

REHOBOTH BEACH YACHT AND COUNTRY CLUB HOMES ASSOCIATION
(WHITE OAK SECTION)

OFFICIAL NOTICE OF 2017 ANNUAL MEETING OF THE MEMBERSHIP

Notice is hereby given by the Board of Directors of the Rehoboth Beach Yacht and Country Club Homes Association (White Oak Section) (the "Association") that the 2017 Annual Meeting of the Association's Members will be held on **Saturday, June 10, 2017, beginning at 10:00 A.M.** at Rehoboth Beach Country Club, 221 West Side Drive, Rehoboth Beach, DE 19971. Following custom, the meeting will be held in the second-floor meeting room, to the right of the ballroom. Please come early to meet your neighbors over coffee.

The purposes of the Annual Meeting are to: approve the Minutes of the 2016 Annual Meeting; accept the Treasurer's Financial Report **as of the end of April, 2017, or as of the end of May 2017 if available**; approve the proposed Annual Budget for the 2017-2018 Term which includes a proposed reduction in the Annual Dues assessment **from \$265.00 to \$225.00**; approve the proposed Revisions to the By-laws; elect the Directors for the 2017-2018 Term; and transact such other business as may come before the meeting.

In preparation for the Annual Meeting you will find attached to this Notice, for your review and consideration, the following documents: the President's Annual Report which contains the Reports of the Association's Standing and Special Committees; the proposed Agenda for the meeting; the proposed Minutes of the June 4, 2016 Annual Meeting; the Treasurer's Financial Report **as of end of April, 2017**; the proposed Annual Budget for the 2017-2018 Term which includes the proposed reduction in the Annual Dues assessments from **\$265.00 to \$225.00**; the proposed Revisions to the By-laws; the draft, written ballot identifying the seven-person slate of Directors proposed for the 2017-2018 Term; and the form of proxy that you should use if you will be unable to attend the meeting.

You will note that a written ballot is one of the documents attached to this notice. At the current time, the seven named lot owners identified in the draft written ballot have expressed an interest in being elected to the Board. However, we want to encourage others to come forward and be considered for election. Accordingly, if you wish to be considered for election to the Association's Board for the 2017-2018 Term, please notify any member of the Board so that your name can be added to the ballot that will be used at the Annual Meeting to vote for seven members of the Board.

REHOBOTH BEACH YACHT AND COUNTRY CLUB HOMES ASSOCIATION

(WHITE OAK SECTION)

PROPOSED AGENDA FOR THE 2017 ANNUAL MEETING OF THE MEMBERSHIP

Rehoboth Beach Country Club

June 10, 2017

1. Call to Order
2. Determination of Quorum via in-person attendance and proxy
3. Approval of the Minutes of the 2016 Annual Meeting

A reading of the Minutes is not required as a draft of the Minutes was provided to each lot owner well in advance of the Annual Meeting

4. Acceptance of the Treasurer's Report (Balance Sheet and Profit and Loss Statement) **as of the end of April 2017, or as of the end of May 2017 if available**

5. New Business

Approval of the Annual Budget for the 2017-2018 Term, including the proposed reduction in the Annual Dues assessment from \$265.00 to \$225.00

Approval of the proposed Revisions to the By-laws

Election of Directors for the 2017-2018 Term

6. Unfinished (Old) Business

7. The Chairs of the Standing Committees of the Association will be available to discuss their reports which are part of the President's Annual Report. The Board's liaison to the special Caring Committee, Deb Grubbe, will be available as well.

8. Adjournment

**PROPOSED MINUTES OF THE JUNE 4, 2016 ANNUAL MEETING OF THE
REHOBOTH BEACH YACHT AND COUNTRY CLUB HOMES ASSOCIATION
(WHITE OAK SECTION)**

Welcome and Call to Order

The annual meeting of the homeowners was held on Saturday, June 4, 2016 at the Rehoboth Beach Country Club. The "majority of lots" quorum requirement contained in the Association's By-laws was met by virtue of the fact that of 134 lots in the Development, 94 lots were represented by a combination of 44 owners in attendance and 50 proxies.

After determining that the quorum requirement had been met, Association President Dick Zaragoza, called the meeting to order at 10:08 A.M. by welcoming those in attendance and introducing the other Directors including Deborah Grubbe, Ron Graham, Clare MacDonald and Dennis Runsten.

Opening Comments

Richard Zaragoza invited the members to complete a Declaration to Receive Notices by Email form if the member was in agreement to receive annual and special membership meeting notices by email instead of U.S. mail, as stipulated in the Association's By-laws, thus reducing mailing expenses for the Association.

