

**REGULAR MEETING
BOARD OF COMMISSIONERS
HOLIDAY ISLAND SUBURBAN IMPROVEMENT DISTRICT (HISID)
MONDAY, NOVEMBER 15, 2021**

The Regular Meeting was held at the District Office and via Zoom 81825475961. The meeting was called to order by **CHAIR BOB DYAR** at 9:00 a.m.

ROLL CALL: Present for roll call were **CHAIR BOB DYAR, COMMISSIONERS SUZANNE CHILDERS, DALE KELLISON, LARRY STAMPS, and KEN BROWN.** A quorum was declared with all commissioners present.

APPROVAL OF AGENDA: **COMMISSIONER CHILDERS** moved to approve the agenda. **COMMISSIONER BROWN** seconded. Motion carried with **COMMISSIONER KELLISON** opposed.

APPROVE MINUTES: A motion to approve October 18, 2021, Regular and Special minutes was made by **COMMISSIONER CHILDERS** and seconded by **COMMISSIONER BROWN.** Motion passed with **COMMISSIONER KELLISON** opposed.

CEREMONIAL: None

CHAIR DYAR asked **DISTRICT MANAGER PRESLEY** to introduce Jennifer Head who has been hired as a part-time accountant by the District to update all the financials left incomplete due to staff changes and the theft of equipment. **DISTRICT MANAGER PRESLEY** introduced and thanked Jennifer for her work in accomplishing a review of the financials from May to the present. He indicated the new Microsoft 365 program has everything backed up in the cloud so there should never be lost data again. **COMMISSIONER STAMPS** asked why the District did not have an accountant. His recollection was to approve a one-time reconciliation of the accounts. **DISTRICT MANAGER PRESLEY** asked John Evans with Landmark, who does our annual audit, to comment on the hiring situation for accountants, which Evans confirmed to be true. **COMMISSIONER STAMPS** felt, as stewards of people's money, we should have an accountant on staff. Further discussion was held substantiating the need for hiring a part-time accountant. **COMMISSIONER KELLISON** asked what the cost of the part-time accountant was. Jennifer Head is paid \$75.00 per hour working approximately three days per month. The cost to hire, if one could be found, would be prohibitive to the District. Jennifer explained the process she used to recover the data lost after the theft of the computer. **COMMISSIONER BROWN** asked if at this time next year, would the existing staff be trained to add additional accountant roles. **CHAIR DYAR** indicated the current staff is overwhelmed with responsibilities and no extra time to add accounting functions. Further discussion ensued concerning the lack of accountants in the workforce.

ANNOUNCEMENTS: **COMMISSIONER BROWN** announced that HIHA is holding its annual forum on Tuesday, November 16 at 6:00 p.m. at the Country Club Ballroom to ask questions and meet the candidates running for election to the HISID Board.

PUBLIC COMMENTS: None

REPORTS: None

BUSINESS:

A. **OLD BUSINESS:** None

B. **NEW BUSINESS:**

1. 2020 Audit Review: Mr. John Evans was introduced. He didn't find any deficiencies or non-compliance issues. The 2019 and 2020 audits were combined. He answered several questions and described what governmental Enterprise Funds are. **COMMISSIONER BROWN** moved to accept the audit review for 2020. **COMMISSIONER KELLISON** seconded the motion. A roll call vote approved the motion unanimously.

2. Monthly Financials Approval: **DISTRICT MANAGER PRESLEY** had to go back to May 2021, to update all the financials through October. At the end of the month, having the previous month's financials available is the goal. Jennifer answered several questions regarding accounting practices. **CHAIR DYAR** asked how many people were late paying their assessment. 3,750 were sent out and 1,759 have not paid. This number will grow with new billings. **COMMISSIONER KELLISON** explained the Secondary Market buying procedures and the return of lots due to assessments. Alex Thurocy, 158 Holiday Island Drive, asked how many quitclaims were deeded back to the District? **DISTRICT MANAGER PRESLEY** could remember signing two but would confirm that at a later date. **COMMISSIONER CHILDERS** moved, with **COMMISSIONER BROWN** seconding, a motion to approve the financials from May through September. Motion passed unanimously. The financials will be posted on the website before the end of the day.

