Notice of Regular Board Meeting

Tuesday, November 24, 2020

Notice is hereby given to the Members of Seven Coves Association, Inc., that the Board of Directors calls a regular meeting of Directors to be held on Tuesday, November 24, 2020 at 6:30 P.M. The meeting will be held in the Seven Coves Association, Inc. clubhouse to consider and act upon the following agenda.

I. Executive Board Meeting (Closed Meeting)
II. Meeting Called to Order (Open Meeting)
III. Approval of Minutes
IV. Approval of Financial Report– Kevin Lacy
V. President's Report-Tim Steinmuller
VI. Reports from Board Members:

A. Kevin Lacy
B. Amy Lundy/Steve Durham-Deed Restriction & Marina Report
C. ACC Report

VII. Adjournment of Regular Meeting
This meeting could adjourn to an executive meeting on any topic.

VIII. Open Forum

IX. Reconvene

X. Adjourn

SEVEN COVES HOMEOWNERS ASSOCIATION
Monthly Board Meeting
Tuesday, October 27, 2020

Regular Meeting called to order at 6:31 pm

Seven Coves Board Members Present:
Tim Steinmuller, Kevin Lacy, Don Chronister, Shelly Corso, and Mike McLaughlin

IMC Reps. Present:
Amy Lundy & Steve Durham

Open Session:
Mike made a Motion to nominate Tim Steinmuller for President, Don Chronister for Vice President, Kevin Lacy for Treasurer, Shelly Corso for Secretary, and Mike McLaughlin for Asst. Treasurer. Also remove prior board member Neil Curlee.
Shelly Second. Unanimously approved.

Kevin made a Motion to increase the HOA dues by $50.00 per lot and/or unit, totaling $475.00 for 2021 HOA dues.
Don Second. Unanimously approved.

Trees by park need trimming. Can you park on the street with expired vehicle tags? The sheriff's department says yes. Resident asked if fire lanes could mark the street in front of the playground because so many vehicles park there. Board member answered we have received county approval for the no parking fire lanes.

*October 18, 2020, we had our annual meeting and normally do not have a regular meeting the same month, however, this year we did so we could vote in the new board members and vote for dues rate increase. There was no president's report, financials or board member's reports given. *

Recap of Executive Session:
Discuss Board member's recommended areas of responsibilities.
Discuss power washing bid.
Discuss update on The Landing agreement.
Discuss adding awning over swing set.

Closed Session of Executive Meeting called to order at 5:35 pm
Closed Session of Executive Meeting adjourned at 6:27 pm
Open Session of Regular Meeting called to order at 6:31 pm
Open Session of Regular Meeting adjourned at 6:45 pm
Reopened Session of Executive Meeting 6:50 pm
Closed Reopened Session of Executive Meeting 8:00 pm

Seven Coves Financial Report – End of October 2020 (10 months actuals = 83% of year)

Prepared by Seven Coves Treasurer – Kevin Lacy November 24, 2020

Income Summary

			10 mo Actuals	12 mo Budget	Ind %	12 mo Forecast	Fc vs Budget	
Revenues	Res Assmts		290000	347225	0.42	348000	1.00	
	Comm Assmts		51000	61100	0.07	61500	1.01	
	Subtotal		341000	408325	0.49	409500	1.00	
Misc Inc	Fees		37600	30000	0.04	43000	1.43	*
	Franchise		21900	10000	0.01	21900	2.19	*
	Landing		6700	6300	0.01	6700	1.06	
	Subtotal		66200	46300	0.06	71600	1.55	
Rental Inc	Marina		259400	308200	0.37	311000	1.01	
	Clubhouse		14100	45900	0.06	16800	0.37	*
	Trailer Lot		21700	22400	0.03	25700	1.15	
	Subtotal		295200	376500	0.45	353500	0.94	
Total Rev			702400	831125	1.00	834600	1.00	

Major Expense Summary

			10 mo Actual	12 mo Budget	Inv %	12 mo Forecast	Fc vs Budget	
Maj Exp	Trash Serv		126000	140000	0.17	150000	1.07	
	IMC Services		104500	114000	0.14	113550	1.00	
	Depreciation		87500	105000	0.13	105000	1.00	
	Insurance		73300	88000	0.11	88000	1.00	
	Mow & Landscape		47600	67500	0.08	53000	0.79	
	Subtotal		438900	514500	0.62	509550	0.99	
	Courtesy Patrol		47100	55000	0.07	51000	0.93	
	Marina Maint		30400	50400	0.06	35000	0.69	
	SJRA Fee		15000	32000	0.04	30000	0.94	*
	Utilities		21800	23500	0.03	26000	1.11	
	Dock Loan Int		12900	18000	0.02	16000	0.89	
	Subtotal		127200	178900	0.22	158000	0.88	

