

HIGH BAR HARBOR YACHT CLUB CONDOMINIUM ASSOCIATION, INC.  
OWNERS' MEETING WITH THE BOARD OF TRUSTEES  
Saturday, March 4, 2006

**Board Members Present:**

Hugh Gray  
Sam Alloway  
Mike Drago  
Rich Ericsson

**Employees Present:**

Pete Hoeltje – Operations Manager  
Monica Johnson – Office Manager

**The meeting was called to order at 1:15 PM with a welcome to the owners.**

**A. Financial Update**

1. Helene Koseff, Accountant, presented the financial statements for the year ending 12/31/05.
2. The Marina added \$20,000 to its operating (unrestricted) reserves which now approximate \$75,000 with a capital (restricted) reserve of approximately \$200,000 at year end.
3. The Board was requested to advise the Owners of the individual compensation which made up the expenditure for 2005. The details for each year are as follows:

	2005 Actuals	2006 Budget
Marina Manager (Pete)	\$ 38,826*	\$45,000*
Dock Master (Greg)	36,000*	40,448*
Maintenance (Fermin/Orlando)	41,555	43,850
Office Manager (Monica)	27,679*	30,000*
Security	7,108	0
Summer dockhands	(one) 2,278	(two) 4,556
Totals	\$ 153,446	\$ 163,854

It was agreed that individual salaries would be broken out on all applicable schedules in the future.

A discussion was held regarding the work hours of the Staff. It was disclosed that no Staff is scheduled to work during the winter months from Friday at 5 PM to Monday at 8 AM. Pete's hours are from 8 AM to 4 PM, 4 days per week, Monday through Thursday.

It was also agreed that the Staff's hours would always be posted on the Clubhouse Office doors and on the HBHYC website. If they change, Owners will be notified by e-mail.

4. Accounts Receivable continues to be a challenge. A late fee is applied at 1.5% per month. A "collection" process for delinquent Owners has been implemented, whereby Monica makes two (2) telephone calls, and then sends two (2) letters weekly over a four (4) week period. The problem then moves to the Board to consider the placing of a lien, as appropriate. We have one Owner who owes \$10,000. We have a lien on the slip and it is being aggressively pursued. In general, the level of overdue Accounts Receivables has been improved lately.

It was pointed out that the "employee advances" have been eliminated and that there will not be any further advances in the future.

5. Per request, this was the first year that the Accountant's statements broke out reserves and selected revenues/expenses more clearly, so that the statements coincide with the way we budget and track expenses, such as electric and cable. Due to the complexity of the statements and the fact that Owners did not have time to review them prior to the Meeting, a **Motion** was made, seconded and voted upon unanimously, that the Board, Finance Committee and Helene meet to obtain a complete understanding of the statements. A written summary will then be transmitted to all Owners in advance of the Summer Owners' Meeting and a full discussion will be held at the Meeting to answer any questions.
6. Pumpout fees were discussed, regarding their appropriateness. An EPA handout was presented which stated that a fee of over \$5 could not be charged in a situation such as ours. The board agreed to take a look at it at the next board meeting. Elimination of the fee could result in a 4K budget shortfall that would need to be made up elsewhere. A non binding vote of the owners present indicated that a \$5 fee should be implemented.

## B. Election

The Election ballots were collected and two Judges tabulated the votes with results as follows:

raw count:	Hugh Gray 70	Roy Rapp 66
weighted count:	Hugh Gray 44	Roy Rapp 38

There were 6 ballots submitted with no votes indicated and there were no write-ins.

It was noted that this is the first election, whereby the votes were weighted by slip size, as required by the Bylaws.

### **C. Docks and Bulkhead**

1. Pete Hoelte, Marina Manager, reported that there was significant damage to various areas of the Marina and that the insurance adjusters had already inspected and given approval to move forward with replacements and/or repairs. Pete's summary is attached.
2. In discussing the upcoming dredging to be done by Buterick, Pete said that Owners should contact him ASAP, if they want to:
  - a. have their slip dredged. It would be cost effective for multiple Owners to have this done at the same time at a cost of approximately \$1875 per day (estimated at 4 slips per day) plus \$350 to remove the load.
  - b. have an additional piling installed at a cost of \$600.

