



High Bar Harbor Yacht Club
Annual Owner's Meeting Minutes
Saturday, August 16, 2008

Trustees: Fran Dalton – Present
Jim Frank – Present
Phil Hiller – Absent
Matt Kulinski – Present
Ed Meline – Present

Employees: Mark Hazley – Present
Stacy Bernstein – Present

Planned Agenda:

I. Executive Session

Annual Owner's Meeting on 8/16/08 was called to order at 11:01 am

II. Review of Outstanding Action Items/ New Business

Update on Projects by Mark Hazley, Operations Manager

- Security system/additional cameras/completed on South docks - I and K.
- Dock resurfacing/continues on K-dock. Finger piers will be resurfaced after the walkways.
- Fencing/installed at shed in South parking lot to hide work area behind shed.
- Low Voltage Lighting/replaced two (2) old transformers. One (1) on the North dock and one (1) on the South dock.
- Additional pilings/work to progress after Labor Day.
- Miscellaneous Items – Completed:
 1. Painting of pool fence
 2. Repair shower at pool area
 3. Painted fire hydrants
 4. Repairs made to North dock swim ladder/pump-out
 5. Repairs made to power pedestals for inoperative electric meters and lighting
 6. Scraping of docks to remove growth
- Fire extinguishers for docks/no insurance benefit to add. Estimated cost \$2,500 to \$3,000.

Office Manager update by Stacy Bernstein

- No slip sales to report



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- Transient rentals have increased since 7/18/08
- Crabbing/Fluke contest scheduled for 8/23/08

Dredging and Bulkhead update

- Horn Tyson and Yoder have completed the depth sounding of the entire marina.
- The dredging/permit process is moving forward.

Buildings and Ground update

- Signed contract with Kretzer & Sons for the Clubhouse Renovations scheduled to start October 1, 2008 weather permitting.
- There will be a dumpster on site.
- Limited use of the clubhouse after October 1, 2008.
- Anyone fishing through November will have access to the bathroom downstairs.
- Dave Hall discussed the 5-year Capital plan. Getting estimates for the kitchen/pool (filtration system & fencing)/railings/landscaping/bathrooms. Suggests a budget of \$10,000 for each project. Gathering information at this time. No plan to move forward. Review expenses.

Social Committee

- Crabbing/Fluke Contest on Saturday, August 23rd

Technology/Communications Committee

- No new info

New Business

- Treasurer's Report prepared and distributed by Ed Meline (please see attachment)
- Ed made a MOTION to provide a summary @ a later date since this is his last board meeting was MADE, SECONDED and PASSED.
- Reviewed report from Mercadien, PC (CPA) prepared by Marguerite Mount (tenant @ K-04) of tax returns and all operational accounts and capital accounts.
- The budget no revenue issues however need to project the expense with the building renovations and other projects. We are spending money on the dock and building maintenance. Mark is doing a great job and on top of any issues.
- Our investments are currently with Bank of American branch in Barnegat Light. They service us well. There was a service fee of \$250/month for which Ed was able to have removed.
- Our account was opened in a Cape May branch by Joe Stewart. The account is being transferred to Barnegat Light, will follow-up with Jackie Applegate, Banking Center Manager.



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- Bank of America is competitive of other banks CD's
- Stacy is billing accurately including late fees. Our A/R is the lowest it's been. A/R @ \$5,806.00
- Discussion of building up the reserve account, capital funds and spending on current projects. The treasurer and finance committee to have a secure plan in place so we do not go below \$200,000.00 in our Capital fund.

HBHYC Board of Trustee Election and By-Law Changes

- The election ballots were collected for two (2) trustee positions and By-Law changes.
- The ballot results were tabulated by Hugh Gray, Dave Hall and Ed Meline
- The Board of Trustee results were e-mailed/posted to all owners on 8/16/08.
- The By-Law Changes results were e-mailed/posted to all owners on 8/28/08.

It was agreed to hold the next Board Meeting on Sunday, October 12, 2008

A MOTION was MADE, SECONDED and PASSED to adjourn the Meeting at 12:00 pm.