3. 2022 Budget – Discussion/Consideration: **DISTRICT MANAGER PRESLEY** reported there were 3,760 property owner assessment notices sent out. 1,759 are currently unpaid, a large part being on the Second Market.

Revenue projections were estimated by averaging 2017-2021 numbers, eliminating 2020 due to the pandemic. Income line items listed a total of \$4.78 million in estimated revenue for 2022. Reserves should be somewhere between 35-45%. Each department manager met with the District Manager to review their needs. To have a balanced budget, the current deficit of \$195,000 must be addressed by the Board looking at equipment, salary increases, new personnel, etc. to determine the final budget. A cost of living raise across the board of 3% is included in the 2022 budget. Unexpected expenses come from the long-range reserves. **CHAIR DYAR:** Cost of living increases are necessary to ensure employee retention and attract possible new replacement personnel. **COMMISSIONER CHILDERS:** No raises have been given since 2019. **DISTRICT MANAGER PRESLEY:** The budget includes a raise from \$11.00 per hour to \$12.00 per hour as minimum wage for both full and part-time employees. Although there is no plan to approve the budget today, requiring an additional meeting so it could be ready when the new Board members take office on December 7th.

Non-Departmental Budget: Current investment income was bumped up by \$330,000.00, reflecting a more accurate income estimate. Operation and Maintenance increased from

\$40,000.00 to \$55,000.00. New buildings increase the county property tax. This expense increase is due to a property tax to be paid since the HISID building is no longer tax-exempt due to it leasing some of its space.

Water Department: The second line item shows a significant reduction in water sales. By combining both the water and sewer departments, at the current rate reflects \$500,000.00. However, the four-year average is \$475,000.00. The projected year-end revenue for 2021 is \$480,000.00

Roads: Department head Kenny DeHart was unavailable due to a death in the family but will return for questions. Discussion concerning combining city grant projects with additional District work ensued.

Fire Department: Showing a shortfall of \$124,000.00, includes replacing the Fire Chief's 2011 vehicle due to its age, poor reliability, and bad transmission. It will not be traded in as it can be used for other operations. The replacement cost is \$28,000.00. **COMMISSIONER CHILDERS** asked about restricted funds. Jennifer explained the use and non-use of these funds. Buying the truck with these funds was recommended. Further discussion regarding accounting questions and answers, equipment reserve fund, and a need for personnel to run the equipment ensued. **DISTRICT MANAGER PRESLEY** recommended funding an additional full-time position which increases the deficit by \$45,000.00.

CHAIR DYAR declared a ten-minute break at 11:20. The meeting resumed at 11:30.

Golf Operations: **Loren Bernstein** reported the current fleet of 51 carts with Yamaha expires in 2023. A representative from Clear Creek was introduced and provided Loren with the number for a lease with them. It is a priority to have a quicker turn-around on repairing the carts, as well as adding 15 additional carts. Discussion continued regarding the penalty to end the Yamaha contract, the cost spent to repair the carts, and how revenue is expected to increase next year. Hours of operation, warranty renewal on the carts, garage door repairs were discussed. **Lynn Dumas**, 32 Quail Run Drive, can you do maintenance in house? **Loren Bernstein** said it would not be cost-effective and against the lease terms. In answer to **CHAIR DYAR'S** question regarding Loren's plan for increased revenue next year, he suggested considering liquor-by-the-drink which would involve major equipment, additional staffing, and license purchases. Proposing more tournaments, promoting food rather than golf prizes, retaining current kitchen staff, replacing current shop with a bar and supplies as well as staff. Streamlining what we're doing is a better solution than setting up a bar. Reduce golfers bringing in their liquor by hiring a golf course monitor to police. **Linda Graves**, 29 Table Rock Drive, asked if liquor-by-the-drink would benefit the ballroom for events as a possibility. Yes, a corkage fee would bring in additional income from an outside vendor. **COMMISSIONER CHILDERS** suggested having different rates for the weekend versus the weekdays exempting long-term membership players.

