

Hunters Ridge Community Association
Board of Director's Meeting
Tuesday, August 25, 2015
2:30pm – Activity Center

President Fred Forbes called the meeting to order, established a quorum of directors, and asked those present to silence all cell phones. Present in addition to Fred Forbes was David Miller. Vice President Bob Moe, Treasurer Dick DeCoste, Secretary Don Wirsbinski and Joanne Schoen attended by conference call. Bill Bell was absent.

1. A motion to approve the minutes from July 15, 2015 Board of Director's Meeting was made by Bob Moe, seconded by Dave Miller and approved by all Directors.
2. Treasurer's Report was made by Dick DeCoste for July 2015 (see attached)

He also gave an update on the issue of soliciting for a new Auditing Firm and his thoughts about beginning the competitive bid process. Our current company, Stroemer & Company, is a quality firm that knows our history and operations very well and, with their background and experience, offers much to us throughout the year and at year end. Their work for us has been and is above average and he thinks it is safe to say that a change to a different audit company would cost HRCA a premium for the first few years. In general, the motivation to bid this service came principally from Stroemer's long tenure on the job and the thought that it might be prudent to have another equally qualified CPA firm review our accounting practices and financial controls. He now believes that this is not the right timing to competitively bid this service. While he agrees that this still needs to be done, there are a number of other very important activities underway and in the near term that require the effort and attention of the Board and our General Manager that must be successfully completed and our focus needs to be on those items. He made a motion that due to the current workload and various operational needs the HRCA will delay bidding tax preparation, accounting and auditing services until the 3rd quarter of 2016. Mr. Miller seconded the motion which was approved and agreed upon by all directors present.

3. A list of property addresses that were more than 90 days delinquent totaling \$30,284 was read. A motion was made by Bob Moe to suspend those properties financially delinquent 90 days or more until they are brought current, the motion was seconded by David Miller and approved by all Directors.

4. An update on our cable TV and internet provider selection (Comcast) and the status of our contract with them was given by Fred Forbes. Members of the special study group had a very productive meeting with Comcast on August 10 and they are pleased with the contract negotiation and the progress made so far. The study group will meet with Comcast again on August 28 to further the contract negotiations. We should soon have a contract that both parties can sign. There is a target date of February 1, 2016 for a start date of our new rate which will be \$79.96 monthly. By that time all of our residents would have had an opportunity to get the new equipment and Comcast would have had an opportunity to make sure it is all up and running smoothly. Comcast will also have several town hall meetings to answer your questions and to keep you posted.
5. Mr. Forbes also gave an update on the clubhouse renovation project. The plumbing is roughed in, walls are going up and by Labor Day the tie beam should be poured. Trusses will go up right after that. The target date for completion is early to mid-December. Please be reminded that due to liability concerns, no member may enter the construction area. Safety is a high concern.
6. Mr. Forbes gave an External Affairs update. The first concern is the new Bonita Springs high school which will be built at the corner of Bonita Beach Road and Bonita Grande. We may launch an email campaign asking that the Lee County School Board do as much as they can to be respectful of the surrounding communities by careful choice of landscaping along Bonita Beach Road and the location of the football field, etc.

There is again talk of building in the DRGR area east of Village Walk. There could be as many as 3400 building sites in that area. Logan Blvd in Collier County is also slated to push thru to Bonita Beach Road in that same area. The concern is twofold. First, building in the DRGR could affect our water supply and second, large volumes of traffic could potentially be on Bonita Beach Road due to these new home sites and the new high school. External Affairs will keep a close eye on this.

7. Mr. Wirsbinski made a motion to adjourn the meeting which was seconded by Mr. DeCoste and approved by all Directors.

Treasurer's Report, YTD Ending July 31, 2015

Golf

Monthly revenues for July were \$101,571 or about equal to last year. Year to date, revenues were \$937,676 which are ahead of both last year and forecast by more than 5%. Most YTD revenue line items were higher than last year's performance, including golf dues. For the same period, golf course expenses of \$649,955 were about equal to forecast and last year's results. Higher expenses for fertilizer, equipment purchases and miscellaneous items, which are expected to all in line with the forecast by year end, were more than offset by other line items.