Date: September 17, 2008
To: All HBHYC Owners
From: Ed Meline, (former) Treasurer
Subject: Treasurer's Report

Attached are the following schedules/reports that I presented at the Owners' Meeting on 8/18/08:

1. P&L showing 2008 revenue and expenses vs. Budget for the 1st six (6) months. Also shown is the 2008 Budget for the full year and for comparison purposes, the actual performance for 2007 and 2006.
2. A Long Term Capital Replacement Budget
3. Details of the Capital Expenditures for 9 months in 2008.
4. An Investment Analysis showing how the HBHYC monies are currently invested.

Comments on each follow:

I. P&L- A review of the first 6 months Actual revenue and expenses indicates that there are no significant areas of concern. It appears that we should be on target for the total year and should have an excess (i.e. reserve) by year-end. to augment our Capital Fund.

II. Long Term Capital Replacement Budget

1. The 1st column shows the inflow of \$152,573 (current Capital Condo Fees) being received each year. In 2007, the Capital Fund was augmented by \$49,851, primarily as a result of negotiated refunds received from our insurance carrier, the Hanover Ins. Co.

2. The 2nd column reflects an average return of 5.1%. In addition to the interest earned from CD's, money markets and investments, 1/6 of the Capital Condo Fee is contributed by the Buyer, when a slip is sold. Due to significantly lower, current interest rates, 2008 interest and the 1/6 fee is projected at 3.5%

3. The 3rd column shows the balance in the Capital Fund based upon the assumption that the monies shown in the 4th column are spent. The projected expenditures are rough estimates at this time and the Board is committed to refining the projections as part of a long range planning activity. In 2008, capital expenditures are projected at \$365,000, as shown and will result in a reduced capital fund of \$212,308 at year-end (some of the payments for the building project may not be made until early 2009). The details of the 2008 actual capital expenditures of \$93K are shown on a separate schedule.

4. Of significance is the year end balance for 2012 which goes to \$62,219. This is a result of a planned expenditure of \$500K, which is a rough guesstimate if bulkheads have to be replaced or if a new breakwater(s) or wave attenuator replacement is required. Several years ago, when the Capital Condo Contribution was increased significantly, it was hoped that if/when the Capital fund was close to \$1.0 million, the Fee could be reduced. The current projections show that we may not achieve this goal and, as importantly, it is critical that all capital expenditures be monitored closely for the eventuality of major expenditures on the docks/bulkheads infra-structure.

III. Investment Analysis - The schedule shows how the Capital Funds of \$421,620 are invested. These monies are set aside for expenditures related only to Capital Improvements.

