

## LIONS HEAD SOUTH ASSOCIATION

### BOARD OF TRUSTEES ASSOCIATION MEETING

December 4, 2023 – Approved February 12, 2024

President Cinosky opened the meeting at 7pm. All Trustees were in attendance.

The Pledge of Allegiance was said and there was a minute of silence for our departed residents.

Charlie Facciponti moved to approve the minutes of the October 10, 2023, meeting; Bill Powell seconded the motion.

Dennis Gregory, Treasurer reported that we currently have \$1,306,027 in cash and investments.

President Cinosky stated that we will dispense with the regular order of business and proceed with the 2023 budget and maintenance fee discussion.

President Cinosky reviewed the current by-laws concerning Trustee responsibility of maintaining the community; based on direction from our attorney, we were advised that we did not need a vote to proceed with the construction of a new pool. He discussed that we have had issues with the pool leaking for more than ten years and that it was no longer able to be patched for use. We had concerns about sink holes and the safety of the residents. An engineering company, FWH developed replacement recommendations and presented the project out to bid, A vendor was selected, and we approached several banks for financing ultimately going to Manasquan Bank. We received a loan of \$1,386, 000 for the project. The Trustees decided to pre-pay some of the loan, which allowed us to save approximately \$4,000 per month. Based on this financing, there were adequate funds to maintain the Community for this project.

In 2022, the HOA fees were raised \$15.00 after not being raised for many years. Although this saved the residents additional increases, this was against the recommendations of our accountant who had been recommending increased HOA fees since 2017. During this time, we should have been accumulating additional funding for Capital expenditures.

LHSA has had additional expenses maintaining the Community:

- Brick Township questioned how the Community handled the replacement of trees over the last 20 years; If corrections were not made, daily fines were threatened; in the last 2 years, we spent over \$50,000 on the replacement of trees and there is still a lot more that we need to be concerned about in the future.
- Almost \$100,00 was spent on repairs to the Club House and Country Club — many of them safety issues.
- Issues with storm water basins
- Maintenance and repair of wells

- RV lot roof replacement
- And this does not include the 17% increase in cost-of-living expenses over the last 4 years.

A Reserve study was completed last year, and this indicated that there should be a minimum of \$700,000 in funds dedicated to reserves. Looking at the funds that are available, we do not have the required money. Based on this deficiency, it was the recommendation of the Board of Trustees to increase the HOA fees to \$165.00. The increase is to finance our future replacement needs, not the pool. The bottom line is that we need cash in our reserve fund to manage the unexpected as well as the items that need to be replaced due to age. Also, the Reserve Study projects expected expenses, but it cannot predict unknown expenses, such as the Tree issues.

President Cinosky opened the floor for discussion; the following comments were made:

- Based on all the numbers, we should stop spending and initiate a freeze
- Take the accountant's advice and get the reserves in balance since there are still improvements needed in the Community.
- The Community should have had the opportunity to vote in the poll.
- Why did we need a bigger pool?
- Not arguing the fact that we needed a pool, but did we need a \$1,000,000 pool? \_ How are we going to pay for the pool expenses?

Tom Behrens responded to many of the comments:

- The Finance Committee as well as the Trustees have worked hard to make certain that the budget is as lean as possible.
- The pool is only 10% larger than the old pool and the difference to downsize it would have been minimal.
- One of the costs is over \$70,000 to put in an automatic ROBO cleaning system; the old system was manual which required volunteers to come to the Clubhouse every evening and put it into the pool. This last year we did not have anyone volunteer to do this and we had to pay a Maintenance person to come back to do it. \_ The Solar panels will no longer be used; instead, we will have an automatic heating/cooling system that will regulate the temperature. In the past, we have had to close the pool because the temperature was too high.
- A walk-in entrance will allow easier access and make it easier for all residents to use; although we do not have to be ADA compliant, this is an advantage for our residents. \_ Addition money is needed to maintain the Community and continue to make this a sought-after place to live.

John Cinosky reminded everyone that the financial statements are available in the Office and are available to the residents at any time once an appointment is made with the Administrator.

