

**Boulder Brook Club
103 Boulder Brook Circle
Lovell, Maine 04051**

July 12, 2017

Dear Boulder Brook Club Members,

The Annual Meeting of the members of the Boulder Brook Club will be held at the Boulder Brook Clubhouse in Center Lovell, Maine 9 AM Saturday July 29, 2017.

Members eligible to vote shall elect by majority vote, a Board of Directors, President, Vice President, Treasurer, Assistant Treasurer, Nominating Committee and shall act upon a budget proposed by the Board of Governors for calendar year 2018 as well as other matters as may properly come before the Membership.

Eligible members may vote at the annual meeting in person or by written proxy dated within the year prior to the meeting and specifically referring to the meeting to be held July 29, 2017. Proxy form is included in this packet.

It is important for you to be in attendance in person or by proxy to cast your vote on these matters.

Sincerely,

Rick Pilsbury
President

Boulder Brook Club
Annual Meeting Agenda - 2018 Budget
July 29, 2017

1. Call to Order - Quorum

2. Minutes of 2016 Annual Meeting Action

(Previously published online at www.neighborhoodlink.com)

5. Report/Comments from Jody Graves

4. Reports of the Board of Governors

Project Update	Rick Pilsbury
Buildings	Dave Langudoc
Trees, Water, Rds	Matt Wiswall
Treasurer	Shelley Pilsbury
Waterfront	Dick Conley
Tennis	Tim Silva
Martha Livingston	Rentals

6. Report of budget reviewer

8. Proposed 2018 Budget

7. Long-Range Plan

9. Election of Governors, Officers and Nominating Committee

10. Old Business

11. New Business

12. Adjournment

Meeting Overview July 29, 2017
2018 Budget

The material for this year's BBC Annual Meeting covers plans and budgets for calendar 2018 in formats similar to past Annual Meetings. New this year is a report from the Long-Range Planning Committee (C Comrack, C Gantile, S Pilsbury) formed after our last meeting July 30, 2016.

As you review this material, think of the Long-Range Plan as the work of really smart seers and mystics. It's a best guess at what BBC might look to accomplish over the next 20 years. The numbers are soft, directional at best.

It is intended to be a departure point to spark thinking and discussion, a planning tool. It will be reviewed and revised often. We are asking for your approval on the direction and philosophy of this approach. It is intended to be the foundation of future capital assessments.

7.12.2017

BOULDER BROOK CLUB
2017 Treasurer's Report

Dear Members,

We ended 2016 with a positive net operating amount of \$1,850.83, spending the operating funds within our means. We did fall short of the BBC budget by \$1,700 due to unanticipated maintenance issues:

- the back road was severely rutted from frost heaves;
- the stairway out the exit door in the back of the clubhouse was deteriorating;
- the water pump broke along with several water lines, and
- water was draining into the shop entrance rotting out the floor boards.

On the capital side, major investments were made to repair the Tennis court from tree root erosion, and leaning trees around the brook were removed. 2016 ended with \$13,353 in the capital account for future projects.

Some other accomplishments during 2016 included:

1. Purchased a cloud version of QuickBooks to manage BBC books. This made my job as treasurer easier, and provides transparency to all our books for those who need to know, and the next treasurer!
2. Our banking was simplified into two accounts with TD bank. One account is used to pay operating expenses. As long as we maintain a minimum amount in the account, there is no service fee. The other account is an interest earning money market account with no service fees. All receipts are made to that account. As a result, budgeted bank charge of \$552 was eliminated and \$200 in interest was earned in 2016.
3. 2016 taxes were filed by our accountant, Bruce Jones, on time with little work on my part. Bruce was given access to BBC records through QuickBooks. Our returns are available to anyone who would like to review them.
4. Bruce Jones was also consulted on best practices for financial controls in organizations our size. We adopted both of his suggestions: separate duties for deposits from check writing and creation of a financial oversight review process. BBC By-laws (Section 4a) also prescribes an auditor role.
5. The Board of Governor's invited Helen Gernon to take on the responsibility of auditor for BBC. Helen's professional background in finance makes her very qualified for this role. Helen reviews BBC financial records thru QuickBooks on a monthly basis to look for any anomalies. Helen's report is included in the annual meeting mailings.
6. The Assistant Treasurer, Tim Silva, handles all BBC receipts and makes the necessary deposits, per Bruce Jones's recommendation. Then I record the information into QuickBooks. This creates a separation of responsibilities. Tim has QuickBooks access so he can attend to BBC financial matters when necessary.

BOULDER BROOK CLUB
2017 Treasurer's Report

7. The caretaker's billing process was streamlined to eliminate human math errors. Once Jody provides his hours and subject worked on, an excel spreadsheet does the math. Invoice processing is much faster.
8. I participated in the strategic planning committee work to establish a road map for the future maintenance of BBC assets. The committee's findings are included in the annual meeting mailings. The 2018 Capital assessment reflects the committee's work.

A picture is worth a thousand words, so I have included graphs in this presentation for those that are more visually oriented. It has been a pleasure to serve the BBC community.

