

A REPORT AND RECOMMENDATIONS
TO THE HFCA BOARD

REGARDING HUMAN RESOURCES
POLICIES AND PROCEDURES



Prepared By:
The Human Resources Ad hoc Committee
May 20, 2006 (Updated August 31, 2006)

TABLE OF CONTENTS

<u>Subject</u>	<u>Page</u>
I. Introduction	1-2
Section 1. Mission	
Section 2. Committee Structure	
Section 3. Acknowledgments	
II. Process – Identifying Subjects for Review	3
III. Detail Discussion and Individual Recommendations	4-12
Section 1. HFCA Human Resources Policy	
Section 2. HFCA Organizational Structure	
Section 3. Employee Handbook and Safety Program	
Section 4. Payroll	
Section 5. Benefits	
Section 6. Vehicles	
IV. Executive Summary	13-14
Section 1. Observations	
Section 2. Recommendations	
Section 3. Programs Recommended for Additional Study	
V. Appendix/Exhibits	15-24
A. Human Resources Ad hoc Committee Member’s Resumes	
B. HFCA Organizational Chart Location	
C. Summary of HFCA 2 006 Budgeted Payroll Costs	
D. Resources for Researching Payroll and Benefits Costs That Are Included In This Report – Compiled 2006	
E. Compensation Comparison Survey based on Two Resources	
• Northeast Pennsylvania Statistics	
• Five Large Scale Community Associations in the PA Delaware Valley Chapter of CAI Compared to HFCA Spring 2006	
F. Benefits Comparisons, Foundation for Community Association Research The CAI Manager Compensation and Salary Review, 2003, A Survey of 453 Respondents	
G. Benefits Comparisons, A Survey of Five Large Scale Associations in the PA Delaware Valley Chapter of CAI Compared to HFCA Spring 2006	

I. Introduction

Section 1. Mission

Acting upon a recommendation from the Finance Committee in its minutes of November 5, 2005, the HFCA Board convened its Human Resources Ad hoc Committee and gave it the mission of examining every aspect of employee payroll and benefit programs to be certain that:

- Each program derives from an approved Board policy of record.
- Programs are clearly articulated and apply fairly to every class of covered employees.
- Programs are consistent, and competitive with best business practices at other similar businesses and organizations.
- Programs meet IRS reporting standards and any other applicable federal and state legal and reporting requirements.
- HFCA internal financial reporting is sufficiently transparent to enable the Finance Committee to meet its obligation of financial and budgetary oversight, as defined by its Board approved mission statement.
- The completed report is sufficiently detailed to address the interest of members, while continuing to protect and respect the Board's policy-making authority, the Community Manager's operational/managerial responsibilities, and the right to privacy of every HFCA employee.

A specific question related to commuting with HFCA vehicles as an employee privilege is implicit to this review.

I. Introduction (continued)

Section 2. Committee Structure

Appointees to this Committee were:

Lee Oakes, Chair
Ed Davis
Charlie Eible
Ed Jaffe
George McDonald
Pat Quinn
Bill Stratemeier
Michael Zibrin

Staff members were:

Mike Sibio
Dorisann Mooring

Section 3. Acknowledgments

We wish to thank those whose prior work in 2002 and 2004 on these same subjects has made our task easier, to HFCA management for providing full and immediate access to all requested documents, and to the HFCA Board for providing access to legal and auditing professionals, as well as their commitment to an open process. Several community members shared their thoughts with us during this task. We thank them for their interest and input.

(A brief resume for each committee member is attached as Exhibit A of this document.)

Section II. Process

Identifying Subjects For Review

At its first meeting on January 22, 2006, the Committee identified eight subjects that should be addressed. They were:

1. The philosophy that guides HFCA Human Resources Policies, taken from existing documents
2. An overview of organizational structure
3. A review of the Employee Handbook and Safety Program
4. A review of payroll expenses by function and class, to be certain that programs are consistent in policy and process, and fair and competitive with best business practices at other similar businesses and organizations.
5. A review of benefits that are offered in addition to earned income. These include all phases of healthcare, short and long term disability, pensions, and a comparison to benefits at other organizations of interest for which data were available.
6. A review of current vehicle usage policies and procedures to determine whether “personal commuting privileges” continue to be a useful management tool.
7. A recommended process for addressing any employment inequities found during the examination of these issues.
8. Development of a full report to the HFCA Board followed by public dissemination when approved by the Board.

