Seven Coves Association, Inc.
Board Meeting
November 30, 2021, Tuesday, 6:30 PM
MEETING AGENDA

This is a board meeting. Members may observe but please hold all questions and comments for the open forum.

1. **Call Open Session to Order**

2. **President provides summary of** prior executive session regarding legal action, contracts, disciplinary hearings, employee matters, repayment plans and foreclosures.

2. **Review/Approval of Minutes of Last Board Meeting**

3. **Reports**
   a. Treasurer's Report
   b. President's Report
   c. Committee Report
      -Architectural Control Committee
   d. Manager's Report
      -Deed Violation and Marina Report

4. **New Business**
   a. Discuss barrier options/bids for around gazebo.
   b. Power washing scheduled after the 1st of January.

5. **Old Business**
   a. Ratification of all actions of the Board since last meeting.
      1. Discuss lady's club payment options.

6. Adjourn Open Meeting.

7. If needed, **Adjourn to Executive Session – to discuss;** This meeting may be adjourned at any time by the board of directors for the purposes of meeting in an executive session.

9. Reconvene Open Session-To consider and take any necessary action with respect to any matters considered in executive session.

10. Adjournment.

11. **Open Forum**. During open forum, each attendee may address the board for up to three minutes. Speakers must observe rules of decorum and not engage in other disruptive behavior. If a speaker is in the middle of a sentence when time is called, he/she may finish their thought before sitting down. Speakers may not allot their time to others. All persons must follow the Meeting Rules listed at the bottom of this agenda.

MEETING RULES: No audio or video recording allowed by attendees. However, the secretary may record the meeting to aid in the preparation of minutes. The recording is deleted once the minutes have been prepared. As provided in the "Open Meeting Act," members may observe the meeting but do not have the right to participate in the board's deliberations or votes. Members may address matters during the open forum portion of the meeting. If attendees become disruptive, they may be expelled from the meeting and/or fined.

SEVEN COVES HOMEOWNERS' ASSOCIATION
Monthly Board Meeting
Tuesday, October 26, 2021

Regular Board Meeting called to order at 6:34 pm

Seven Coves Board Members Present:
Tim Steinmuller, Don Chronister, Kevin Lacy, Mike McLaughlin, & Peggy Dentler

IMC Reps. Present:
Steve Durham & Amy Lundy

Minutes:
Approval of September Minutes: Kevin Lacy made a motion to approve and Don Chronister second, A vote was taken with Kevin Lacy, Don Chronister, and Peggy Dentler in favor, Mike McLaughlin abstained. The motion passed.

Financials:
Financial Report was given by Kevin Lacy. Don Chronister made a motion to approve the report and Mike McLaughlin second, unanimously approved.

No President's Report given.

New Business

a. Discussed adding Halloween to Seven Coves events for 2022.
b. 1. Discussed adding soil or rock around gazebo and by basketball court. -Deferred. 2. Kevin Lacy made a motion to approve bid for $1700.00 for trimming 13 trees around amenities and trees hanging over clubhouse roof and Mike McLaughlin second, unanimously approved.
c. Discussed proposed 2022 budget items: gazebo, clubhouse decorations, front entrance.
d. Discussed monthly financial process.
e. Discussed filing of taxes process.
f. Discussed contract setups with vendors. -Deferred

Old Business

a. Discussed lady's club finishing the year 2021 using the clubhouse just as they have been.

Regular Board Meeting adjourned at 7:15 pm.

_____ _____

Secretary Date

Seven Coves Financial Report – End of October 2021 (10 months actuals = 83% of year)

Prepared by Seven Coves Treasurer – Kevin Lacy November 29, 2021

Income Summary

		10 mo Actuals	12 mo Budget	% Tot Rev	12 mo FC	Fc vs Budget
Revenues	Res Assmts	$384,413	$388,900	43%	$384,400	0.99
	Comm Assmts	$68,395	$68,430	8%	$68,400	1.00
	Subtotal	$452,808	$457,330	51%	$452,800	0.99
Misc Inc	Fees	$28,300	$37,500	4%	$32,000	0.85
	Franchise	$30,000	$17,500	2%	$22,200	1.27
	Landing	$10,000	$7,000	1%	$10,000	1.43
	Subtotal	$68,300	$62,000	7%	$64,200	1.04
Rental Inc	Marina	$271,000	$320,000	36%	$320,000	1.00
	Clubhouse	$10,000	$25,000	3%	$12,000	0.48
	Trailer Lot	$26,000	$30,000	3%	$26,000	0.87
	Subtotal	$307,000	$375,000	42%	$358,000	0.95
Total Rev		**$828,108**	**$894,330**	**100%**	**$875,000**	**0.98**