Tom Behrens continued to discuss the advice given to us by our attorney — since our By-Laws mandate that it is the responsibility of the Trustees to maintain the property, a vote was not required. Monthly updates were given in the PRIDE and the replacement of the pool has been discussed regularly during the last two years. Tom stated that the Volunteers do an excellent job and that it is doubtful that any other Community has as much involvement as we do. But everything cannot be accomplished by volunteers alone. Proper planning and financial commitment are needed as well. Personally, he is not happy that we had to raise fees, but it is something that had to be done to maintain the Community. If we had increased our HOA fees a minimal amount each year, this issue would have been resolved. We need to be able to make repairs on a timely basis so that we do not get into this problem in the future, particularly as we see high interest rates affecting our budgets. As a Board, we are trying to get the place back to where it should be.

Our Reserve study has indicated what we must do to maintain everything. In many instances, we are ahead of the recommendations. Although we have accomplished about 30% of the items on the list, there are still at least twenty-five items left to be done. And since we have this study completed every five years, the list continues to change and grow as this Community ages.

Additional comments from the floor indicated that we should continue to take the recommendations of our accountant and attorney in the future as well. A resident made a recommendation to eliminate the Volunteer Breakfast as an unneeded expense; the Trustees did not want to do this since the Board as a whole thought that it was important to recognize the people in the Community who help.

Several residents commented that the raise in HOA fees may have greater effects on the older seniors with limited income. President Cinosky stated that if anyone had financial issues with the increased fees, please contact the Administrative Office to discuss payment options.

Lastly, if anyone has any additional questions, please contact the Office and a meeting with a Trustee will be scheduled.

Two new residents were introduced.

President Cinosky introduced the Board of Trustees.

Linda La Ferrera is currently liaison to the Community Awareness Committee. She assured them that as a Board, are trying to do what is best for the Community. She thanked the Community for their comments.

Peggy Comfort is currently liaison to the LHS Country Club, ACC, and Recreation.

Kathleen Wright is Vice President and liaison to the Clubhouse Committee and By-Laws.

Tom Behrens is liaison to Buildings and Grounds as well as Nominating. He restated that as a Board, we are doing the best that we can.

Barbara Skelly is currently liaison to the Architectural and Website Committees.

Dennis Gregory is Treasurer as well as liaison to Security and Finance and Insurance.

The Standing Committees made the following reports:

- Activities Coordinating Council — Kathy Fagan reported that the WGA will have a Friday Nite Bingo on January 26, 2024. The Christmas Car Parade is cancelled. - Architecture - Trustee Skelly reminded everyone that any work on the outside of the house requires an application. Also, applications expire at the end of the year. If work has not been completed, a new application must be filed in January.
- Buildings and Grounds — Trustee Behrens notified the Residents that the Trustees are still working on the Thames project. Anything behind the stakes is common ground; anything in front of the stakes is the responsibility of the residents. Stakes may not be removed. Painting of houses is completed for the year. Wells and sprinklers will be turned off starting October 15<sup>th</sup>. Turf Masters is done for the year. He reminded Residents that if they did not want their lawn moved, Turf Masters should be notified. Residents can also request flags for their lawns. When questioned as to why the schedule is not always followed as printed, he stated that weather has a lot to do with it.
- By-Laws — Recommended changes were sent to the attorney for legal review. Changes to Rules and Regulations and Architecture should be available soon. - Clubhouse — The Committee hopes everyone is enjoying the Clubhouse decorations.
- Community Awareness — No report.
- Finance and Insurance — Bill Begley reported that the Committee agreed that increases in the HOA fees are required.
- Lions Head Country Club — Phil DeCarlo reported that the Country Club came in under budget for the year but there will be no increase in fees this year.
- Nominating — Charlie Facciponti reported that their work is done for the year and if anyone wants information about running for Trustee next year, please give him a call. - Recreation — Lynn Adams reported that the activities are complete for the year and meetings will begin again in March.
- Security — Tia Katakozinos reminded the residents about the 25-mile speed limit,
- Website — Readership continues to grow in many categories and thanked the Community for keeping the Website updated.

As a reminder, LHS runs on volunteerism. Thanks to everyone who has helped this year.

President Cinosky reminded the audience that HOA Coupon books are available and can be picked up next week.

The Badge Award was pulled. President Cinosky thanked the Hospitality Committee for the refreshments for the evening.

Since there was no additional business to discuss, Lucy Coburn moved to adjourn the meeting at 8:40 PM and Barbara Mortensen seconded the motion. By unanimous vote, the meeting was adjourned.

Respectfully Submitted:

Barbara Skelly

Secretary