During the remainder of its meetings, the Committee divided into small groups, each of which studied selected issues. At a series of follow-up meetings, each group presented their findings in their entirety to the full group, who then debated the merits of various approaches and reached consensus for purposes of this report.

The following pages will deal with each of these issues individually, in detail, followed by an Executive Summary of Committee recommendations to the HFCA Board, along with suggested areas for continued study during the remainder of 2006 and early 2007.

III. Detail

Section 1. HFCA Human Resources Policy

The HFCA Board Policy regarding its Human Resources Policy can be found in general statements in the Bylaws, with more specific language in the Administrative Code and in the Employee Handbook. However, there is not a clearly defined single source statement on this subject.

Recommendation

The 2006 Human Resources Ad hoc Committee recommends to the HFCA Board that the following statement of intent be established as the official HFCA Human Resources Policy and that it be published in each issue of the Employee Handbook, on the HFCA website, and annually in the Hemlock News.

HFCA Human Resources Policy

HFCA believes that the essentials of good employment practices are: fair compensation, challenging work, recognition for contributions, pleasant working conditions and opportunity and incentive for advancement.

It is HFCA policy to select, place, train and promote the best-qualified individuals based upon relevant factors. These includes, but are not limited to, work quality, attitude, education, and experience.

HFCA is an “at-will” employer. This means that, absent a specific law or contract to the contrary, HFCA or the employee may terminate the employment relationship at any time, for any reason, or no reason at all, with or without cause or notice.

HFCA recognizes, and observes to the extent possible, the right of each employee to privacy regarding terms of employment and employment records.

HFCA employment practices are in compliance with all relevant federal, state, and local laws, including Title VII of the Civil Rights Act of 1964, and with recognized best business practices.

Sources:

HFCA Bylaws Article 3, Directors; Article 5, Community Manager
HFCA Administrative Code Chapter 165, Personnel
HFCA Employee Handbook and Safety Program

III. Detail (continued)

Section 2. An Overview of HFCA Human Resources Organization Structure

A. The Chain of Command

HFCA Bylaws Article 3, Section 3.7, states that the Board of Directors shall deal with all matters of administration through the Community Manager.

HFCA Bylaws Article 5, in its entirety, spells out the duties and obligations of the Community Manager. He or she is hired and fired by the Board, is the chief operating and administrative officer of the Association and is responsible to the Board of Directors for the management of the affairs of the Association and the execution of the policies and decisions of the Board of Directors.

The Community Manager is chosen by the Board of Directors, but may not serve on the Board. The Community Manager has the authority vested in him or her by the Board, to appoint and remove any and all HFCA personnel, with the exception of the Editor of the Hemlock News. The Community Manager's contract is the privity of the Board, subject only to IRS reporting requirements.

HFCA Bylaws state that the Hemlock News is the official organ of HFCA. The HFCA Board hires and fires the Editor. The Editor reports directly to the Board. The Editor's contract is the privity of the board.

B. Organizational Structure

The HFCA 2006 operating budget is \$6,002,371, of which \$3,012,936 or 50.2% is allocated to human resources. This includes 60 full time employees who receive benefits, and approximately 45 year round part time employees who do not receive benefits. Fourteen of the full time employees are in salaried functions. The remaining 91 are hourly wage functions. There are approximately 90-100 seasonal employees, the majority of whom are summer employees.

The HFCA Water Company 2006 operating budget is \$1,499,015, of which \$405,880, or 27.1%, is allocated to human resources. This includes 7 full time employees, all performing hourly wage functions. Some employees in other departments also have responsibilities in the Water Company. The cost of their compensation is split among the appropriate departments and functions.