Approval of the 2015 Annual Meeting Minutes

Given that a draft of the Minutes was provided to each lot owner well in advance of the Annual Meeting, they were not read aloud. President Zaragoza asked for a motion from the floor to approve the Minutes of the 2015 annual homeowner's association meeting. A motion to approve the Minutes as presented was made by Melynda Peet; Tom Shriner seconded the motion. No questions or comments were received. The Minutes as presented were approved by the members in attendance with a unanimous vote in favor, without any need to also vote the proxies.

Treasurer's Report: Dennis Runsten

Dennis Runsten had distributed the financial reports as of April 30, 2016 with the Official Notice of the Annual Meeting. He explained that there were no substantial changes expected through June 30, 2016 and explained that expenses were cut from approximately \$41,000 in 2015 to \$29,000 this year. This was primarily due to the termination of the Wilgus management contract with the Board taking over those day-to-day responsibilities. Overall, spending was cut approximately \$12,000 and there was no spending from the reserve account. He explained that replenishing the reserve funds continues to be a goal of the Board.

Annual Budget for 2016-2017 Term

Dennis Runsten addressed the budget proposed for the 2016-2017 fiscal year. The Board intends to maintain its stance on reducing spending and replenishing the reserves and thus projects ex-

something by emailing any of the Directors. Also an item for consideration next year is the deterioration of our community and road signage. Earlier, Dick recognized, and expressed the Association's appreciation for, Tom Enzler and his work on the lighting system for the Circle.

Communications Committee Report: Deborah Grubbe, Chair

Deb Grubbe reported that nine Newsletters were sent out this year and that the Board meeting Minutes and Newsletters are posted on the password protected part of the Association's website. The Association By-laws and covenants are posted on the public part of the website in order to be accessed by realtors and potential home buyers. Ms. Grubbe reported that 58 members have signed up for www.Nextdoor.com and 42 members have signed up for the Members Only part of the Association's website. She also thanked Mary Enzler and Nancy Katz for their help with the committee. Ms. Grubbe also announced she can be reached at rbyccha@comcast.com if anyone is having any issues regarding Association communications.

Architectural Review Committee Report: Richard Zaragoza, Chair

Mr. Zaragoza stated he and the Committee would appreciate advance notification of any construction even if it does not fall under the need for Board approval so that owners can receive the rules for contractors, such as work hour limits. He also noted that the architect serving the Association is Mr. Freddie Beta. Chris Mueller cited some instances of non-compliance by workers with the covenant's restrictions on weekend and late day work hours. Mr. Zaragoza used her point to stress that compliance with the covenants is not a delegable responsibility – if a contractor does not comply, such noncompliance becomes the lot owner's noncompliance.

Old Business

No Old or unfinished Business was raised.

New Business

Fire Pits: Rosanne Conte asked about the status of fire pits. She was referred to the May Newsletter which spells out the conditions under which fire pits will be allowed.

Adjournment

Kathy Schaumber made a motion to adjourn the meeting, seconded by Joanne Simeone. The meeting adjourned at 11:30 A.M.

Respectfully submitted,

Clare MacDonald

Secretary

Respectfully submitted,

Dennis Runsten

Treasurer

penses at approximately \$25,000 versus \$29,000 this year. This reduction accrues mainly from having the Wilgus management contract savings for a full year. The Board proposed maintaining the association dues at the current level of \$265. Joanne Simeone moved that the budget be accepted; Matt Mayer seconded the motion. No questions or comments were received. The motion to accept the 2016-2017 budget as presented was approved by the members in attendance with a unanimous vote in favor, including the voting of the proxies. [All proxies were "voted" in favor of the proposed budget.]

Election of 2016-2017 Board of Directors

Richard Zaragoza introduced Mary Enzler and Tom Cariota as the new nominees on the election ballot for the Board of Directors and they briefly presented their backgrounds. Mr. Zaragoza also asked if there were any nominations from the floor. There being none, a vote was called for the Board election. The election slate was approved by 40 members in attendance and 50 votes cast by proxy. There were no dissenting votes.