Shelley Pilsbury, BBC Treasurer

BOULDER BROOK CLUB
2017 Treasurer's Report

STATEMENT OF RECEIPTS, EXPENSES and CASH BALANCES
January 1, 2016 through December 31, 2016

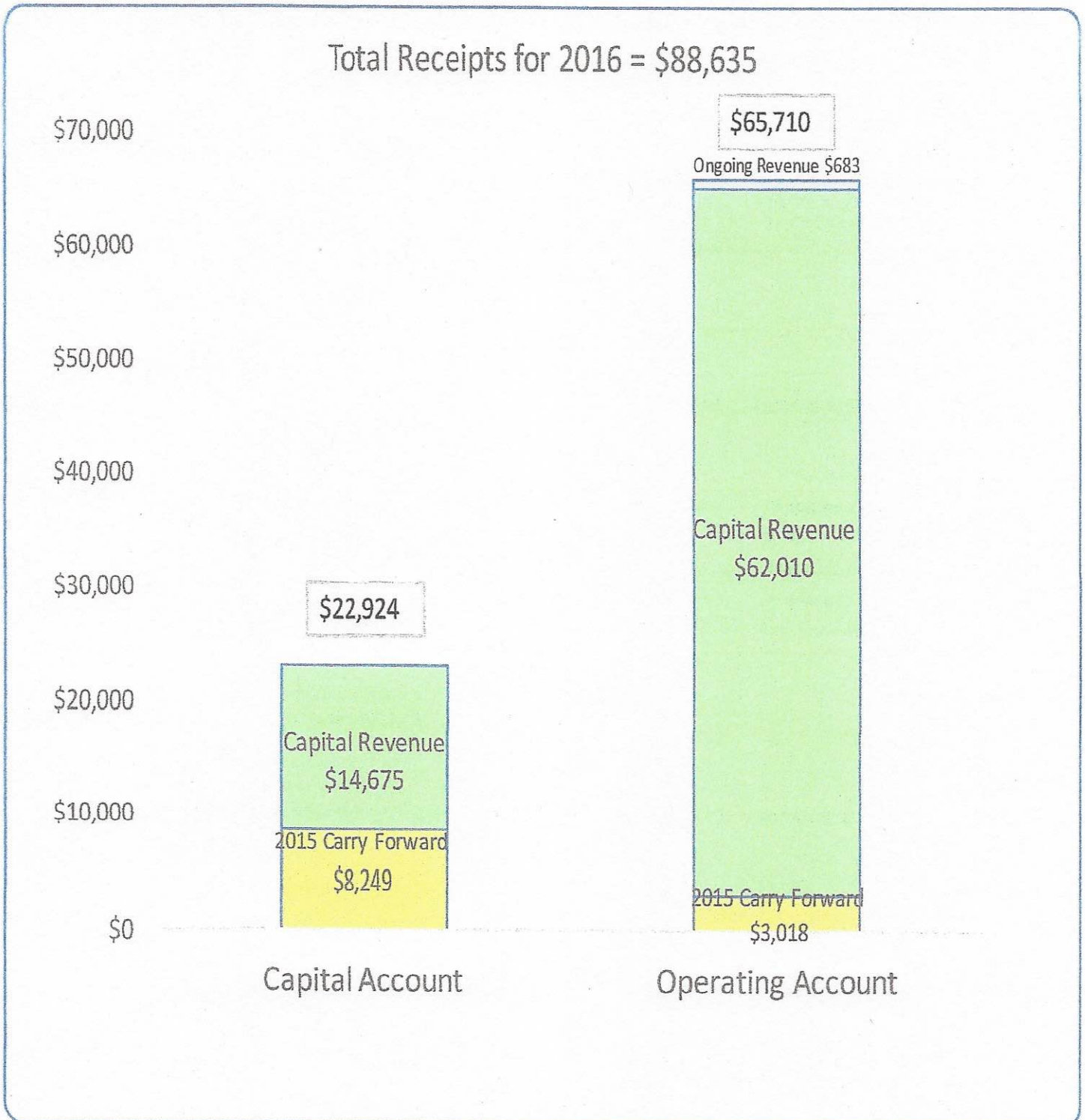
Capital Account 2016		Operating Account 2016		Totals
2015 Cash Balance Carry Forward	\$8,249.33	2015 Cash Balance Carry Forward	\$3,017.91	\$11,267.24
2016 Capital Receipts		2016 Operating Receipts		
2016 Capital Assessment	\$14,000.00	2016 Cottage Assessments	\$60,426.27	
Rite of Way Assessment	\$450.00	2016 Lot Assessment	\$983.34	
Access Fees	<u>\$225.00</u>	Water Craft Storage	<u>\$600.00</u>	
	\$14,675.00		\$62,009.61	\$76,684.61
		2016 Ongoing Revenue		
		Money Market Interest	\$204.85	
		Laundry Income	<u>\$478.00</u>	
			\$682.85	
Total Capital Receipts	\$22,924.33	Total Operating Receipts	\$65,710.37	\$88,634.70
2016 Capital Expenses		2016 Operating Expenses		
Dock Hardware (Bumpers, etc.)	\$842.72	General Expenses	\$12,324.68	
Tennis Court Repair	\$3,600.00	Operations	\$30,829.88	
New Picnic Tables	\$474.75	Property Management	<u>\$20,704.98</u>	
New Plastic Chairs for Beach	\$268.56			
Micklon Trimming Beach Area	<u>\$4,385.00</u>			
Total Capital Expenses	\$9,571.03	Total Operating Expenses	\$63,859.54	\$73,430.57
		Net Operations (Receipts-Expenses)	\$1,850.83	
		*Less Depreciation	\$13,824.00	
		Net Results of 2016 Operations	(\$11,973.17)	
		*Source – 2016 Tax return		
Year End Capital Cash Balance	\$13,353.30	Year End Operating Cash Balance	\$1,850.83	\$15,204.13