Remaining Expense Summary

		10 mo Actual	12 mo Budget	Inv %	12 mo Forecast	Fc vs Budget	
Clubhouse Maint		7700	14000	0.017	10000	0.71	
Attorney Fees		19100	13000	0.016	21000	1.62	
Security System		20000	12000	0.014	21000	1.75	*
Pool Monitors		19400	12000	0.014	19400	1.62	*
Pool Cleaning		7000	9800	0.012	9800	1.00	
Property Taxes		-7000	10000	0.012	-7000	-0.70	
Accounting Serv		6400	9000	0.011	8000	0.89	
Gen Expense		7700	8200	0.010	9000	1.10	
Clubhouse Cleaning		3500	6600	0.008	4400	0.67	
Phone Internet		3900	6000	0.007	4800	0.80	
Subtotal		87700	100600	0.121	100400	1.00	
Credit Card Fees		4200	5000	0.006	5200	1.04	
Advertising		3000	5000	0.006	3600	0.72	
Postage		4250	4500	0.005	4800	1.07	
Member Relations		1950	4400	0.005	2400	0.55	
Office Supplies		3000	3500	0.004	3600	1.03	
Office Maint		900	2800	0.003	1000	0.36	
Event Coord		100	2500	0.003	200	0.08	
Pool Maint		5900	2500	0.003	6000	2.40	
Trailer Lot Maint		640	2000	0.002	800	0.40	
Vehicle Maint		1500	1400	0.002	1600	1.14	
Lighthouse Maint		0	1200	0.001	0	0.00	
ACC Inspectors		2400	1000	0.001	3000	3.00	
Pest Control		270	700	0.001	400	0.57	
Tennis Ct Maint		1100	500	0.001	1100	2.20	
Playground Maint		0	200	0.000	0	0.00	
Subtotal		29210	37200	0.045	33700	0.91	
Total Expense		683010	831200		801650	0.96	
Net Profit or (Loss)			-75		32950	*	

Summary – In spite of significant disruptions due to Covid-19 the Seven Coves 2020 financials at Oct 31 indicate a positive net revenue with the likelihood of a small surplus. Reduced revenue from Clubhouse rentals dropping 63% have been offset by higher Marina rentals, Fees, and Franchise revenue. Total forecast revenue for 2020 stands at 100% of the budget. Higher pool expenses have been largely offset by good expense management (mowing, patrols, some deferred maintenance) and a property tax benefit ($15K) the Board pursued in early 2020. Forecasted total expense for 2020 stands at 96% of the 2020 expense budget. Digital sign expense ($11K) has been moved to capital.

Seven Coves 2021 Final Draft Budget and Comparison to 2020 Budget

Prepared by Kevin Lacy Seven Coves HOA Treasurer Nov 24, 2020

Income Summary – reflects HOA dues increase of $50 per year – HOA dues have not been increased in eight years. Analysis of 2020 indicates estimated tax loss of about $50K roughly equal to the 2021 dues increase. This reinforces the 2021 dues increase is needed to avoid a loss or cut back services.

		2020 Budget	Ind %	2021 Budget	2021 vs 2020	
Revenues	Res Assmts	347225	0.42	388900	1.12	
	Comm Assmts	61100	0.07	68430	1.12	
	Subtotal	408325	0.49	**457330**	1.12	
Misc Inc	Fees	30000	0.04	37500	1.25	
	Franchise	10000	0.01	17500	1.75	
	Landing	6300	0.01	7000	1.11	
	Subtotal	**46300**	0.06	**62000**	1.34	
Rental Inc	Marina	308200	0.37	320000	1.04	
	Clubhouse	45900	0.06	25000	0.54	
	Trailer Lot	22400	0.03	30000	1.34	
	Subtotal	376500	0.45	375000	1.00	
Total Rev		**831125**	**1.00**	**894330**	**1.08**	
		2020 Budget	Ind %	2021 Budget	2021 vs 2020	
Maj Exp	Trash Serv	140000	0.17	150000	1.07	
	IMC Services	114000	0.14	117000	1.03	
	Depreciation	105000	0.13	108000	1.03	
	Insurance	88000	0.11	90000	1.02	
	Mow & Landscape	67500	0.08	65000	0.96	*
	Subtotal	514500	0.62	530000	1.03	
	Courtesy Patrol	55000	0.07	55000	1.00	*
	Marina Maint	50400	0.06	50000	0.99	
	SJRA Fee	32000	0.04	32000	1.00	
	Utilities	23500	0.03	27000	1.15	*
	Dock Loan Int	18000	0.02	18000	1.00	
	Subtotal	**178900**	**0.22**	**182000**	**1.02**	

Comments on Major Expenses – Assumed most held at the 2020 forecasted levels or increased about 3% for inflation. Mowing and Landscaping budget shows reduction from 2020 budget but the 2021 Budget is a $12K increase YoY to cover increased efforts in greenbelts. Courtesy Patrols also show a YoY increase over actuals of $2K. Utilities are up $1K YoY based upon actuals.

