

Holiday Shores
Board of Directors Meeting Minutes

Date: January 24, 2018

Attendance

Board Members

Present: Bob Lowrance, Jeanne Abert, Steven Yates Jr., Shaun Diltz, Michael Hawks, Dave Decker and Monte Thus.

Quorum Present: Yes

Others Present

Glenn Dalton, Rob Frey and Misty Soliben from the Holishor Office.

Holishor Members Present: 5

Proceedings

Meeting called to order at 7:30 PM

Pledge of Allegiance Recited

Minutes of January 10, 2018

Monte Thus - Motions to approve the minutes as amended. **Jeannie Abert** - Seconds.

All in Favor.

Motion Carries.

Transfers of Property

There were no transfers of property and no initiation fees.

Bills and Salaries

Christmas checks were in the Bills and Salaries. The Board of Directors' Reimbursement checks were not correctly added, they have been voided and will be by the next meeting

Correspondence

Midway PTO Mouse Races

Read by Bob Lowrance - Dear Board members, Most of you know Midway hosts a fundraising event each year at the clubhouse. The purpose of this letter is to request that the rental fee be waived. We are having a mouse race on April 6th this year. We are going to have Gingerz cater the event and have alcohol. I request that the rental fee be waived because all proceeds of the races will benefit Midway Elementary School. Thanks for your consideration. Valerie Dietsman, Midway PTO President.

Jeannie Abert - Motions to approve waiving the rental fee. All other fees to be paid including security and cleaning.

Steve Yates - Seconds.

All in Favor.

Motion Carries.

Old Business

2018 Road Plan

Glenn Dalton - Curt has provided us the data. the only thing we're waiting on right now is the 2017 Carryover because we're just a little bit short of meeting the goal that's in Curt's program. **Bob Lowrance** - So Board, what do we want to do then? **Jeannie Abert** - So when do we think that's going to become available? **Glenn Dalton** - Once we get the carryover approved. The only problem I'm running into is that I'm running out of

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time in order to get these roads finished in June, July and August. We still have to get bids from the contractors, then they will come in and get briefed on it and then go out and rebid it and then the Board will have to make a decision as to which contractor it will be. That just takes time. We will need to get approval of that plan as soon as we can get it so that we can start the bidding process. **Dave Decker** - At the last meeting we had a plan from the engineer requesting \$X to do all that work. **Glenn Dalton** - And part of that was the approval for the \$24,500 for them to do the design for all this work. **Bob Lowrance** - Yes. And at that time there was a little bit of a shortfall with respect to our budget. **Dave Decker** - So when are we going to know our end of year numbers? **Glenn Dalton** - I'm waiting for some data from Shaun for the amounts of the CD's and I don't want to answer for Angie, but I think that's what we're waiting on. **Shaun Diltz** - They don't do bank statements for interest only accounts. I'm compiling all those numbers. I'm still working on the Treasury reports. **Glenn Dalton** - I think I have those. Is that all of them? **Shaun Diltz** - I need an ICS number for December and then that will be all. **Bob Lowrance** - So where do we want to go Board? **Glenn Dalton** - The \$24,500 includes the design and bidding of the 2018 Road Plan. **Dave Decker** - "Provide preliminary engineering, construction engineering services for 2018 Roadway drainage program which includes only Tampico 1,700 feet and Sextant Drive North 1,200 feet. Project includes utilizing the plans developed in 2017 with updates as required, developing front end bid docs, assistance with bidding awarding work, surveying the equipment, ditch grades, culvert elevations, add culverts and ditch elevations to the 2017 plan, continue coordinations with the Holiday Shores contractor BSI, project management, submittal of the MPDES permit for the construction activity, limited Geotechnical Engineer, construction inspection tested, limited construction staking and attend 3 Board meetings. These services will be provided on a time-and-materials basis and be invoiced based on actual man hours worked and charged in accordance with our current rates in effect at the time of the accrued man hours. If additional services are required, they will be provided on a time-and-materials basis in accordance with our current man hours expense rate. 2017 rates attached." **Monte Thus** - We have \$93,750 that is being carried over from 2017. **Dave Decker** - Our 2018 Road Plan is \$263,218. That includes more than just those two roads, but that's our projected plan. **Glenn Dalton** - When you take out those other roads, I think we're around \$230,000 max, Monte. That's for the remediation of Tampico and Sextant. **Bob Lowrance** - Get all that information for us for the next meeting. **Glenn Dalton** - I did provide it. I'll get it all back together and provide it again at the next meeting. **Bob Lowrance** - Okay and we will make a decision then. Conversation Ensues. The Board and Glenn discussed a couple different amounts, but decided that they might want to open it up for bids in order to get a good number to approve.