All employee functions fall within five broad categories. They are:

- Administration/Management
- Public Safety
- Public Works
- Recreation
- Water Company

(Organizational charts, in summary and detail, are attached as Exhibit B of this document.)

III. Detail (continued)

Section 3. HFCA Employee Handbook and Safety Program

The HFCA Employee Handbook and Safety Program provides documentation for policy and procedures, including safety regulations and programs, that an HFCA employee can reasonably expect to encounter in his or her term of employment.

- This document is reviewed on a regular basis by HFCA Legal Counsel who specializes in labor-relations law to be certain that it complies with all current legal requirements and best business practices. The most recent review was April-May of 2006.
- Each new employee is required to read the Handbook and to sign it to be certain authority, responsibility, line of command, rights, duties and obligations are clearly understood.
- As of May 2006, employees are also required to sign acknowledgment and understanding of amendments to the Employee Handbook and Safety Program in a timely manner.
- All employees are invited to make suggestions as to additions and deletions to this document, as their experience and observation suggests.

Recommendation

The HFCA Employee Handbook and Safety Program is nationally recognized as excellent. It has been used as a template by other Community Associations. The Committee recommends that it be continued in its present format with updates as determined by the Community Manager, and that it continue to be mandated for all employees and available to those organizations which ask for its use as guidance.

Copies of the Employee Handbook and Safety Program are available for inspection at the HFCA Administration Building by appointment during regular business hours.

Section 4 Payroll

A. 2006 Summary

The 2006 HFCA operating budget payroll is \$2,403,760, excluding benefits, and the 2006 Water Company payroll is \$304,880, excluding benefits. Each year, during the annual budgeting process, the Community Manager makes recommendations about payroll expenditures (including benefits) for the coming year. The Finance Committee reviews the recommendations, and makes its own recommendation to the HFCA Board of Directors, which has the final vote of approval.

(A summary of HFCA 2006 payroll costs by department and classification is included as Exhibit C, in this document)

B. Procedure for Review

In 2002, and again in 2004, the Human Resources Ad hoc Committee reviewed payroll expenditures and made recommendations regarding them to the HFCA Board. This yielded a table of pay scale ranges (minimum to maximum) and the intrinsic value of each job title in the market place.

As part of its current mission, the Committee undertook a comprehensive study of HFCA payroll and benefits to determine whether they continued to be in the mainstream or if there were modifications that should be made. This section (Section 4) will focus on payroll only. Sections 5 and 6 will address benefits.

Source data used for the payroll review included:

- Northeast PA including Pike County Occupational Wages provided by Northeast Pennsylvania Alliance, based on U.S. Bureau of Labor Statistics data for the region, based on their analysis of U.S. Department of Labor, Bureau of Labor Statistics.
- A Survey of Five Large Scale Community Associations in the PA Delaware Valley Chapter of CAI Compared to HFCA Spring 2006.

These data were collected and matched to provide information for similar job descriptions, based on HFCA job descriptions. The data were then averaged to draw average minimums, average maximums and medians. The resulting pay scale ranges were then compared to HFCA pay scale ranges in effect at the beginning of 2006.

It should be noted that the Committee also compiled data from the Bureau of Labor Statistics for a broader geographic region and the total U.S., as well as national CAI data for community associations, but concluded that the regional/local criteria were more applicable.

(Detail spreadsheets are attached as Exhibits D. and E. of this document)

III. Detail (continued)

Section 4. Payroll (continued)

C. Findings

HFCA has 39 employee job descriptions, many of which apply to only one individual employee. Eleven of these do not have a match in the database, leaving 28 that match regional and other Community Association job descriptions. Of these:

- 4 categories of HFCA job descriptions are at or below the average minimum wage level, and 24 are above it.
- 1 job description, which includes only one hourly employee and who has unusually highly developed job skills and years of service, is above the average maximum.
- 6 categories of job descriptions are above the average wage and 22 are below it.
- Exhibit E is based on a detailed review of the base data. It has been laid out in nine employee categories, with complete comparisons for HFCA and the base data. The base data for individual HFCA employee positions are included. The detail titles have been masked, in order to protect the privacy of all individuals. Exhibit E demonstrates that HFCA employees, as a whole are at or above the minimums for similar positions in the geographic area studied. It also demonstrates that a few are close to the bottom of the scale, and that very few are at the top of the scale.