Major Expense Summary

		10 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
Maj Exp	Trash Serv	$130,000	$150,000	18%	$155,000	1.03
	IMC Services	$97,500	$117,000	14%	$117,000	1.00
	Depreciation	$67,000	$108,000	13%	$108,000	1.00
	Insurance	$89,800	$90,000	11%	$90,000	1.00
	Mow & Landscape	$60,000	$65,000	8%	$65,000	1.00
	Top 5 Subtotal	**$444,300**	**$530,000**	**62%**	**$535,000**	**1.01**
	Courtesy Patrol	$41,000	$56,400	7%	$48,000	0.85
	Marina Maint	$38,600	$50,400	6%	$50,400	1.00
	SJRA Fee	$22,600	$32,000	4%	$32,000	1.00
	Utilities	$24,000	$27,000	3%	$28,000	1.04
	Dock Loan Int	$13,300	$18,000	2%	$17,500	0.97
	Next 5 Subtotal	**$139,500**	**$183,800**	**22%**	**$175,900**	**0.96**

Remaining Expense Summary

	10 mo Actual	12 mo Budget	% Tot Exp	12 mo FC	Fc vs Budget
Clubhouse Maint	$5,200	$10,000	1.2%	$10,000	1.00
Attorney Fees	$30,300	$20,000	2.3%	$32,000	1.60
Security System	$15,500	$12,000	1.4%	$17,000	1.42
Pool Monitors	$11,000	$18,000	2.1%	$11,000	0.61
Pool Cleaning	$11,600	$10,000	1.2%	$13,000	1.30
Property Taxes	$0	$3,800	0.4%	$100	0.03
Accounting Serv	$1,625	$9,000	1.1%	$8,000	0.89
Gen Expense	$11,300	$9,000	1.1%	$12,000	1.33
Clubhouse Cleaning	$3,000	$5,000	0.6%	$4,500	0.90
Phone Internet	$2,300	$4,000	0.5%	$3,100	0.78
Next 10 Subtotal	**$91,825**	**$100,800**	**11.8%**	**$110,700**	**1.10**
Misc. Subtotal (15)	**$28,365**	**$38,700**	**4.5%**	**$37,000**	**0.96**
Total Expense	**$703,990**	**$853,300**	**100%**	**$858,600**	**1.01**

Summary –Revenues are as forecasted for assessments with only miscellaneous income showing positive forecast trends. Total revenues are now $19,000 lower than forecast due primarily to very low Clubhouse rental incomes due to Covid & remodel and lower trailer lot rental revenues. Marina revenue forecast will no longer cover the entire gap in rental income. Income deficit relative to budget is forecasted at $19,000 - $15,000 due to Clubhouse and $4,000 due to Trailer Lot decreased revenues.

Since last month no significant changes in expense forecast. Forecast update makes provision for utilities and trash service to be slightly higher than annual budget and a revision to the SJRA fees to be on budget. Courtesy patrol and loan interest will likely be under budget for the year. Lightning strikes have damaged the security system twice this year, so those repair costs were not in the planned budget. New lightning protection systems have been installed.

Through nine months there are no extra ordinary issues other than February storm damage to the marina and the storm damages to several roofs of our facilities – approximately $50,000. It would now appear it is highly unlikely to be able to recover any of these expenses. Revenues to expenses now only show a positive of $17,000 decreasing from last month's forecast of 54,000. This minimal amount is allocated to our marina reserve account as was planned. However, it is $33,000 under the planned contribution to the reserve accounts due to unforeseen freeze and storm costs.