All Other Expenses Summary – 2021 Final Draft Budget

	2020 Budget	Ind %	2021 Budget	2021 vs 2020	ADJ
Clubhouse Maint	14000	0.017	10000	0.71	
Attorney Fees	13000	0.016	20000	1.54	*+ $5000
Security System	12000	0.014	12000	1.00	
Pool Monitors	12000	0.014	18000	1.50	*+ $3000
Pool Cleaning	9800	0.012	10000	1.02	
Property Taxes	10000	0.012	3000	0.30	
Accounting Serv	9000	0.011	9000	1.00	
Gen Expense	8200	0.010	9000	1.10	
Clubhouse Cleaning	6600	0.008	5000	0.76	
Phone Internet	6000	0.007	4000	0.67	
Subtotal	**100600**	**0.121**	**100000**	**0.99**	
Credit Card Fees	5000	0.006	5500	1.10	*NC
Advertising	5000	0.006	4000	0.80	
Postage	4500	0.005	5000	1.11	*+ $300
Member Relations	4400	0.005	3000	0.68	
Office Supplies	3500	0.004	3700	1.06	
Office Maint	2800	0.003	1500	0.54	
Event Coord	2500	0.003	2000	0.80	
Pool Maint	2500	0.003	4000	1.60	
Trailer Lot Maint	2000	0.002	1000	0.50	
Vehicle Maint	1400	0.002	2000	1.43	*+ $400
Lighthouse Maint	1200	0.001	1000	0.83	
ACC Inspectors	1000	0.001	2500	2.50	
Pest Control	700	0.001	500	0.71	
Tennis Ct Maint	500	0.001	1000	2.00	
Playground Maint	200	0.000	2000	10.00	*+ $2000
Subtotal	**37200**	**0.045**	**38700**	**1.04**	
Total Expense	831200		850700	1.02	
Implied Profit	-75		43630		

Comments on minor expenses and estimated budget profit / loss – most budget categories reflected the 2020 actuals unless it was expected to spend additional funds in 2021. (Postage, playground). Increases in several other categories reflect forecasted 2020 expense levels that needed to be matched in the final draft 2021 budget. **The 2020 budget showed a profit breakeven but actual taxed operating results will be a loss. The increased dues in 2021 should make the HOA marginally profitable and enable adequate cash contributions to the reserve funds.**

November newsletter from the President,
By Tim Steinmuller

Well, 2020 is finally slipping away. Our November HOA meeting will be the last meeting this year. I would like to thank all who attended our Annual HOA meeting last month. I would like to thank residents who ran for the available Board positions and congratulate Don Chronister who was reelected and welcome Mike McLaughlin as a new member to the HOA Board.

November has been a quiet month in the subdivision with no projects underway or being started. We found a crack in the pool plaster on the side that has developed, and it should be covered under the recent remodel warranty. It has been assessed and repairs being planned.

At Tuesdays meeting we will be finalizing and approving the 2021 budget. Only one good sized project is being looked at for 2021. We will be looking at doing some possible improvements to the clubhouse. The outside bathrooms are hard to maintain and need upgrading, and various items such as new flooring and carpet etc. in the clubhouse need to be looked at to improve its rentability and use. Our hope is that we can start renting out the clubhouse on a more regular basis depending on Covid. One bright spot financially is how well the marina rentals have been doing in 2020, and we hope with the new homes being built in the area that this trend continues. A little bit of walkway work needs to be done on one of the docks but that should be accomplished shortly.

Finally, I would like to wish you the best as we start the holidays, have a great Thanksgiving, and a blessed Merry Christmas and New Year.

Until 2021
Tim Steinmuller
President Seven Coves HOA

Deed Violation Report
November 24, 2020

Violations-Categorized

5 Violations

1 Lawn/Landscaping
1 Vehicle Parking: trailers, boats, atvs, etc. stored in yard/driveway.
3 Unsightly: Trash/misc. items stored in driveway/yard.

Violations-Activity

5 Closed: Violation Cured
4 New: first notice
1 2nd Letter not cured
0 Re-open: Violation(s) cured and closed then violation repeated

November 24, 2020

MARINA REPORT

		AVAILABLE	VACANT	TM	LM
DOCK #1	COVERED	36	2	94%	99%
	UNCOVERE	30	9	70%	73%
	TOTAL	66	11	82%	86%
DOCK #2	COVERED	54	4	92%	94%
DOCK #3	COVERED	60	10	83%	85%
DOCK #4	COVERED	28	4	85%	89%
	UNCOVERE	48	5	89%	91%
	TOTAL	76	9	87%	90%
OVERALL	COVERED	178	20	88%	91%
	UNCOVERE	78	14	82%	84%
	TOTAL	256	34	85%	88%