Definition of Operating Expenses:

General Expenses	Corporation expenses like insurance, taxes, professional fees, state of Maine fees
Operations	Caretaker costs (retainer, insurance, fuel), electric, donations, tank pumping, software
Property Management	Hourly Labor (Caretaker and outside labor) and supply costs to manage property

BOULDER BROOK CLUB
2017 Treasurer's Report

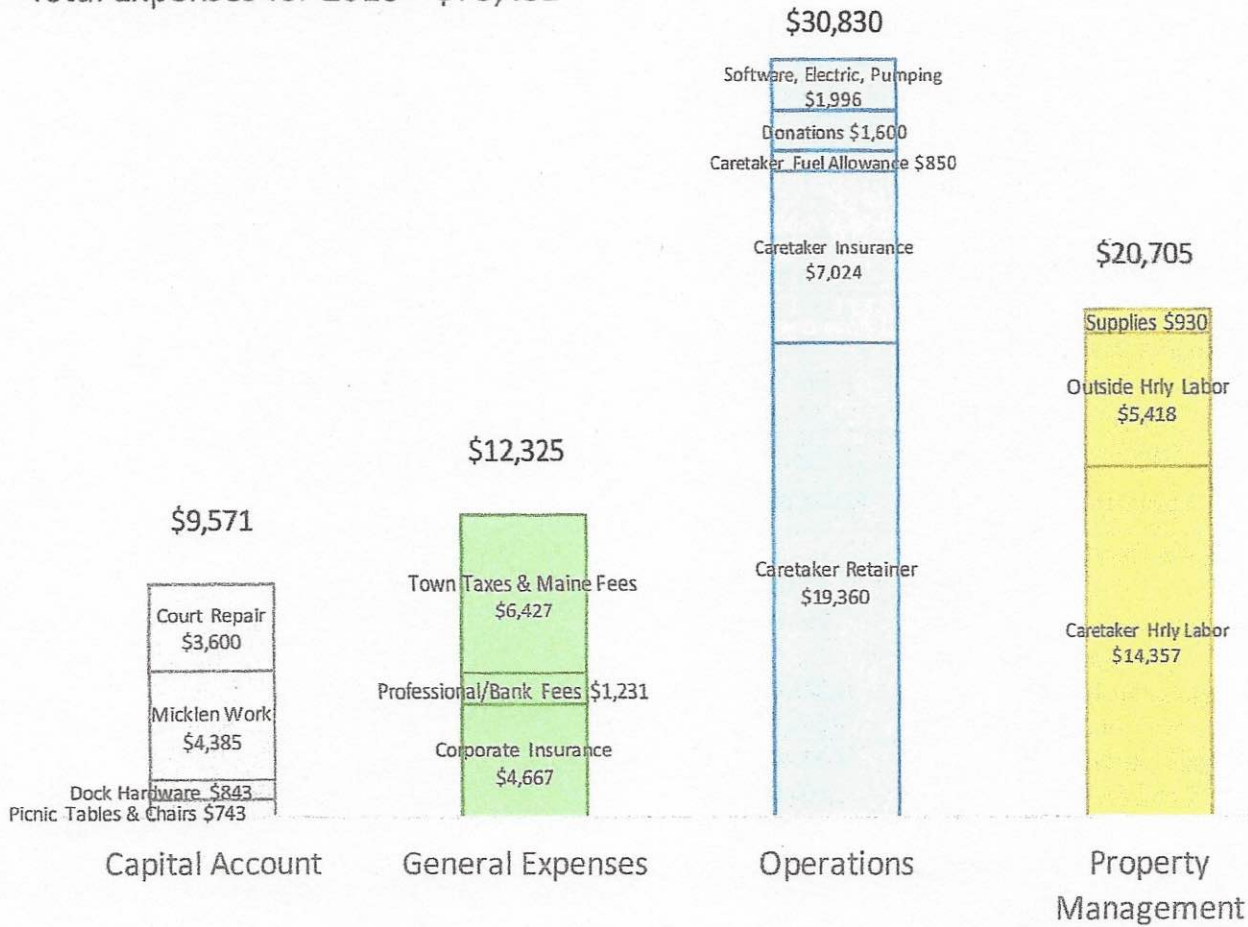
BAR CHART OF RECEIPTS
January 1, 2016 through December 31, 2016