Although cart barn salaries were down for the month, YTD golf shop expenses were about 2% above forecast. A combined golf course and golf shop surplus for the first seven months amounted to \$72,471.

Outside play was virtually nil for the month. Year to date, revenues from both equity member payments and outside play have added \$121,350 to the golf reserves.

Golf Reserve Expenditures - 2015

Total expenditures @ 7/31/15 - \$195,075, as follows:

- Practice Green Upgrade: \$66,591
- Aerification, Verticutting and Top Dressing/Sanding: \$78,897
- Hole #5: \$1,500
- Hole #7, Tee: \$3,039
- Hole #16: \$21,742
- Grates/Parts: \$2,787
- Locker Room Restrooms: \$20,520

Restaurant

July's revenue at \$18,659 was about 3% lower than last year's results. Year to date revenue amounted to \$475,996, an improvement over budget and last year's performance of more than 15%. There were significant sales increases over last year in both Ridge food sales (53%) and Dining/Grill Room bar sales (44%).

Monthly cost of goods sold, at \$8,518, was about equal to last year's performance. Year to date costs, however, at \$224,306, were 18% higher than last year. Gross surplus at the end of July amounted to \$251,890 or about 13% ahead of last year.

Total YTD restaurant and Ridge expenses amounted to \$450,145, more than 14% higher than either budget or last year's results. While linen and equipment purchases were also over budget, higher total operating expenses were due mainly to larger than forecasted kitchen and restaurant salaries and other employee related expenses. To date, the Food & Beverage operating loss amounts to \$198,455 or about 14% over forecast and 20% higher than last year.

Treasurer's Report, YTD Ending July 31, 2015

G & A

After allocating \$50,000 to reserves, YTD revenue was \$884,046 or about 2% less than forecast. Lower dues income accounted for most of this decrease. Corresponding expenses were \$768,046 and, excluding depreciation charges, represented an improvement over forecast (2%) and last year's results. Lower costs in Activities, Insurance, Security and pool supplies were among the reasons for this improvement which helped to offset the higher costs of Legal expenses and Staff salaries.

For the first 7 months, G & A operations generated a surplus of \$116,000 over forecast.

After allocating \$25,000 to reserves, YTD Sewer Treatment Plant revenue amounted to \$159,956, a 6% improvement over forecast. Plant expenses, excluding depreciation and interest charges, for the same period were \$154,394 or about equal to the budget.

Note that the plant's billing cycle is bi-monthly beginning in February of each year. Therefore, July's year to date represents 7 months of expenses but only 6 months of revenues. Given the billing cycle and excluding depreciation and interest charges, the Treatment Plant's operations have produced a year to date surplus of \$5,562.

Year to date and excluding depreciation and interest charges, the combined operations of Golf, Restaurant, G & A and Sewer Treatment Plant produced a loss of \$4,422.

Common Areas

After taking all reserve allocations into account, Common Area income of \$490,828 year to date, was about equal to forecast. Expenses of \$400,041 resulted in an interim year to date surplus of \$90,787.

North and South Villa YTD income, after partial deductions for reserves, amounted to \$414,105 and, taking all reserve allocations into account, is on target to meet the forecast. Total expenses of \$293,649 resulted in an interim operating surplus of \$120,456. To date, single family income and expenses are in line with budgeted amounts and ended July with a surplus of \$2,434.

Dining Room/Kitchen Financing

Total financing received from major investors:	\$880,000	
Total financing received from smaller investors:	<u>\$610,000</u>	\$1,490,000 (total)

Dining Room/Kitchen Expenditures @ 7/31/15 - \$270,010, as follows:

- Architectural: \$83,948
- Engineering: \$12,859
- Building Permits: \$9,995
- Drawings: \$726
- Other: \$238
- HRCA Kitchen Equipment: \$25,689
- Construction: \$136,555

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