LONG TERM CAPITAL REPLACEMENT BUDGET

Capital Reserve 12/31/03	\$99,262.24				
	Contribution	Future years	Year end	Reserve	Note-future years=very rough "guestimates"
2004	\$67,067.28	Invest return@5.1%	Reserve	Expenditures	
2005 Increase Contribution \$75K	\$142,067.45		Balance		Dredging , Deck Furn,Elect Panel,Walkway
		\$1,914.00	133,498.28	\$32,831.24	Bulkhead ,shed,furniture
			210,409.96	\$67,069.77	
2006	\$142,067.45	\$8,757.11	269,077.10	\$92,157.42	Dredging-\$49K, doors-\$21K, storm-\$10K, yard boat-\$4K, TV Rm-\$3K, other-\$5K
Additional 2006 *	\$13,915.00		282,992.10		
2007	\$146,880.98	\$8,842.00	350,496.13	\$88,218.95	Docks-\$26K,Bridge-\$22K, Walkway-\$17K, B&Grnds-\$17K, Stolen pump-out-\$5K, pool-\$1K
additional 2007**	\$49,851.49		400,347.62		
2008-proj. int @ 3.5%	\$152,572.92	\$14,937.39	202,857.93	\$365,000.00	***Bldg-\$220K, Docks-\$40K, Dredging-\$25K+ permit-\$40K, other-\$40K
2009	\$152,572.92	\$14,236.36	244,667.21	\$125,000.00	Decking, Bathrooms, dredging-\$25K + TBD
2010	\$152,572.92	\$16,368.64	313,608.77	\$100,000.00	Decking + TBD
2011	\$152,572.92	\$19,884.66	386,066.35	\$100,000.00	Decking + TBD
2012	\$152,572.92	\$23,579.99	62,219.26	\$500,000.00	Decking, Bulkhead Replacement
2013	\$152,572.92	\$7,063.79	121,855.97	\$100,000.00	Dredging + TBD
2014	\$152,572.92	\$10,105.26	184,534.16	\$100,000.00	Roof + TBD
2015	\$152,572.92	\$13,301.85	250,408.93	\$100,000.00	TBD
2016	\$152,572.92	\$16,661.46	319,643.31	\$100,000.00	Paving + TBD
2017	\$152,572.92	\$20,192.42	392,408.65	\$100,000.00	TBD
2018	\$152,572.92	\$23,903.45	368,885.02	\$200,000.00	Outside Utilities, Dredging + TBD
2019	\$152,572.92	\$22,703.75	444,161.69	\$100,000.00	TBD
2020	\$152,572.92	\$26,542.86	523,277.46	\$100,000.00	TBD
2021	\$152,572.92	\$30,577.76	606,428.15	\$100,000.00	TBD
2022	\$152,572.92	\$34,818.44	593,819.51	\$200,000.00	TBD-in 15 years @ \$200K/yr.
2023	\$152,572.92	\$34,175.40	580,567.83	200,000.00	
2024	\$152,572.92	\$33,499.57	566,640.32	\$200,000.00	
2025	\$152,572.92	\$32,789.27	552,002.51	200,000.00	
	\$152,572.92	\$32,042.74	536,618.17	200,000.00	
	\$152,572.92	\$31,258.14	520,449.22	200,000.00	
Assumptions		As of 12/31/07	400,347.62		
Capital contribution remains at 2005 rates		billed in 1st 9 months:	114,429.69		
future Avg. Investment earns return of 5.1 %		less expenditures	93,157.14	see attached details	
planned expenses/income revisited annually		As of 9/30/08	421,620.17		

*Add'l to 2006 Cap Fund		**Add'l to 2007 Cap fund	
Slip Piling	\$5,520.00	lectrical Maint Co-pa	\$7,875
Slip dredging	\$6,011.00	Ins. Refund-Hanover	\$40,000
1/6 Condo fee-Buyers	\$2,384.00	1/6 fee from Buyers	\$1,976.00
Total	\$13,915.00	Total	\$49,851.00

As of 8/16/08	***2008 Analysis	2008 Budget	Act. YTD 8/15/08	Proj Tot year '08
	Building	\$220K	\$21K	\$220K
	Docks	40K	24K	40K
	Dredging	25K	0.00	0
	Permits/Eng.	40K	4K	35K
	Lights, cameras, water htr.,et	40K	44K	70K
	TOTALS	\$365K	\$93K	\$365K

Summary of HBHYC Investments as of: 8/16/08

ITEM	APY Rate of INTEREST (a)	CAPITAL	OPER.	Matures
1. SMITH BARNEY	4.0% est.	\$85,270		NA
2. BOA CD-9 Mo.(942) (b)	3.0%	\$47,870		11/14/08
3. BOA CD-9 Mo. (742) (b)	4.4%	\$48,124		8/21/08
4. BOA CD-9 Mo. (857)	4.00%	\$27,086		10/11/08
5. BOA CD-4 MO.(161)	2.5%	\$61,966		7/28/08
6. BOA CD-9 MO. (265)	3.75%	\$31,544		10/22/08
7. BOA-CD-9 MO (8845)	2.50%	\$70, 580		12/17/08
7. BOA Money Mkt.(752)	2.33%	\$46,136	73931	
8. BOA Checking (4057)	0		\$492	
9. BOA Checking (930)	0		\$6,561	
10. Acct. Rec.		\$3,044	\$5,806	
11. Petty cash 0			0	
TOTALS as of 9/30/08		\$421,620	\$86,790	
Projected Capital Fund as of 12/31/08		\$202,858		

