

Sandscribes

Heidelberg Beach
Vermilion, Ohio

October 2016



Results of Board's Budget Meeting

Dear Community,

The minutes from the October 3rd meeting are included here, as well as the Budget for both operational expenses and Infrastructure Reserve expenses. Make particular note of the chart on the second page of the Budget showing how the expenses distribute based on the number of leaseholder lots.

Executive Summary:

The Board unanimously approved the 2016-2017 operating budget, and it is almost identical to last year's budget. The method of assessment formula for operating expenses will be:

- 1/3 divided by 98 lots
- 2/3 divided by 48 cottages

The Board also unanimously approved \$25,000 for the Infrastructure Reserve. After hearing the concerns of many leaseholders, this compromise is half the amount that was proposed. The method of assessment for this reserve will be 100% divided by 48 cottages.

Operational Expenses

The operating budget for 2016-2017 is almost identical to last fiscal year.

The *method of assessment* for collecting this money is:

- 1/3 divided by 98 lots
- 2/3 divided by 48 cottages

As a reminder, at the August 28th Board meeting, the Board voted to remove the part of the formula that was based on cottage tax valuations.

The thinking was that it was still important to maintain some charges (fees) for empty lots in our operational expenses. The per lot fee is still almost the same as it was in the formula that we have been using for the last seven years since our formula was last restructured.

Infrastructure Reserve

There was a former line item in our regular operational budget for Infrastructure (it was named "Sewer Maintenance" or "Capital Improvements" in prior years).

The Board is pulling that money out of the operating budget and setting up a separate Infrastructure Reserve.

The proposal discussed over the summer was to increase our savings effort from \$2,450/year to \$50,000 for 2017. Taking into consideration the concerns voiced by some leaseholders, the Board voted in only half that amount for 2017. To ease the transition to the increases we see on the horizon, and to give another year of time to look for other funding options, only \$25,000 will be collected.

The *method of assessment* for collecting this money is an *equal division by the 48 cottages*. (Roughly \$500/per cottage in 2017.)

The thinking was that for any future maintenance on our existing lines, or future replacement of water or storm lines, or any addition of a new sanitary line, that the financial burden for this should be shared equally by each cottage leaseholder.

New Cottages (Buildable Lots)

The Board also felt it was better to impose a fee on the "buildable" lots only in the case that they are ever used to build upon. We did not want to penalize anyone for holding on to their greenspace and skew the assessment collection for a capital improvement we all share.

To handle this, the Board intends to institute a "tap in fee" for any new construction. The Board will propose a change to the Building Rules and Regulations next year.

The formula currently under consideration is:

Total cost of Infrastructure Project
divided by
(current number of cottages + 1)

See the **October 2016 Resolution** at the end of the Board Minutes for a more official declaration of the Infrastructure Reserve fund and how it will be used.

Next Year

When the Board reconvenes in the spring, we'll see if there have been any changes in our ability to get a low interest rate loan. We'll also work on a more detailed proposal for how to proceed forward.

The Board of Trustees

**Minutes for the Heidelberg Beach
Board of Trustees Meeting
October 3rd, 2016**

Present: Jane Chidester (President), Tom Eshelman (Secretary), Dick Castele (Treasurer), Mary Chidester (Real Estate), Jack Corrigan, Dick Henderson, Jan Peer, Bill Richardson, Claudia Springer, Barbara Weber, Scott Welch.

Absent: Bill Hertzler (VP)

Opening Prayer: Rev. Dick Henderson

Treasurer's Report: Dick Castele

- Method of Assessment discussion.
 - Our current assessment method: 1/3 by cottage, 1/3 by lot, 1/3 by county tax evaluation.
 - At the August Board meeting, a handout showed that cottage tax valuations (determined by Erie County) are too haphazard to be useful in our assessment method.
 - At the August Board meeting, a motion passed to remove cottage valuation from the assessment method.
 - It was moved and seconded (R. Castele/J. Corrigan) that starting with the 2016-2017 fiscal year the method of assessment used for the Operating Budget shall be 1/3 by lot and 2/3 by cottage. The motion passed 11-0.
- Budget discussion.
 - It was moved and seconded (R. Castele/J. Corrigan) that \$3,500 will be deposited in the Road Reserve for the fiscal year 2016-2017. (Prior year budget for Road Reserve was \$3,670). The motion passed 11-0.
 - It was moved and seconded (J Chidester/W Richardson) to approve the proposed fiscal year 2016-2017 operating budget. The motion passed 11-0.
- Infrastructure Reserve discussion.
 - An open discussion of the infrastructure issues was held.
 - It was moved and seconded (R. Castele/J. Corrigan) that \$25,000 will be deposited in the Infrastructure Reserve for the fiscal year 2016-2017. (Prior year budget for Infrastructure Reserve was \$2,450). The motion passed 11-0.

- The Infrastructure Reserve will now be separated from the Operating Budget.
- In order to define the use of this new Reserve and the method of assessing for these funds, a Resolution was created and is shown in Exhibit A at the end of these minutes. It was moved and seconded (J. Chidester/W. Richardson) to adopt this Resolution. The motion passed 11-0.