**BOULDER BROOK CLUB
2017 Treasurer's Report**

**BAR CHART OF EXPENSES
January 1, 2016 through December 31, 2016**

Total Expenses for 2016 = \$73,431



- Caretaker cost totaled \$41,590 or 65% of 2016 Operating Expenses.
- Caretaker hourly labor costs are billed at various rates depending upon complexity and skill required to perform property management task. An hourly rate for the use of Caretaker's equipment is also billed to BBC.
- Caretaker's contract was modified last year to reflect certain requirements:
 - Caretaker is focused exclusively on BBC responsibilities until 2 p.m. After 2 p.m. he can take on individual membership tasks.
 - Caretaker is entitled to one day off a week, after morning check and beach is cleared.
 - Caretaker is encouraged to bring in extra help as needed, as long as Treasurer is first advised.

BOULDER BROOK CLUB
2017 Treasurer's Report

PERFORMANCE TO BUDGET
January 1, 2016 through December 31, 2016

Expenditures	Full Year Spend	Budget	Variance	Notes
General Expenses				
Annual Dinner - Caterer	\$ 18.14			Membership offset expense, net -\$18.14
Bank Charges	\$ 338.00	\$ -	(\$338)	No budget in 2016, 2017 charges eliminated
Insurance				
Insurance - Auto Liability	\$ 153.00			
Insurance - Directors	\$ 1,430.00			
Insurance - Liability	\$ 3,084.00			
Total Insurance	\$ 4,667.00	\$ 4,800.00	\$133	
Legal & Professional Fees	\$ 875.00	\$ 250.00	(\$625)	Audit and tax returns fees
Taxes & Licenses	\$ 6,336.54			
Water Management	\$ 90.00			
Total Taxes & Licenses	\$ 6,426.54	\$ 6,700.00	\$273	
Total General Expenses	\$ 12,324.68	\$ 11,750.00	(\$575)	
Operational Expenses				
Caretaker Retainer	\$ 19,360.08	\$ 19,360.00	\$0	
Caretaker Fuel Allowance	\$ 850.00	\$ 850.00	\$0	
Caretaker Insurance				
Caretaker Medical Allowance	\$ 4,378.44			
Caretaker Workers Comp- MEMIC	\$ 2,645.20			
Total Caretaker Insurance	\$ 7,023.64	\$ 6,500.00	(\$524)	Paid MEMIC in full for 2015-2016 insurance year
Charitable Contributions	\$ 1,600.00	\$ 1,500.00	(\$100)	Extra \$100 bequest for Marion Robinson
Discretionary / Other	\$ 620.00			
Stationery & Printing & Mailing	\$ 111.63			
Total Discretionary / Other	\$ 731.63	\$ 700.00	(\$32)	
Electric	\$ 724.53	\$ 650.00	(\$75)	
Laundry Tank Pumping	\$ 540.00	\$ 250.00	(\$290)	Historically budget is Net, in future will capture gross
Total Operational	\$ 30,829.88	\$ 29,810.00	(\$1,020)	
Property Management				
Building Maintenance	\$ 1,595.63	\$ 500.00	(\$1,096)	Repaired back stairway and shop entrance
Docks and Floats	\$ 3,324.20	\$ 5,000.00	\$1,676	Saved using less expense labor
Grounds and Beach	\$ 6,677.57	\$ 7,000.00	\$322	
Roads and Bridges Maintenance	\$ 1,996.92	\$ 700.00	(\$1,297)	Winter rutting required repair on back road
Snow Removal	\$ -	\$ 1,000.00	\$1,000	No snow fall
Trash Removal	\$ 3,600.00	\$ 3,600.00	\$0	
Trees Management	\$ 2,115.00	\$ 2,000.00	(\$115)	
Water Supply Equipment	\$ 1,395.66	\$ 800.00	(\$596)	Waterline and pump breakage throughout season
Total Property Management	\$ 20,704.98	\$ 20,600.00	(\$105)	
Total Expenditures	\$ 63,859.54	\$ 62,160.00	(\$1,700)	

**BOULDER BROOK CLUB
2017 Treasurer's Report**

**BAR GRAPH
2017 YTD Results compared to prior 2 years and 2017 Budget**



For 2017, BBC operating expenses should come in under budget, assuming normal operations.

Definition of Operating Expenses:

- General Expenses Corporation expenses like insurance, taxes, professional fees, state of Maine fees
- Operations Caretaker costs (retainer, insurance, fuel), electric, donations, tank pumping, software
- Property Management Hourly Labor (Caretaker and outside labor) and supply costs to manage property