- a. In addition to interest, the Capital fund is augmented by a 1/6 Condo Fee from Buyers
- b. These monies are immediately available without penalty. If a withdrawal (of any amount) is made, another can be made six (6) days later, etc.
- c. 3rd quarter Condo fees of #110,723 have been billed and represent most of the receivables. Capital was billed @ \$38,143 and Operating @ \$72,580

	Total 2008 Budget	6 Mos Budget 2008	6 Mos Actual 2008	2008 Better/(Worse)	2007 Actuals	2006 Actuals
Ordinary Income/Expenses						
Condominium Fees-operating only	\$ 290,320	\$ 145,160	\$ 145,256	\$ 96	\$ 291,798	\$ 292,005
Interest Income - operating	\$ 300	\$ 150	\$ -	\$ (150)	\$ -	\$ 2,224
Write-Offs (Board Approved)	\$ -	\$ -	\$ (685)	\$ (685)	\$ -	\$ -
Pump out fees, 400 @ \$5.00	TBD	\$ -	\$ -	\$ -	\$ 10	\$ -
Clubhouse Rental	TBD	\$ -	\$ -	\$ -	\$ -	\$ -
Electrical maintenance copay @\$5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,305
Electric Usage Revenue	\$ 18,000	\$ 5,000	\$ 5,788	\$ 788	\$ 12,206	\$ 8,241
Late Fees	\$ 2,000	\$ 1,000	\$ 7,924	\$ 6,924	\$ 2,354	\$ 559
Slip Lease Management Fees 10%	\$ 30,000	\$ 25,000	\$ 26,767	\$ 1,767	\$ 33,145	\$ 16,850
Transient Slip Rental 30%	\$ 15,000	\$ 2,000	\$ 1,249	\$ (752)	\$ 9,303	\$ 8,709
Cable Income	\$ 6,400	\$ -	\$ 58	\$ 58	\$ 5,960	\$ 4,950
Vending Income & Ice	\$ 1,700	\$ 300	\$ 204	\$ (96)	\$ 2,162	\$ 202
Special Events Income	\$ 3,500	\$ -	\$ 1,440	\$ 1,440	\$ 2,446	\$ -
Total Income	\$ 367,220	\$ 178,610	\$ 188,000	\$ 9,390	\$ 359,383	\$ 344,045
Expenses						
Advertising (& Help Wanted)	\$ 500	\$ 250	\$ 274	\$ (24)	\$ 2,627	\$ 70
Consultant-Project Management				\$ -	\$ 9,201	\$ 1,263
Bank Charges	\$ 500	\$ 250	\$ 1,084	\$ (834)	\$ 765	\$ 208
Credit Card Processing Fees	\$ 2,000	\$ 1,000	\$ 722	\$ 278	\$ 2,188	\$ 873
Dues & Subscriptions	\$ 350	\$ 175	\$ 300	\$ (125)	\$ 300	\$ 300
Insurance-Auto	\$ 500	\$ 250	\$ 213	\$ 37	\$ -	\$ 454
Insurance-D&O	\$ 1,700	\$ 850	\$ 1,603	\$ (753)	\$ 1,613	\$ 1,585
Insurance-Marina	\$ 26,500	\$ 13,250	\$ 13,553	\$ (302)	\$ 21,678	\$ 25,361
Insurance-Workman's Comp	\$ 4,500	\$ 2,250	\$ 755	\$ 1,495	\$ (14,661)	\$ 3,007
Insurance-Health	\$ -	\$ -	\$ (281)	\$ 281	\$ 17,011	\$ 25,612
Maintenance-Building	\$ 10,000	\$ 5,000	\$ 7,590	\$ (2,590)	\$ 12,051	\$ 6,584
Maintenance-Docks	\$ 25,000	\$ 12,500	\$ 21,624	\$ (9,124)	\$ 13,441	\$ 20,471