As a reminder, without the additional income that come from marina, clubhouse, and trailer space rentals (49% of our revenues) which underwrites half the overall operating expenses the HOA annual dues would have to be increased from the current $475/year to a range of $750 to $800/year.

Seven Coves 2022 Budget and Comparison to 2021 Budget

Prepared by Kevin Lacy -Treasurer

Income Summary – reflects HOA dues increase of $25 per year –this is the second installment of the three-year increase projection started with a $50 increase in 2021. HOA dues had previously not been increased in eight years. The increase will allow the minimum build in reserves needed to support the next dock replacement which will occur in 3-4 years.

Revenue Analysis – Assessments increase $25 per resident per year. Fees which are largely driven by new building will remain flat and will ultimately drop in future years as empty lots diminish. Franchise income (Sudden Link) expected to stay flat from 2021 actual but is above the 2021 budget amount. Landing fees for the pool monitors and cleaning remain same as in 2021. Marina revenue forecast to be equal to 2021 (probably a bit conservative) while a significant increase in Clubhouse revenue vs 2021 actuals is forecast due to increased rates and much better rental bookings than in 2021. Overall increase in revenue is forecasted to be $55,770 with dues increase representing 45% of the increase proportionally in line with non-assessment revenue contributions from the Marina, Fees, Clubhouse etc.

Revenue Table

		2021 Budget	% Tot Rev	2022 Budget	2022 vs 21
Revenues	Res Assmts	$388,900	43%	$410,400	1.06
	Comm Assmts	$68,430	8%	$72,200	1.06
	Subtotal	$457,330	51%	$482,600	1.06
Misc Inc	Fees	$37,500	4%	$37,500	1.00
	Franchise	$17,500	2%	$20,000	1.14
	Landing	$7,000	1%	$10,000	1.43
	Subtotal	$62,000	7%	$67,500	1.09
Rental Inc	Marina	$320,000	36%	$340,000	1.06
	Clubhouse	$25,000	3%	$30,000	1.20
	Trailer Lot	$30,000	3%	$30,000	1.00
	Subtotal	$375,000	42%	$400,000	1.07
Total Rev		$894,330	100%	$950,100	1.06

Major Expense Analysis -Expect the ten major cost categories to have some with normal growth (IMC, depreciation, insurance, SJRA fee) and others that have been increased (mowing) or decreased intentionally (courtesy patrols) or as an expectation to decrease (Marina Maint). Utilities and trash services expected to outpace inflation and likely will be time to rebid the trash services to test the market. Interest expense will rise due to increased loan balance from Clubhouse remodel

		12 mo Budget	% Tot Exp	2022 Budget	Fc vs Budget
Maj Exp	Trash Serv	$150,000	18%	$160,000	1.07
	IMC Services	$117,000	14%	$120,000	1.03
	Depreciation	$108,000	13%	$110,000	1.02
	Insurance	$90,000	11%	$92,000	1.02
	Mow & Landscape	$65,000	8%	$75,000	1.15
	Top 5 Subtotal	$530,000	62%	$557,000	1.05
	Courtesy Patrol	$56,400	7%	$41,000	0.73
	Marina Maint	$50,400	6%	$40,000	0.79
	SJRA Fee	$32,000	4%	$33,000	1.03
	Utilities	$27,000	3%	$29,000	1.07
	Dock Loan Int	$18,000	2%	$19,000	1.06
	Next 5 Subtotal	$183,800	22%	$162,000	0.88

Remaining Expense Categories (increases in pool and clubhouse cleaning and security/IT)

		12 mo Budget	% Tot Exp	2022 Budget	Fc vs Budget
	Clubhouse Maint	$10,000	1.2%	$8,000	0.80
	Attorney Fees	$20,000	2.3%	$20,000	1.00
	Security System	$12,000	1.4%	$16,000	1.33
	Pool Monitors	$18,000	2.1%	$14,000	0.78
	Pool Cleaning	$10,000	1.2%	$15,000	1.50
	Property Taxes	$3,800	0.4%	$2,000	0.53
	Accounting Serv	$9,000	1.1%	$9,000	1.00
	Gen Expense	$9,000	1.1%	$10,000	1.11
	Clubhouse Cleaning	$5,000	0.6%	$6,000	1.20
	Phone Internet	$4,000	0.5%	$3,000	0.75
	Next 10 Subtotal	$100,800	11.8%	$103,000	1.02
	Misc Subtotal (15)	$38,700	4.5%	$42,000	1.09
	Total Expense	**$853,300**	**100%**	**$864,000**	**1.01**