BOULDER BROOK CLUB
2017 Treasurer's Report

PROPOSED 2018 OPERATING EXPENSE BUDGET

Expenditures	2015 Full Year	2016 Full Year	2017 Projected Spend	2017 Budget	Proposed 2018 Operating Budget	2018 Budget Notes
Annual Dinner - Caterer\$	-	\$ 19	-		\$ -	
Bank Charges\$	203	\$ 338	-	\$ 552	\$ -	
Total Insurance \$	4,669	\$ 4,667	4,736	\$ 5,300	\$ 4,800	
Legal & Professional Fee\$	6,555	\$ 875	475	\$ 1,200	\$ 485	
Total Taxes & Licenses	\$	6,427	\$ 6,442	\$ 6,586	\$ 7,000	Lovell Tax and state water tax
General Expense\$	11,427	\$ 12,325	11,653	\$ 13,638	\$ 12,285	
Caretaker Retainer\$	18,901	\$ 19,360	\$ 19,890	\$ 19,890	\$ 22,688	includes 2% raise & \$200/mth medical insurance
Caretaker Fuel Allowance\$	850	\$ 850	\$ 850	\$ 850	\$ 850	
Caretaker Insurance\$	6,470	\$ 7,024	\$ 4,526	\$ 4,700	\$ 2,000	For 2018, Worker's Comp Only
Charitable Contributions\$	1,500	\$ 1,600	\$ 1,500	\$ 1,500	\$ 2,000	Fire, KWLA, GLLT, LIPCC
Total Discretionary / Other \$	997	\$ 732	\$ 732	\$ 444	\$ 1,000	QB, Website, Fireworks
Electric \$	602	\$ 725	\$ 689	\$ 700	\$ 700	
Laundry Tank Pumping\$	540	\$ 540	\$ 540	\$ 450	\$ 540	
Operational \$	29,859	\$ 30,830	28,726	\$ 28,534	\$ 29,778	
Buildings \$	451	\$ 1,596	\$ 1,500	\$ 900	\$ 500	
Docks and Floats\$	6,541	\$ 3,324	\$ 4,000	\$ 5,500	\$ 5,450	repair swim dock
Grounds and Beach\$	6,806	\$ 6,678	\$ 7,000	\$ 7,000	\$ 7,000	Incl Flowers
Roads and Bridges\$	989	\$ 1,997	\$ 1,600	\$ 700	\$ 1,500	
Snow Removal \$	619	-	\$ 2,636	\$ 1,360	\$ 1,000	
Trash Removal\$	3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	
Trees Management\$	4,185	\$ 2,115	\$ 1,000	\$ 2,000	\$ 2,000	
Water Supply Equipment\$	1,325	\$ 1,396	\$ 1,364	\$ 1,000	\$ 1,400	Includes testing fees and repairs
Property Management\$	24,515	\$ 20,705	22,700	\$ 22,060	\$ 22,450	
Total Expenditures\$	65,801	\$ 63,860	63,079	\$ 64,232	\$ 64,513	.44% increase over 2017 Budget
Lot Assessment\$	972	\$ 983	-	\$ 1,008	\$ 1,037	
Cottage Assessment \$	2,224	\$ 2,238	-	\$ 2,285	\$ 2,351	\$66.00 increase over 2017 Assessment

BOULDER BROOK CLUB
2017 Treasurer's Report

BOULDER BROOK CLUB – LONG RANGE FINANCIAL PLAN

At the annual meeting, in 2016, a sub-committee was tasked with establishing a long term financial plan for Boulder Brook Club. Members of the task force included Carmen Gentile, Shelley Pilsbury and myself. Below is a brief overview of the objective, approach, and conclusion from our efforts. We will be presenting a more comprehensive review of our work for your comments and input at the annual meeting this year.

Objective:

Together BBC owns a number of community assets (e.g. club house, docks, wells/well house, roads, etc.) that contribute significantly to the overall value of our individual properties. It is in all of our interests to preserve these assets while keeping unexpected expenses related to those assets to a minimum. We want to extend their usable life through good planning and sound investment decision making. In tandem, we want to keep capital assessments at as stable and predictable levels as reasonably possible.

Approach:

- We inventoried the existing community assets.
- We evaluated the current state of each asset to determine maintenance and improvement needs.
- We estimated short and long-term costs-using historical cost information, contractor bids or rough estimates-to determine the approximate amount of money BBC needs to maintain the asset over the net 20 years and beyond.
- We entered this information into a spreadsheet and calculated projected costs on a yearly basis.

The next couple of pages summarize our findings.

Results:

The plan shows that our current capital assessment of \$14,000 or \$500 per homeowner is not sufficient to address the major near term capital improvement needs nor are we adequately prepared for emergency situations.