Monte Thus - Motions to open the bidding process.

Shaun Diltz - Seconds.

The Board discussed putting a penalty in the work order for the completion of Hennegan & Associates' part of the work if it is not done on time. This is to make sure that everything is ready to go for the Board to approve the plans and the bids in time for the construction to begin and be finished in a timely manner. Glenn and members of the Board will research to see what a suitable penalty would be. Glenn will also come up with an agreeable timeframe. It was suggested that the timeframes is worked backwards to figure out when each deliverable will need to be completed and how long it will take to complete.

All Opposed.

Motion does not Carry.

Reserve Expenditures

Glenn Dalton - They will be published in March edition. The vote in January was too late for February Publishing. We are looking at the 1st meeting in April for the expenditures. What we're looking at is replacing one of our ¾ ton trucks. We do that every 9 years.

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Beautification Award

Michael Hawks - The Garden Club was not interested in being charge of this award.

Michael Hawks - Motions to approve the request with the exceptions of no properties that are for sale and that it be run through the real estate committee. The time limit for this award would be 1 year, which can be renewed at a later date. Titling it Bev George Beautification Award.

Dave Decker - Seconds.

In Favor - Shaun Diltz, Steve Yates, Dave Decker & Michael Hawks.

Opposed - Jeannie Abert & Monte Thus.

Motion Carries.

10-Year Road Plan

Bob Lowrance – We have some different options that can be done. Some options are to get all the work done in 1-2 years or complete the work in 10 years. Then there are also 2 different options on the amount of work that will be complete in the end. We've also been discussing the different ways to finance it. The ways to finance it include raising dues and financing it ourselves as an association for the 10 years. We've also talked to Madison County in case the association wants to create a Special Service Area. With the Special Service Area, the county would sponsor us for a bond. That bond would be paid back through real estate taxes from the residents of The Association. If you look at financing it over a 10-year period by the membership, that number is, for example, \$500 would be paid equally by the membership over that period of time. If you're looking at a Special Service Area, that would paid through Real Estate taxes based upon the assessment of your home so the members would pay different amounts based upon assessment, unless there was a certain way that we could do it where everybody would pay the same. Typically with real estate taxes, that's not how it works. Andy and I had a meeting with Kurt Prenzler. He was not willing to do it himself, but he said if the association voted for it he would take that idea to the full County Board and that they would probably do that for us as long as we were in favor of it. If you go through that, you know you'll get your money back because it's through county taxes. When you look at the membership doing it, it's a big burden being \$500 or so per voting membership each year. We have also discussed going to a bank to finance the project. Again that would be taken to membership dues. The banks would want collateral. I don't think we have enough collateral to to satisfy their wants and needs. I don't know that we would even want to do it because they would want the clubhouse, lakes and all properties as collateral. We've also discussed whether or not we would like to do it in one to two years and get it done or do it over a 10-year period. The 10-year period would cost more because of an estimated inflation rate. I think the general consensus of the board, from what I remember in the past meetings, is it they would like to see it done within 1 to 2 years just to have it complete. We can't really accomplish that through assessments by themselves. The only way to really accomplish that would be with financing. The only financing available is through private lenders or bonds. **Shaun Diltz** - Doing it in the 2 years up front saves us a significant amount of money. **Bob Lowrance** - It saves money to the extent that we don't have the 3% inflation factor built in. If we did it through the bank, we would have appraisals on the collateral but we wouldn't have any additional money put out because I'm sure they wouldn't charge us any points, etcetera and the interest rate would be reasonable. If we did go through a bonding company, we wouldn't necessarily save the 3% per year because there would be bonding fees and the bonding company would have to get money as well. That would potentially offset that 3%, but you still get it done in 1-2 years. **Jerry Theodore, 1346** - I'm probably stating the obvious, but that bond issue would also split it between all properties. So if you own 50 lots or 20 lots you would be paying for each lot. **Bob Lowrance** - The average price for homes in Holiday Shores is \$187,000 for a home. Anybody in Holiday Shores that had a home worth \$187,000 would be paying approximately \$500 per year, whereas if your home is worth more than \$187,000 you would be paying more and if your home is worth less you would be paying less. **Jeannie Abert** - When did you check that average? **Bob Lowrance** - In 2016. But averages typically do not spike that much. **Monte Thus** - So if someone has a lot worth \$20,000, they

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would be paying less, correct? **Bob Lowrance** - Correct. It would all be based upon real estate assessment.