### **D. Buildings and Grounds**

1. Pete delineated the many projects that have been completed during the past year-his report is attached. It was agreed that Pete would recommence posting on the website both planned and completed projects, at a minimum each month.
2. Rich Ericsson stated that the Building and Grounds Committee had been re-activated and met this morning to review the state of the Marina. The Committee, consisting of John Berger, Bob Bonica, Pete Hoeltje, Linda Krumholz and Dale Pilchman, will develop a "wish list" of projects, repairs, replacements, etc. and submit same to the Board.
3. A lengthy discussion was held as to how much was in the 2006 Budget for the Committee to develop recommendations. It was pointed out that the 2006 Budget did not contain any specific monies for such plans, but that the "maintenance" monies in the budget were an educated "guesstimate" of the monies needed for 2006. It was agreed that the Committee would put together a complete list and it would be reviewed by the Finance Committee and the Board for incorporation into the 2007 budget, as appropriate. The Finance Committee was requested to prepare a written document to delineate the process to be used for this budgeting activity (e.g., timing).

### **E. Bylaws**

1. Rich Ericsson is the Chairman of the Bylaws Review Committee consisting of Pat Dalton, Bruce Shulan and Ed Meline. The Committee will make a complete review of the current Bylaws and develop recommendations for changes that may include, but not be limited to:
  - a. the elimination of references to the original Developers
  - b. the changing of Trustee Elections and the Owners' meeting for the Elections to a summer timeframe, probably August
  - c. the budgeting process/timing

2. **Motions** regarding changes to the Bylaws were made, seconded and unanimously voted upon and agreed to by the Owners in attendance. It was agreed that, prior to the next Owners' Meeting currently scheduled for August, 2006, a write-up for each of the following recommended Bylaw law changes would be prepared and sent to all Owners well in advance of the Meeting, at which at least each of the following **motions** would be voted upon by the Owners:
  - a. The **motion** to change the Owners' Meeting held for Elections and the Elections to the summer.
  - b. The **motion** to increase the number of Board Trustees from five (5) to seven (7).

#### **F. Communications Committee Report**

1. Alex Millerand reported that the HBHYC website now has a Bulletin Board on which the Owners can voice opinions, ask questions, arrange boating events, etc. regarding any subject pertinent to the Marina. There is no password required to use the Bulletin Board. It was noted that, if an Owner wants to ensure an answer to a specific question/concern, then an e-mail to the Board, Committee or Staff should be used. There is the ability to e-mail the Board or specific Committees on the HBHYC website. The website includes classified ads, links to other websites (e.g., weather), etc. and all Owners are urged to visit the site.
2. Tryg Dahl reported that an antenna and router will be installed to augment the power of the internet connection currently existing in the Office, so that it will extend to (hopefully) all slips throughout the Marina. He expects the improved system to be up and operating well in advance of the season. A discussion was held about whether or not to make the wireless network secure and the consensus was that we should not pursue that option.

#### **G. Finance Committee Report**

1. Ed Meline reported that the Finance Committee had several meetings and met with the Board twice in 2005, a significant and positive change from past years. There were "gives and takes" between the Committee and the Board, and the Budget was approved and issued on a timely basis in December.
2. A Charter that defines the role of the Finance Committee was developed and received Board approval.
3. Most monies have been put into interest bearing accounts. This is especially beneficial in providing returns that should offset the impact of inflation on future capital expenditures.
4. In addition, capital reserve (restricted) monies have been segregated from operating monies, with the intention that the capital monies could be invested in higher, usually longer-term investments. Currently short term CD's (e.g. 7-13 months) are paying higher interest rates than longer term CD's and this situation will be continuously reviewed by the

Finance Committee with appropriate recommendations made to the Board. Other investments (e.g. stocks, Index Funds, etc.) are being considered.

5. Ed raised a concern that, since the Finance Committee is an advisory Committee to the Board, total disclosure of some financial issues or Finance Committee recommendations may not be fully reported to the Owners, as perhaps, a Finance/“Oversight” Committee elected by the Owners would do. Ed said that once a vote/decision has been made by the Board, he felt that the issue was closed and it was up to the Board to communicate, as desired. It was noted by some Owners that the Board minutes should include votes on such issues and indicate the way each Trustee voted, if said vote was not unanimous. It was emphasized that the Owners should be made aware of how each Trustee voted. The Board was requested to reconsider the posting of Committee minutes and increase the transparency of all issues, by more detailed and timely Board meeting minutes, and the use of e-mail and the website to transmit more information to all Owners. This was discussed at length and the Board was requested to respond to this issue at the next Owners’ Meeting.

#### **H. New Business**

The issue of Job Descriptions was raised again and a discussion followed concerning the positives and negatives of same. The need for policies regarding employee vacations, sick/personal days, benefits, etc. was noted. The Board agreed to appoint a Personnel Committee to address these and other employee related issues. The Committee will be comprised of Kathy Ahern, Pat English, Dave Hall, Ed Meline, and Mark Miller. The Board may appoint a Trustee to be on the Committee at the next Board meeting.

**The meeting was adjourned at 4:30 PM.**