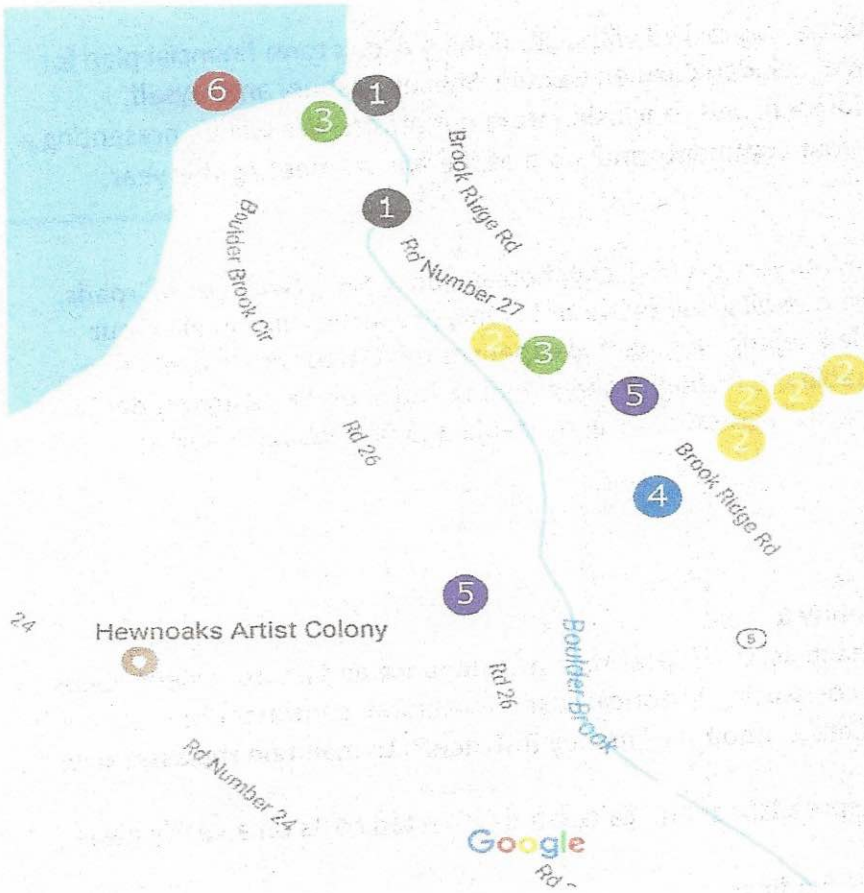
Next Steps:

- **Ratify an increase to the capital assessment from \$500 to \$950 a year.** This assessment will start the process of building up capital funds to address short term and long term needs. The attached chart illustrates the financial gap between today's capital funds and the proposed maintenance and capital improvements recommended to maintain our assets.
- Create sub-committees of BBC members to evaluate and provide recommendations to the board and community on the best improvement options and likely actual costs.