Maintenance-Dredging	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance-Grounds (& Security)	\$ 5,000	\$ 2,500	\$ 1,478	\$ 1,022	\$ 3,603	\$ 4,776
Maintenance-Pool	\$ 3,000	\$ 1,500	\$ 1,592	\$ (92)	\$ 3,543	\$ 2,859
Maintenance-Pump Out	\$ 500	\$ 250	\$ 94	\$ 156	\$ 991	\$ 114
Office Supplies	\$ 2,500	\$ 1,250	\$ 1,633	\$ (383)	\$ 4,056	\$ 3,870
Payroll-HBHYC	\$ 168,306	\$ 73,333	\$ 72,853	\$ 480	\$ 149,828	\$ 162,767
Payroll taxes	\$ 17,000	\$ 8,100	\$ 6,897	\$ 1,203	\$ 13,689	\$ 15,836
Payroll Services ADP & Paycheck	\$ 2,500	\$ 1,250	\$ 1,186	\$ 64	\$ 2,328	\$ 2,115
Permits & Licenses	\$ -	\$ -	\$ 272	\$ (272)	\$ 271	\$ -
Postage	\$ 2,000	\$ 1,000	\$ 921	\$ 79	\$ 2,449	\$ 1,810
Professional Fees-Acctg & Tax	\$ 6,500	\$ 3,250	\$ 745	\$ 2,505	\$ 3,500	\$ 2,450
Professional Fees-Consult & Audit	\$ 6,000	\$ 3,000	\$ -	\$ 3,000	\$ 10,645	\$ -
Professional Fees-Legal	\$ 4,000	\$ 2,000	\$ 720	\$ 1,280	\$ 5,234	\$ (810)
Professional Fees-Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Events	\$ 5,000	\$ -	\$ 2,645	\$ (2,645)	\$ 3,177	\$ 2,606
Trash Removal	\$ 9,000	\$ 2,500	\$ 731	\$ 1,769	\$ 8,988	\$ 10,058
Ice	\$ 1,000	\$ 300	\$ 298	\$ 2	\$ 789	\$ 256
Miscellaneous (T&E Exp)	\$ 500	\$ 250	\$ 142	\$ 108	\$ 1,334	\$ 69
Uniforms	\$ 300	\$ 300	\$ 632	\$ (332)	\$ 921	\$ 383
Utility-Cable	\$ 6,400	\$ 3,200	\$ 4,246	\$ (1,046)	\$ 7,725	\$ 6,210
Utility-Electric	\$ 29,000	\$ 9,000	\$ 6,393	\$ 2,607	\$ 30,343	\$ 24,963
Utility-Phone	\$ 3,000	\$ 1,500	\$ 1,435	\$ 65	\$ 2,997	\$ 3,028
Utility-Water/Sewer	\$ 4,500	\$ 2,250	\$ 2,535	\$ (285)	\$ 3,609	\$ 4,423
Utility-Gas	\$ 4,500	\$ 2,250	\$ 2,809	\$ (559)	\$ 4,547	\$ 2,649
Utilities-Web Page & Earthlink	\$ 300	\$ 150	\$ 202	\$ (52)	\$ 285	\$ 351
Budget/Expenses to date	\$ 352,356	\$ 154,908	\$ 157,897	\$ (2,989)	\$ 331,066	\$ 336,569
Expenses vs income = reserve	\$ 14,864	\$ 23,702	\$ 30,103	\$ 6,401	\$ 28,317	\$ 7,476
Payroll						
Marina Manager - (Mark)	\$ 88,188	\$ 44,094	\$ 43,154	\$ 940	\$ 46,750	\$ 41,329
Dockmaster	\$ -	\$ -	\$ -	\$ -	\$ 22,949	\$ 38,569
Office Manager - (Stacy)	\$ 26,618	\$ 13,309	\$ 13,946	\$ (637)	\$ 24,926	\$ 27,238
Maintenance help (Raul)	\$ 28,860	\$ 14,430	\$ 14,810	\$ (380)	\$ 37,552	\$ 46,710
Security	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Summer Help	\$ 24,640	\$ 1,500	\$ 943	\$ 557	\$ 17,651	\$ 8,922
Total	\$ 168,306	\$ 73,333	\$ 72,853	\$ (480)	\$ 149,828	\$ 162,767
(NOTE: 2007 Operations Mgr = \$85,000 & Ofc Mgr = \$23,400)						