

LIONS HEAD SOUTH ASSOCIATION

n 4

BOARD OF TRUSTEES' ASSOCIATION MEETING

December 2, 2024

February 10, 2025 - APPROVED



President Cinosky called the meeting to order at 7:00 PM. All Trustees were in attendance.

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

Peggy Comfort moved to approve the minutes of the Special Board of Trustees meeting held on November 13. Tom Behrens seconded the motion. The motion was approved by the Board unanimously.

Mike Wiggins moved to approve the minutes of October 14, 2024, Resident meeting; Ginny Carbone seconded. Minutes were approved unanimously.

Michael Tears, Treasurer, reported that the Association had the following funds, \$450,000 in CD's, \$120,457 in stocks, and \$345,654 in cash, \$140,000 in Treasurer Ladder for a total of \$1,056,111.

Two new residents were introduced at the meeting.

President Cinosky introduced the Trustees. Both Peggy Comfort and Linda LaFerrera will be leaving the Board at the end of the year; he thanked them for their work during their terms of office.

The Standing Committees made the following reports:

- **Activities Coordinating Council** - Mary Ellen Klotz was not present at the meeting.
- **Architecture** - Margaret DeFillipo reminded the Community that all Architectural work had to be completed by the end of the year, 2024, or a new application must be submitted in 2025.

Buildings and Grounds- Tia thanked the Committee for their help during this past year.

By-Laws- Barbara Skelly stated that the By-Laws changes have been submitted to McGovern Legal Services for review. The Board is hoping to be able to present them for vote to the Community after the 1st of the year.

Clubhouse - Mike Voto thanked Mardell Hahn and Linda LaFerrera for decorating the front stage for the holidays and thanked the Men's Club for purchasing new decorations for the Lion's Den. He wished everyone a Happy Holiday.

Community Awareness - Deb Rodgers stated that the Committee will be on hiatus until February.

Finance and Insurance - Bill Begley said the Committee met three separate times to work on the budget. The final budget recommendations will be presented this evening.

Lions Head Country Club - Peggy Comfort, Liaison, reported that letters have been sent to all members of the Country Club since the Committee is in need of a Chairperson; Bob Jani will be stepping down. The meeting is scheduled to take place on December 12, 2024. The purpose of the meeting is to create a plan for the Country Club in 2025.

Nominating - Charlie Facciponti reported that the work of the Committee is complete. He introduced the Board Members that were elected for 2025 - 2026: Tom Behrens, Paul Krause, Barry Strothmann and Michael Tears. President Cinosky also informed that Community that there will be a change in the functions of the Nominating Committee as recommended by the attorney. More information will follow next year.

Recreation - Lin Adams thanked the Committee for their hard work; it was a difficult year due to the late opening of the pool. She also discussed the fact that there is a New Bocci Ball Court, and the Committee is looking forward to introducing Bocci to any non-players who are interested in learning. She mentioned that the Committee will be looking for a new Chairperson next year since she will be stepping down.

Security - Diane Steensen asked the residents to remember the 25-mile speed limit. The Committee will meet on Dec 11 for the last time this year and thanked everyone for their teamwork.

Website - Tony Bruzaitis reported that there was a glitch on the Website on September 20, since it disappeared. A new site was established: www.lionsheadsouth.com. The website is in the process of being redesigned and he thanked everyone who has been helping with this project. He wished everyone a wonderful Holiday season.

President Cinosky started the discussion concerning the 2025 budget. He explained the LHS Community has a deadline to meet to be compliant. He reminded the Community that in June there was a presentation from our attorney concerning the new requirements and our responsibilities in being in compliance with the new laws. Much of this change had to do with the Florida condominium collapse where repairs were not completed as needed.

One of the attorney's recommendations was that the Board of Trustees should review and redo their Reserve Study for Capital expenditures. This study looks at all the facilities owned by the Association and evaluates both the anticipated life span as well as the cost to replace the item.

In particular, the Study draws attention to the items that have a short or "0" life span. This information changes each year but helps to identify the issues facing the Community. The Board had this study completed during the Fall of 2024. State requirements stated that it must be completed by an Engineering Company that is accepted by the State and Certified.

The current problems identified in the study are:

The existing roof of the Clubhouse continues to leak, and it is uncertain what structural issues might be hidden by the roofing

Multiple windows are leaking, and the rotting of the window surrounds are a concern

The siding is falling off the building during high winds; the wood is so rotted underneath that is difficult to reattach it since the nails will not hold

And there are other things that have been identified in the Reserve study as well that are potential liability issues (tennis courts, sidewalks, etc.)

Our Reserves Fund is currently at \$1 million and Capital Expenditures at \$475,000. According to the State, we must have the required percentage of funds available for Capital Expenditures; it we do not have it now, we must work toward this amount within the next 10 years.