Roads and Drainage Committee Report, Deborah Grubbe, Chair

Deb Grubbe, Chair of the Roads and Drainage Committee, delivered a presentation to the membership outlining the challenges of water drainage in our community regarding current and long-term infrastructure issues. A copy of her presentation is attached to these Minutes and will be posted on the Association's website. Ms. Grubbe also thanked Melynda Peet, Bobbi Walker, Ram Mohan, Tom Shriner and Matt Maher for their contributions to the Committee's work. Andy Herrick asked if curbs would be considered as a remedy to our drainage problems. Grubbe responded that curbs and the resulting underground storm sewers were very expensive, and it certainly was an option if the neighborhood wanted that. Debbi Kaplan noted that drainage into the catch basin from the intersection of White Oak Road ("WOR") and West Side Drive ("WSD") near 1 WOR was not flowing well near her house. Ms. Grubbe agreed to meet Ms. Kaplan and review the situation with her. Matt Maher added that the circulation ditch is tidal and in wetlands and asked who is responsible for its maintenance. He also suggested discussing this issue with the East Side Drive Home Owner's Association and The Seasons since it is a shared area of concern. Ms. Grubbe agreed that communications would be needed with ESD and the Country Club. Bobbi Walker stated that DNREC cleaned the circulation ditch in the past with no problem and no expense to the Association. She also urged that enforcement against any changes in swales must be stringent. Mr. Zaragoza noted the Board will be considering a sliding scale of fines in its covenant review. Ron Graham reiterated that the swales are in Del Dot's right of way and are not the property of our homeowners although we have use of the land. Ms. Grubbe concluded the discussion with assurances that these ideas and comments would be taken into consideration as the committee moves forward and thanked everyone for their interest. The attendees roundly applauded Ms. Grubbe's presentation.

Grounds and Landscaping Committee Report, Richard Zaragoza, Chair

Mr. Zaragoza reported that Bay Creek landscaping is being held tightly accountable in order to be prudent with budget expenditures. He asked that neighbors help with litter pick-up as they walk around the community to improve our environment and that if you see something awry, say

2017 TREASURER'S REPORT AS OF END OF APRIL

Your Association's finances are strong, as reflected by the projected achievement of our budgeted Operating Surplus for this fiscal year of \$12,175 and the projected increase of our Reserve account to \$21,900, a level most recently achieved in June 2014 and a goal I highlighted in the 2016 Treasurer's report. Because of this strength, we are proposing a reduction in Annual Dues from \$265 to \$225 per lot, and we will invoice for 2017/18 Dues in August rather than June, much closer to our September 30 payment deadline.

A comparison of our actual spending per line item to Budget and prior year is on the page following this report. Also included in this comparison is the Budget proposed for the new fiscal year beginning July 1, which reflects the proposed Dues reduction.

Income received in the current fiscal year exceeds Budget by \$1,010 due to payments received for spare fence parts. Operating Expenses are projected to exceed Budget by approximately \$1000, or 4%, but are below prior year by \$500. The resulting Operating Surplus achieves Budget.

Breaking Operating Expenses down into more detail, current fiscal year utility costs are projected to be higher than Budget by \$300 and higher than previous year by \$500, due to DelMarva Power's rate increases. Grounds expenses were higher in Budget than previous year actual expenses due to very strict cash flow management the previous year. Continued tight control of our contractor Bay Creek resulted in a projected \$1,400 improvement versus Budget. Also included in projected fiscal year Grounds spending are improvements to lighting performance at the entrance circle and new and refurbished signage. General and Administrative expenses are projected at \$3,200 less than prior year, but \$2,100 more than Budget. Higher legal expense due to our extensive work to update our By-Laws is the driver of the increase versus Budget, whereas elimination of spending on our previous property manager contract and reduced spending on our new website were the drivers of reduced spending versus prior year.

For the new fiscal year, we are proposing a Budget where Operating Expenses increase 5% versus projected current fiscal year spending and Income decreases by 18%, due to a reduction in Annual Dues. We anticipate maintaining our higher legal spending level for another year as we change our focus from updating our By-Laws to updating our Restrictive Covenants. If performance is according to Budget, there will be an Operating Surplus just under \$4,000, increasing our bank balances and future financial flexibility.

Respectfully submitted,

Dennis Runsten

Treasurer

**PROPOSED ANNUAL BUDGET FOR THE 2017-2018 TERM
WHICH INCLUDES THE PROPOSED REDUCTION IN THE
ANNUAL DUES ASSESSMENT FROM \$265.00 TO \$225.00**

