

SURFSIDE COLONY BOARD OF DIRECTORS
MONTHLY MEETING MINUTES
December 13, 2011

Present: KC Coultrup, Sandy Redding, Pete McKinley and Steve Wiles

Absent: Dave Evans

Guests present: John Kriss and Chressa Lockhart

The meeting was called to order at 6:28 pm by Mr. Coultrup.

Motion by: Pete McKinley to approve the minutes of the November 8, 2011 Surfside Colony Board of Directors meeting as submitted.

Second by: Steve Wiles

Vote: all in favor

Motion carried

Community Input: Mr. Kriss expressed his concerns regarding the berm constructed on the beach and how it was built. He believes the berm construction to increase susceptibility of beach erosion. He recommended contacting an authority on beach protection to determine if we need a future berm and if so, how to construct it. He indicated, pushing the sand from the ocean side lowers the level of the sand and disturbs the hard packed sand. A discussion then ensued regarding the berm and it was agreed that more research should be done for future berms. Mr. Coultrup said he would contact the City of Seal Beach to get information from them on their use of a berm.

Front Gate: the front gate project is done except for the swing gates and cameras.

Colony Drainage: the drainage project is on track. Mr. Haskett will submit his current invoice and at that time, Mr. Coultrup will review the overall capital budget. The Board members discussed the necessity of continuing with the project based on need and budget constraints. They agreed to wait for the numbers from the contractor. The parking lot striping will occur on Wednesday due to a rain delay. The parking lot may be opened on Friday. The final landscaping and lights still need to be finished.

Heavy trucks in Surfside:

The issue of trucks in Surfside potentially damaging the new front gate was discussed. It was recommended all heavy trucks exit at Anderson Street. The Security guards will be instructed to let truck drivers know as they enter.

Financial Report:

Mr. Coultrup then reported on the Financials of the Colony. He indicated the fiscal year is 41% complete. Income is at 44% and the Expenses are at 41%. Repair expenses are higher and earthquake insurance was added therefore insurance costs are up.

Mr. Coultrup estimated the cost of the parking lot and drainage was going to be about \$300,000.00. With approximately \$60,000.00 net income and the \$64,000.00 from the Storm Water Tax District, Mr. Coultrup estimated the cash reserves at the end of the fiscal year would be about \$220,000.00 instead of the budgeted \$300,000.00.

Leased Parking:

There are 36 parking spaces which are leased to shareholders for \$100 per month. This provides \$43,500.00 income for the Colony. The question was posed, "what if leased parking were terminated?" It would cost \$13 per month per Shareholder to absorb the lost revenue. A discussion ensued regarding the pros and cons of the leased parking. Bringing the issue to the Shareholders was discussed. It was agreed to number all of the spaces and continue with the leased parking for the time being.

Sand-fill Committee:

Mrs. Redding will send out some dates to set up the Sand-fill Committee meeting.

Surfside Addresses:

Mrs. Redding reported she had called the Assessor's office to determine if changing the Surfside addresses would affect deeds of the property in Surfside. They indicated they were only interested in the parcel number and property description. She also called the postal service to ask if changing the Surfside addresses would affect them. They indicated they were only interested in the Post Office box numbers. Mrs. Redding drafted a letter of request to the City of Seal Beach. She will email it to all Board members for their review.

Rules and Regulations:

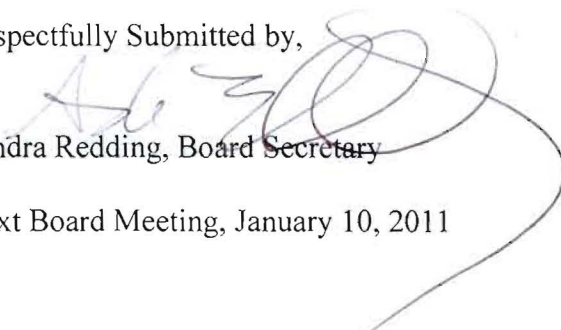
It was agreed that a meeting will be set up in March to finalize the revised Rules and Regulations.

Insurance:

Mr. Wiles reported he had obtained the Director's and Officer's insurance. He has also obtained the Earthquake insurance but is still working on quotes for Workman's Compensation Insurance.

As no further business came before the Board the meeting was adjourned at 8:00 pm.

Respectfully Submitted by,


Sandra Redding, Board Secretary

Next Board Meeting, January 10, 2011