Regards,
Chris Comrack

BOULDER BROOK CLUB
2017 Treasurer's Report

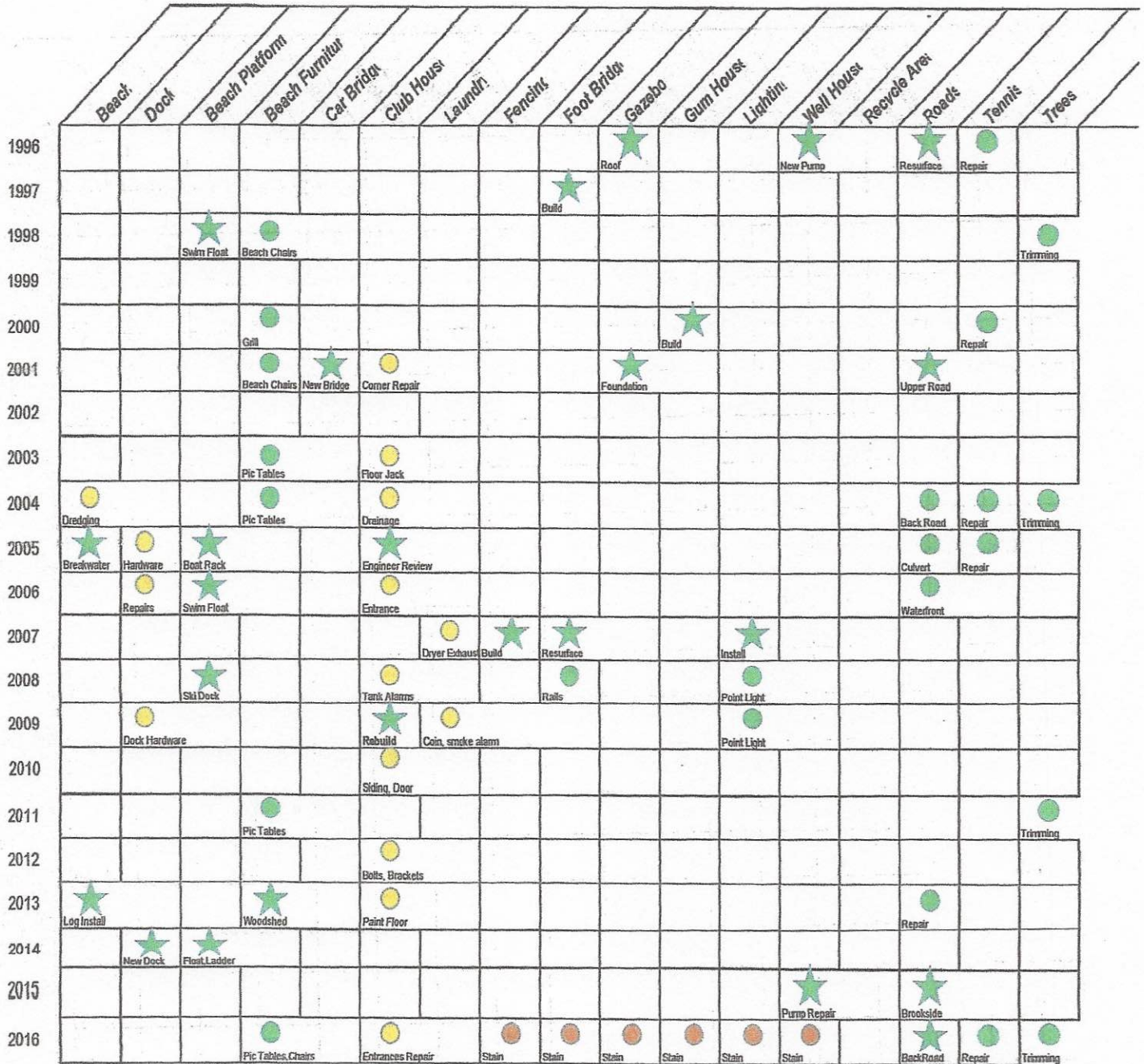
Map of BBC Assets



- 1** 2 Bridges, car and foot bridges
- 2** 5 Closed Structures – club house, 3 barns, well house
- 3** 2 Open Structures – gazebo and gum house
- 4** Tennis Court
- 5** Roads – paved and gravel roads
- 6** Beach – docks, floats and breakwater

BOULDER BROOK CLUB
2017 Treasurer's Report

CHART OF CAPITAL SPEND AND MAINTENANCE FOR BBC ASSETS
1996 - 2016



LEGEND: ★ Major Capital Investment
● Repairs
● Minor Capital Investment
● Stain (Operating Expense)

BOULDER BROOK CLUB
2017 Treasurer's Report

CHART OF SAMPLE CAPITAL SPEND FOR BBC ASSETS
2016 - 2036

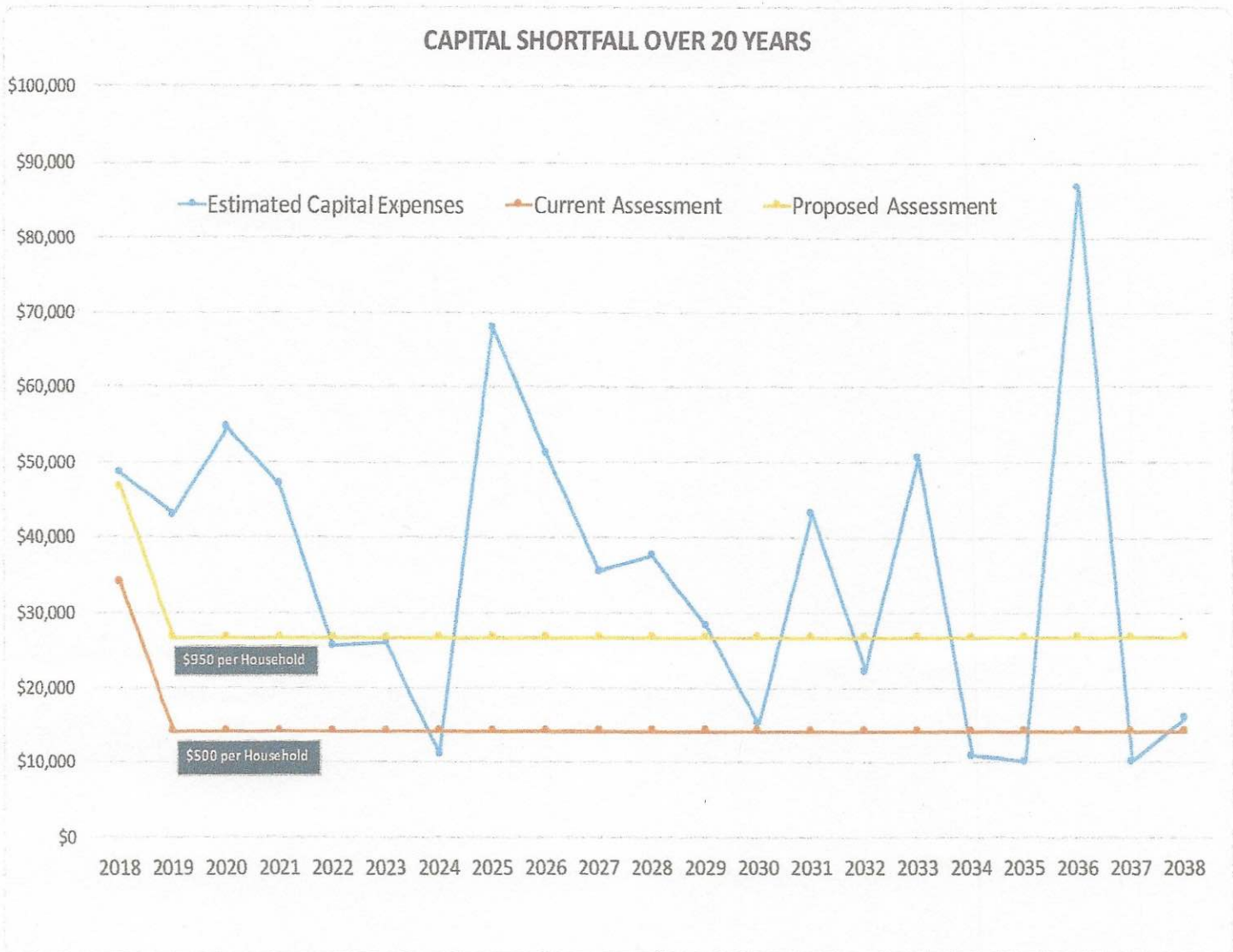
Note: This is a first draft for annual review.