Details for All Minor Expense Categories and Contribution to Reserves

	Credit Card Fees	$5,500	0.6%	$4,000	0.73
	Advertising	$4,000	0.5%	$4,000	1.00
	Postage	$5,000	0.6%	$5,000	1.00
	Member Relations	$3,000	0.4%	$3,000	1.00
	Office Supplies	$3,700	0.4%	$4,000	1.08
	Office Maint	$1,500	0.2%	$1,500	1.00
	Event Coord	$2,000	0.2%	$2,000	1.00
	Pool Maint	$4,000	0.5%	$5,000	1.25
	Trailer Lot Maint	$1,000	0.1%	$1,000	1.00
	Vehicle Maint	$2,000	0.2%	$2,000	1.00
	Lighthouse Maint	$1,000	0.1%	$1,000	1.00
	ACC Inspectors	$2,500	0.3%	$6,000	2.40
	Pest Control	$500	0.1%	$500	1.00
	Tennis Ct Maint	$1,000	0.1%	$1,000	1.00
	Playground Maint	$2,000	0.2%	$2,000	1.00
	Misc Subtotal	$38,700	4.5%	$42,000	1.09
	Total Expense	$853,300	100%	$864,000	1.01
	Net to Reserves			**$86,100**	
	Rev Contribution			**$55,770**	

November 2021, newsletter from the President,
By Tim Steinmuller

Once again we've almost reached the end of another year. This coming HOA meeting on November 30th will be the last HOA meeting of the year. I can't wait until the New Year starts. We have been busy in the subdivision working on completing projects. As you know in February, we had a major freeze that damaged a lot of the pipes in the marina the pool, and clubhouse. This was a huge repair project which has all been completed. We started a major remodel in the clubhouse in July that was supposed to have been finished by now, but you know how construction projects go. We are seeing some really nice progress being done in the clubhouse. Most recently, the exterior of the clubhouse and office is being painted. I'd like to thank our Vice President, Don and Amy for staying on top of things with the clubhouse work schedule and performance. We appreciate the work that has been done so far. It is really looking good. It is also being rented on a regular basis.

This coming weekend a lot of trees will be trimmed up around the basketball court, playground and around the clubhouse, they definitely needed it. We will also be approving the 2022 operating budget in the Tuesday meeting. Another item to look forward to in 2022 is our subdivision events will take place again. The BBQ cookoff, Fourth of July parade, garage sales, etc.

We hope everyone enjoyed their Thanksgiving holiday. I personally am grateful to live in the beautiful area we do. I pray that you all have a truly blessed and safe Christmas, and a very happy New Year. Thank you for attending tonight's meeting.

Until next year.

Tim Steinmuller
President Seven Coves HOA

Deed Violation Report
November 30, 2021

Violations-Categorized (Percentage)

9 Vehicle Parking: trailers, boats, atvs, etc. stored in yard/driveway.
0 Unsightly: Trash/misc. items stored in driveway/yard.
4 Yard Maintenance: mowing, edging, weeding, and/or pruning.

Violations-Activity

5 1st Notice
7 Closed: Violation Cured
3 2nd Letter not cured.

November 30, 2021

MARINA REPORT

		AVAILABLE	VACANT	TM	LM
DOCK #1	**COVERED**	36	9	75%	77%
	UNCOVERED	30	7	76%	73%
	TOTAL	66	16	75%	
DOCK #2	**COVERED**	54	3	94%	98%
DOCK #3	**COVERED**	60	15	75%	78%
DOCK #4	**COVERED**	28	6	78%	82%
	UNCOVERED	48	5	89%	87%
	TOTAL	76	10	86%	
OVERALL	**COVERED**	178	33	81%	84%
	UNCOVERED	78	12	84%	82%
	TOTAL	256	45	82%	84%