President Cinosky stated that the Reserve Study is available to any resident who wants to review it by notifying the Administrator. A date will be scheduled to accommodate the requests.

Noted items in the Reserve Study include:

Parking areas

Buildings

Country Club - a separate budget but things must still be maintained

Tree replacement - this is pertaining to trees needing to be removed and replaced in

Common Ground areas - this expense continues to increase over budget each year; in the past we have not had to deal with this, now we are required to replace every tree that is taken down because it is dangerous

Sprinkler systems - sprinklers are more than 40 years old; this year we had to replace 400 - 500 ft of piping

Wells and damage to wells - we usually have 1- 2 well issues a year

With a \$25.00 increase in 2025, residents asked how much is anticipated for future Maintenance Fee increases. Unfortunately, in addition to the yearly updating of facilities, we must also factor in inflation costs, which we cannot control. In the past, HOA fees did not keep up with COLA expenses and now we have been playing catch up for the past three years. At this point, we do not know.

Residents expressed concern over the increase in the Administrative salary costs Tom Behrens explained that we are trying to bring aboard a more experienced maintenance person who

would be licensed to do electrical and plumbing issues so that we would not have to go outside to have this done. This would require a much higher rate of pay to pay for this experience.

An addition, Linda LaFerrera, Chairperson of the Personnel Committee, read the following:

Budget line 501 was \$256,00 for this year; the 2025 budget line increased to \$310,000.

Based on past practice, this budget line includes a \$15,000 buffer for unexpected expenses such as overtime or new employees

The funds in this line are based on the following:

Salary increases are based on industry standards, an average of the current rate of inflation. Comparative salary research has shown that our salaries are within local industry standards, especially considering we do not offer benefits such as health insurance, which our employees must pay for on their own.

Although our employees are part-time employees, they do a full-time complement of work within those part-time hours, regarding our by-laws, policies and procedures and architectural regulations as well as the many legal and contractual aspects required of the Homeowners Association. They do not just answer the phone in the Office.

In recent years when we were tasked with the search for new hires, we have found the following facts to be apparent:

In the current fiscal environment, it is nearly impossible to find qualified New Hires who are willing to work for salaries that might have been considered adequate in the not-too-distant past. As of November, of this year, even a fast food worker in New Jersey is making at least \$19.81 per hour.

When we put an ad on INDEED or in the local newspaper, we may receive up to 50 resumes, but we have found that most of the candidates are unqualified, or cannot fulfill the position we are looking for, or are asking for salaries we cannot afford to pay or require health insurance.

In short, it is not easy to find qualified workers who meet our expectations at an employment offer that is mutually acceptable.

Our employees keep our Association in exceptional running order, and we are fortunate to have them in our employ. Our salary budget line reflects both employing at a fair level and keeping a conscientious eye on our fiduciary responsibility.

Privacy laws protect employee privacy, including individual salaries. HOA's are required to disclose a budget line that includes total employee salaries, but not individual salaries. The 501 Budget line covers that fiduciary responsibility.

President Cinosky thanked Linda LaFerrera for this explanation.

Furthermore, President Cinosky stated that the Trustees do understand the residents' concerns regarding expenses. It is also important to note that the cost of maintaining a high standard of living within our community requires careful financial planning. The Board is committed to transparency and fiscal responsibility while ensuring that our community remains a desirable place to live. Our ongoing efforts to balance the budget involve making judicious choices about which projects to prioritize and how best to allocate our resources.

Residents continued to question specific expenses in the following areas:

Holiday lights - could the Community do this?

Professional Fees - primarily because of the required legal updates of the By-Laws

Aeration - seeding - occurs every 3 years

LHCC Maintenance - we are working with a new greens company and additional money was put into the budget to resolve on-going issues that have not been addressed

HOA fee - how was this amount determined; this was a recommendation from our accountant based on our finances and capital reserve fund

Is the LHS building insured for 100% replacement costs? - This will be referred to the Finance and Insurance Committee

The residents expressed concern that the Trustees did not notify the Association in advance of the increase in the HOA fee to \$190.00; in particular, why wasn't a ROBO call, or a letter sent to the Community. President Cinosky stated that he tried to get a revised President's letter into PRIDE, but it did not happen. He stated that the communication point was well taken, and it will be a discussion by the Board if there are future changes such as this.

He thanked the Community for their interests and concerns that were discussed.

The Badge Award was pulled.

Having no further business to discuss, Peter Brennan moved to adjourn the meeting at 8:21 PM. Barbara Sosinski seconded the motion. The meeting was adjourned.

Respectfully Submitted:

Barbara Skelly, Secretary