**BBYCC Homes Association
Operating Budget Comparisons to Actual**

1-May-17

Operating Income	2017/16	Budget	Actual	20-Jan	Budget
	Y-End	2016/17	Through April	Projection	2017/18
Operating Assessments \$265/Act, \$225 in 27/18)	\$21,073.50	\$35,310.00	\$35,714.00	\$35,214.00	\$30,150.00
Other Income	\$1,420.70	\$1,300.00	\$1,306.76	\$1,975.76	\$1,310.00
Total Income	\$22,494.20	\$36,610.00	\$37,020.76	\$37,189.76	\$31,460.00
Operating Expenses					
General & Administrative					
Accounting (Fee Free)	\$235.00	\$300.00	\$0.00	\$0.00	\$0.00
Insurance	\$2,000.00	\$1,750.00	\$1,019.00	\$2,025.00	\$1,150.00
Legal	\$664.89	\$1,300.00	\$1,094.61	\$3,350.00	\$3,790.00
Taxes	\$64.89	\$0.00	\$64.82	\$34.88	\$40.00
Postage/Copies/Mailers/Annual meeting	\$1,511.60	\$300.00	\$267.15	\$1,200.00	\$1,100.00
Website Management	\$2,547.07	\$300.00	\$250.00	\$293.00	\$300.00
Management Contract	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Bank Charges	\$191.00	\$300.00	\$30.00	\$200.00	\$300.00
Total General & Administrative	\$10,879.66	\$4,850.00	\$4,667.58	\$7,723.87	\$6,690.00
Utilities					
Electric/Irrigation (entrance)	\$500.00	\$500.00	\$397.00	\$600.00	\$600.00
Electric Street Light	\$7,011.21	\$7,300.00	\$6,639.85	\$8,300.00	\$7,600.00
Total Utilities	\$7,511.21	\$7,800.00	\$7,036.85	\$8,900.00	\$8,200.00
Grounds					
Landscape Contract	\$6,221.00	\$8,100.00	\$4,412.25	\$6,300.00	\$6,100.00
Entrances/Curbs	\$720.10	\$350.00	\$1,240.83	\$3,600.00	\$2,150.00
Snow Removal	\$670.00	\$1,700.00	\$350.00	\$700.00	\$1,700.00
Total Grounds	\$7,611.10	\$10,150.00	\$6,003.08	\$10,600.00	\$10,000.00
Total Operating Expenses	\$26,001.97	\$25,750.00	\$18,707.51	\$26,223.87	\$27,520.00
Operating (Deficit)/Surplus	-\$3,507.77	\$10,860.00	\$18,313.25	\$10,965.89	\$3,940.00

Long Term Reserve Expenses

Association contributions to capital projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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Association Bank Balances: M&T Bank	June 30 2016		April 30	Projected	Projected
	June 30 2016	June 30 2016		June 30 2017	June 30 2018
Operating	\$16,304.85	\$5,407.06	\$14,906.00	\$ 6,211.00	\$ 0,071.00
Reserves	\$399.83	\$11,117.23	\$20,129.31	\$ 21,900.00	\$24,000.00
Escrow	\$1,560.00	\$4,000.00	\$ 3,000.00	\$ 2,000.00	\$ 2,000.00
Total	\$18,264.68	\$20,524.29	\$38,035.31	\$ 30,111.00	\$26,071.00

**PROPOSED AGENDA FOR THE RBYCC HOMES ASSOCIATION BOARD MEETING ON
MONDAY, JUNE 5, 2017**

1. **Call to Order**

Identify members present: Deb, Dennis, Clare, Ron, Mary, Tom and Dick

2. **Approval of Minutes of the Prior Board Meeting**

May 8, 2017, Minutes

3. **Committee Reports**

a. **Treasurer's Report**

Any questions re the financial report as distributed by Dennis?

Voting Action Items?

b. **Roads and Drainage Committee**

Update Report – Road work, swales, drainage and street/neighborhood signs; condition of bulkhead and riprap; remedial alternatives? Other matters?

Voting Action Items?

c. **Communications Committee**

Update Report - When do we wish to publish our next Newsletter? Content? Reminder re limitations on days and hours outside work may be performed. Other reminders? Other matters?

Voting Action Items?

d. **Architectural Review Committee**

Update Report re 53 WSD (Miller), 122 WSD (Kayal), 125 WSD (Bureski) and 9 WOR (DiRisio) construction. Other proposed construction? Other matters?

Voting Action Items?

e. **Grounds and Landscaping Committee**

Update Report

Voting Action Items?

f. **Caring Committee**

Update Report

Voting Action Items?

4. **Properties for Sale/in Transition/Leased**

Update re listings: On WSD, homes at 27 (Wright/Lehman Johnson – under lease?), 33 (Sexton/Kifer), 43 (Strittmatter), 48 (Maher), 63 (Stein), 105 (Davis), 108 (Paris), 116 (Stevens), 118 (Swanson), 119 (Needham), 202 (Bell/Kemske); and on WOR, homes at 17 (Hoover), 26 (Book), (Cassett) and 31 (Sheridan). Others?

5. **Old Business**

Preparatory Steps for the Annual Meeting:

Update re number of attendees, proxies in hand and proxies promised – follow-ups

Finalization of the 2017 – 2018 Annual Budget

Reconfirm with Club date, time and room for meeting as well as number of tables, podium, mikes, coffee and tea

Prepare membership roster; identify members to serve as registration staff and vote counters; provide name tags, pens and extra copies of documents

Process for approval of revisions to By-laws

Other matters?

Voting Action Items?

6. **New Business**

Issue of speeding along WSD

Other Matters?

Voting Action Items?

7. **Adjournment**