	Beach	Dock	Beach Platform	Beach Furniture	Car Bridge	Club House	Laundry	Fencing	Foot Bridge	Gazebo	Gunn House	Lighting	Well House	Recycle Area	Roads	Tennis	Trees	Est. \$\$
2018	● Boat Rack					★ Roof											● Well House	\$48,500
2019			● Chairs			★ windows												\$42,950
2020			● Chairs	●		★ Electrical	● Replace	●	●	●			●			★ Resurface	★ Tennis	\$54,640
2021			● Chairs						● Foundation						★ Back Road			\$46,950
2022			● Chairs						● Roof				● Doors				● Barns	\$25,500
2023						● Floors							● Foundation					\$26,000
2024					●			●	●	●	●		●					\$11,000
2025													● Roof			★ Replace		\$68,000
2026	★ Replace												●					\$51,200
2027						★ Foundation			★ Replace				● Roof					\$35,500
2028			★ SKI, Swim		●			●	●	●	●		●				● Repair	\$37,500
2029			● Chair			● Building		● Replace	● Structure									\$28,200
2030			● Chairs				● Replace								●			\$15,000
2031			● Chairs										● Pump			● Review		\$43,100
2032			● Chairs		●	● Repair		●	●	●	●		●					\$22,200
2033				★ Replace		● Floors							● Maint.			● Repair		\$50,500
2034		●			●									●	●			\$10,800
2035	●	●			●													\$10,000
2036	★ Replace				●	★ Roof		●	●	●	●	●	●					\$86,900
2037					●				●	●			●					\$10,000
2038	●	●			●										●	● Repair		\$15,800

- LEGEND:
- ★ Major Capital Investment
 - Repairs
 - Minor Capital Investment
 - Stain (Operating Expense)

BOULDER BROOK CLUB
2017 Treasurer's Report

CAPITAL SHORTFALL



Conclusion

Graph illustrates that the capital assessment of \$500 per household must be increased if the members want to maintain the assets of BBC while creating an emergency fund for unforeseeable events.

It is recommended that the capital assessment be increased to \$950 per household, which equates to \$26,600 per year to cover future investments in BBC assets.

BOULDER BROOK CLUB

Report of the Nominating Committee

2017

The Nominating Committee presents the following slate for 2017-2018:

OFFICERS

President	Rick Pilsbury
Vice President	Dick Conley
Treasurer	Shelley Pilsbury
Assistant Treasurer	Tim Silva
Clerk	Deborah Cushing

BOARD OF GOVERNORS - New

3 Year Term	Don MacKelcan
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NOMINATING COMMITTEE	Term Expires
Steve Cohen	2018
Patricia Robinson	2019
Alexis Comrack	2020

Respectfully Submitted,

Nominating Committee

ARTICLE III, SECTION 5, BOULDER BROOK CLUB, INC. BY-LAWS:

“If nominations are made from the floor at the annual meeting, the nominator must state the qualifications and present the written consent of the nominee to assume the responsibilities of the office.”

BOARD OF GOVERNORS	Term Expires
Matt Wiswall	2018
Martha Livingston	2019
Don MacKelcan	2020

July 29, 2017

June 21, 2017

The Board of Governors
Boulder Brook Club
70 Boulder Brook Circle
Lovell, Maine 04051

Dear Board Members:

In accordance with your request and instructions, I reviewed the Boulder Brook financial records intermittently throughout the fiscal year. I reviewed the transactions in the money market and operating accounts. In addition, I reviewed the accounts receivable and payable. I reviewed the revenue and equity accounts. During the 2016-17 fiscal year, I conducted four reviews.

In addition, I read the 2017 Treasurer Report for Quarter 1 which I found to be quite thorough and useful for understanding BB's finances.

I find the Club financial records to be in order in all respects.

Warm regards,

Helen Gernon
Financial reviewer

Boulder Brook Club

PROXY

KNOW ALL PERSONS BY THESE PRESENT, THAT _____
_____, the undersigned, owner (s) of _____
_____, Boulder Brook Club, Center Lovell, Maine, here-
by constitute and appoint _____ my (our) true and lawful
agent, attorney, and proxy at the regular annual meeting of the stockholders of the Boulder Brook
Club, Center Lovell, Maine, on July 29, 2017, for me (us) and my (our) name, place, and stead,
to vote upon all matters coming before said meeting, in my (our) behalf as fully as I (we) could
do if personally present, pursuant to the provisions of Article III, Section 3, of the By-laws of
Boulder Brook Club.

DATE _____

MEMBER _____

7/11/2017