Golf maintenance: A \$261,000.00 increase in expenses is due to wage increases, the pond rehab, equipment reserves, new equipment to replace two mowers purchased between 2007

and 2014, with two mowers and the tractor which is 20 plus years old. It was discussed if the pond wasn't part of an infrastructure expense due to the area runoff into the pond rather than putting the responsibility on the golf course.

Recreation Center: \$9,200.00 variance includes the 3% wage increase, and the cost of building repairs has yet to be determined. Three local contractors are estimating the repairs, but are not available yet. Discussion of VRBO fees to use the pool recommended increased fees.

Ballroom: Better utilization could result in being able to afford commercial cleaning. A contract for liquor provided by an outside firm could be considered. Start advertising again in the phone book and various other venues to increase utilization.

Public Safety: Contract with Sheriff is good for next year.

Marina: Kolin was not available for comments. Current slips are full. Additional slips on docks three and four would depend on the size of the additional slips at \$150,000.00. The return on investment for small slips is ten years; with an 18-year return on larger slips. His contract expires in December 2022. **COMMISSIONER BROWN** asked about the status of the Yacht Club space. No knowledge currently

Campground: **Danny Albright** has been operating the campground for 8 to 9 years, does all the mowing, weed eats, and any repairs needed to equipment. **DISTRICT MANAGER PRESLEY** recommended giving him a pay increase.

Pro Shop: Remodeling the two front bathrooms to be more aesthetically pleasing and functional for \$20,000.00 for both. Although this is not a "need", it is about presenting your best foot forward to the public. Additional bids could be obtained.

CHAIR DYAR: There are three options for employee raises. 1) Increase wages to \$12.00 rather than \$11.00 including part-time; 2) increase 2% for all full-time employees 3) 3% and establish a minimum wage of \$12.00 per hour.

COMMISSIONER BROWN suggested meeting next Monday to review and make recommended budget changes. **DISTRICT MANAGER PRESLEY** will make discussed changes and have them to the Board by the end of the day. Further clarification of certain amounts in certain accounts was discussed.

4. Agenda Process – Discussion/Consideration: Due to **COMMISSIONER STAMPS** having left the meeting early, this agenda item will be addressed at the next meeting, as he was the person wanting to discuss this matter.

PUBLIC COMMENTS: None

COMMISSIONER COMMENTS: **COMMISSIONER KELLISON** read a statement indicating he was wrongly removed from the Board, was faced with irreparable harm to his reputation. He asked for an

apology from the Board for the public accusations and actions. He asked for a meeting to be set up to explain the FOIA process. He explained the history of his playing music at the Clubhouse with the approval of the previous District Manager to increase revenue for the restaurant and golf course operations. He informed the Board he is no longer administrating the website. He recognized the hard work of the staff and Board. From this point on, he wants bygones to be bygones and that he holds no animosity towards anybody. **Vernon Anderson**, 60 Shields Spur, asked that the Board declare the erroneous dismissal of Dale at the HIHA Forum on November 16. **COMMISSIONER KELLISON** asked for that not to happen. **COMMISSIONER BROWN** personally apologized.

COMMISSIONER AGENDA SCHEDULING:

Monday, November 22, 2021

Special Meeting

9:00 a.m.

ADJOURN: **COMMISSIONER CHILDERS** moved to adjourn. **COMMISSIONER KELLISON** seconded. Motion carried unanimously. The meeting closed at 2:05 P.m.

Respectfully submitted,



Kenneth R. Brown, Secretary, Holiday Island Board of Commissioners