.