Mack McCormick, 1309 - I've heard 2 years, 1 year and 10 years, but I haven't heard any dollar amount for what we're trying to finance here. Is there any way that I can look at this road plan? And can anyone look at it?

Bob Lowrance - Absolutely. And we're just in the beginning stages of deciding on what we are going to present. Anybody else can take a look at it.

Mack McCormick, 1309 - The reason I'm here is because of the Holiday Times. Because it says the same thing the Road Committee said. It says to take the edge off the road that was built up. We asked for \$2 million and got run out of town and he's asking for \$8-15 Million.

Bob Lowrance - There's basically 2 different options. Does somebody have that handy? **Monte Thus** - One option we're looking at is \$6.42 Million.

Glenn Dalton - Mack, what I'd recommend, if you want a full disclosure of the road plan, you can stop in the office. There's actually 4 options total. The drainage is included in this including driveway culverts and crossroad culverts.

Bob Lowrance - Instead of getting into detail, let's just let Mack get together with the office to look at it. Anyone that would like to look at the road plan, it is available at the office to look at.

Mack McCormick, 1309 - I also heard Monte say if we get the bids in and they come in lower, that's good for us. You also have to look at if you start turning down bids that are higher, you will start eliminating the pool of contractors that are willing to do the work. If you don't have the dollars to do what you think you want to do.

Dave Decker - And that's why we want to make sure that we have the funds available.

Bob Lowrance - Another thing we have on the agenda tonight is the Annual Meeting Agenda. We are looking at coming up with some options to present at the meeting.

Conversation Ensues. Jerry Theodore, 1346 - If you go with the bond, will that require 2 votes? Would there be 1 vote at the annual meeting and 1 in the general election?

Bob Lowrance - I would say no. The reason I say that is because when we were talking with Kurt, this is something the County could initiate "Backdoor Referendum" without any approval from us. It will not take a vote in the general election. There is another alternative as well, Incorporation. Kurt also told me to put it on record at our Board meeting this time to tell our community thank you for the money that we are giving up that goes to the county.

When we have this meeting, we are going to have more than 300 people. Especially when you're talking more than \$6-9 million. There is also the option to leave it like it is.

Dave Decker - As we've mentioned a couple times tonight, it's the end of January, we as a Board have got to commit to anything being on the agenda for the annual meeting. I think we should at least commit to what we are going to try to present, so that we can start working on the presentation.

Conversation Ensues. So as to leave it up to the community, the Board decided that the best answer would be to present all of the options including funding to the community. All construction options are available to view at the office during regular business hours. It was also discussed that the association is still waiting to see if there will be a vote on incorporation. There are 280 affirmations out of the needed 700. One of the primary pushes of the incorporation is the roads. This would cover the funding if it passed. It will be discussed in the annual meeting with the road plan as a finance option.

Dave Decker - Motions to add to the Annual Meeting Agenda options to fix the roads or not, extent of repairs with timeframe of repairs and the approach for financing.

Bob Lowrance - The Incorporation Committee was going to present us with Bylaw changes.

Dave Decker - If we moved forward with the incorporation. There are other ones we could look at such as our current bylaw in regard to seawalls. Some people had issues with how minor the penalty was. We have to have any changes voted on by the Board.

Glenn Dalton - At least 40 days before our packet goes out.

Dave Decker - Okay so the latest would be April 1st, so the 2nd Board meeting of March. For those who haven't been involved, it is better to get it out there as soon as possible so it can be debated and voted on.

Michael Hawks - Seconds.

All in Favor.

Motion Carries.

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Annual Meeting

Dave Decker - The election of the Directors is always in the meeting, along with the budget. We have already voted to add the 10-year Road Plan. Incorporation will be included with that. The minimum wage increase will be discussed in the budget meeting. The bylaw change is if anyone has a change that they would like to propose. Historically the Board members have presented changes that they would like to see made. We have to have any bylaw changes voted on by the Board and approved before the packets are mailed.

Open Session

Nothing Discussed

Shaun Diltz - Motions to adjourn to executive session.

Michael Hawks - Seconds.

All in Favor.

Motion Carries.

Meeting adjourned at 8:56 p.m.