Real Estate Report: Mary Chidester

- The orientation of Don Bratton and siblings occurred October 2, 2016.
- A motion passed (M. Chidester/C. Springer) to approve Donald W. Bratton, Colletta J. Lieber and Raymond H. Bratton as new members and to approve the transfer of the leasehold estate for Lots 41, 41A, 42, 42A and 43 on West Virginia Road from Harry H. Bratton to Donald W. Bratton, Colletta J. Lieber and Raymond H. Bratton. The President and Secretary of the Association are authorized to sign all documents required to effectuate the transfer.
- The orientation of David & Jill Harmych occurred October 3, 2016, at the Board meeting.
- A motion passed (M. Chidester/C. Springer) to approve David B. Harmych as a new member and to approve the transfer of the leasehold estate for Lots 4 and 5 on Pennsylvania Road from Margaret P. Chamlis to David B. Harmych. The President and Secretary of the Association are authorized to sign all documents required to effectuate the transfer.

New Business:

- It was moved and seconded (M. Chidester/W. Richardson) that the Real Estate Officer shall file for Heidelberg Beach to receive its share of any award resulting from a class action lawsuit finding against ODNR with respect to the shoreline definition. The motion passed 11-0.

Next Meeting: Spring 2017

Respectfully Submitted,
Tom Eshelman
Secretary

Exhibit A: An October 2016 Resolution

Resolved, in 2017, the Board shall impose an assessment of \$25,000 for an “Infrastructure Reserve.” By making this assessment, the Board of Trustees is affirming that we are beginning to collect funds with an eye towards replacing our 86-year-old (1930) infrastructure.

Further Resolved, this “Infrastructure Reserve” shall be collected equally from each of the 48 cottage leaseholders. The “Infrastructure Reserve” may only be used for any or all of the following purposes: repair of existing water and storm sewer lines; replacement of existing water and storm sewer lines; addition of sanitary sewer lines and a pump station; or fees for professional services, such as engineers, consultants, or attorneys.

Further Resolved, that over the next year, the Board shall continue to gather information, get input from the community, and look for outside funding sources. At the 2017 budget meeting of the Board, we plan to set a target date for the next phase of this project. Using that target date, the Board will determine the amount needed to be assessed annually for our “Infrastructure Reserve” for 2018, and the years until the target is achieved.

Further Resolved, the Board will propose an amendment to the Building Rules and Regulations to be voted on at the 2017 Annual Membership Meeting to institute a “tap in fee” for any new construction on the Heidelberg Beach property.

Calire/Specht Wedding

Congratulations to Candice Calire and Ben Specht, who were married at Vermilion on the Lake on Friday, October 7th. Ben is the son of Linda Lackey (99 Ohio).

The couple resides in Pennsylvania, where Candice works in costume design and Ben works as a paramedic. They plan to honeymoon in Thailand in December.

The gorgeous formal portrait shown below was taken at Heidelberg Beach, behind the boat house!!!

Congratulations to the new couple!



Welcome New Family Members!

A big welcome to **Colletta Lieber, Don Bratton, and Ray Bratton**, the children of Harry and Loretta Bratton who are the new leaseholders of 42 West Virginia. They are shown left to right in the photo, with the photobombing by Don's wife Joy. ☺



A big welcome also to **David Harmych** (sorry, we don't have a photo), the new leaseholder at 5 Pennsylvania.

HEIDELBERG BEACH ASSOCIATION
APPROVED BUDGETED EXPENSES
For the period July 1, 2016 through June 30, 2017

10/4/16

	Proposed Budgeted Expenditures '16 - '17 -----	
Operating expenses:		
Street Lights	550.00	prior year actual was \$542
Mowing	9,850.00	24 mowings / leaf mulching at \$385 per mow plus sales tax of 7.25% averaged between 23-24 mowings last 5 years
Road Reserve	3,500.00	prior year was \$3,670
Miscellaneous grounds	200.00	\$32 paint for dock, \$113 drain repairs so far
Trees	9,600.00	same as prior year budget; prior year actual was \$10,077 actual to date is \$1,174
Water	7,450.00	used 5 year average of \$7,450; prior year actual was \$6,212
Snow Removal	750.00	used 5 year average of \$750; prior year actual was \$107
Refuse Collection	2,100.00	prior year actual was \$2,063
Communication	300.00	\$300 for Sandscribes; prior year actual was \$221
Postage, office supplies, etc.	200.00	used 5 year average of \$200; prior year actual was \$216
Insurance	1,900.00	prior year actual was \$1,858
Legal	1,000.00	request by Real Estate Officer; actual to date is \$300
Membership Goodwill	0.00	
Prior year income taxes	70.00	actual
Common Property RE Tax	5,200.00	prior year actual was \$5,135
Beach & Bank Maintenance	700.00	Bank clearing - fall - same as last year
Total operating expenses	43,370.00 -----	prior year budget of operating expense was \$43,280
Infrastructure reserve	25,000.00 -----	prior year budget for reserve was \$2,450
Grand Total	68,370.00 =====	prior year total budgeted expenses were \$45,730

10/4/16

HEIDELBERG BEACH ASSOCIATION
APPROVED ASSESSMENTS
For the period July 1, 2016 through June 30, 2017

Approved Operating Budget	\$43,370.00
Approved Infrastructure Reserve Budget	\$25,000.00

Method of allocation:

The operating budget is allocated 1/3 to all 98 lots and 2/3 to the 48 cottages. The infrastructure reserve is divided amongst the 48 cottages.

The results (annual):

cottages with 1 lot	\$1,270.71
1 1/2 lots	\$1,344.47
2 lots	\$1,418.23
2 1/2 lots	\$1,491.99
3 lots	\$1,565.75
5 lots	\$1,860.78
empty lots	\$147.52