Although all of the five large scale community associations studied were in the same CAI Chapter, one of the five was not in the nearby Poconos. A more in-depth review was conducted to determine whether eliminating this Association from the statistical analysis would affect the outcome. The difference was insignificant (less than ½ of 1%). Therefore, it was decided to use all five associations for this document. It should be noted that the difference, although slight, pointed to overall higher average payroll costs for the four Poconos associations when the fifth (out of Poconos) community association was deleted.

D. Recommendation

The detailed analysis spread sheet, on which Exhibit E is based, should be used to provide the Board and the Community Manager with an updated financial management tool for payroll budget planning purposes in 2007 and beyond. This will require additional payroll funding, in specific categories in future budgets.

III. Detail (continued)

Section 5. Benefits

A. Summary of Current Practices

At the present time the following benefits are available to all HFCA full time employees. Part time employees do not receive benefits.

- Medical Insurance (partially paid by HFCA)
- Dental Insurance (partially paid)
- Prescription Drug Insurance (partially paid)
- Short Term Disability (fully paid)
- Long Term Disability (fully paid)
- Life Insurance (fully paid)
- Retirement Benefits (Simple IRA – 2% HFCA contribution)
- Training/Education Reimbursement (fully reimbursed)
- Travel allowance on Association Related Matters (fully reimbursed)

B. Procedure

There are no appropriate national or regional Bureau of Labor Statistics data available for use as benchmarks for comparison to HFCA employee benefit programs.

More than 60% of Pike County residents work outside the county, and their employment benefits are unknown.

Independent and small business operators who do not provide benefit programs to their employees are the largest users of labor within the county in the aggregate.

The top ten employers in Pike County account for relatively few full time workers whose job descriptions would be a good match for those of HFCA. As a point of information, HFCA is the 13th ranked employer in Pike County.

For these reasons, the Committee's analysis of employee benefits focuses on other large scale Community Associations both nationally and in the Poconos, based on two major studies.

- Foundation for Community Association Research
The CAI Manager Compensation and Salary Review, 2003
A Survey of Four hundred fifty-three Large Scale Community Association Respondents
- Survey of Five Large Scale Community Associations in the PA Delaware Valley Chapter of CAI
Compared to HFCA Spring 2006.

Section 5. Benefits (continued)

C Findings

HFCA employee benefits rank favorably compared to those of other Community Associations, both nationally and here in the PA Delaware Valley Chapter of CAI.

HFCA employee benefits compare favorably to those provided by other Pike County employers, to the limited extent that they are comparable based on anecdotal evidence.

Pennsylvania is second in the nation in retiree population, and in the top10% for obesity rates. This has a strong influence on all phases of health insurance in Pennsylvania. HFCA has been told that this may influence future premium rates for HFCA, since it is considered too small to be separately rated.

D. Recommendations

1. The Committee recommends that current benefits remain in effect through 2006.

2. Because the Committee is concerned about the strong possibility of increased costs, particularly medical care costs beginning in the new contract year that starts March 2007, it recommends that a rigorous study of current benefits and alternatives be undertaken prior to making any commitments beyond this time, and that negotiating leverage be brought to bear to the extent possible.

3. The Committee recommends that the practice of community underwriting, based on the large universe that is currently used by insurance carriers, should be challenged to the degree possible in future negotiations.

4. The Committee recommends that HFCA legal counsel should be consulted to define an appropriate definition and manner of implementing a policy for long-term disability.

III. Detail (continued)

Section 6 –Vehicles

A. Current Practices

HFCA owns a variety of trucks, automobiles, and other motorized vehicles. They are, for the most part, clearly identified as HFCA vehicles. Vehicle expenses are shown as line items in the appropriate departments in the annual budget.

These vehicles are assigned to specific functions and uses during working hours and are used by eligible employees on a pooled basis, both on and off premises as dictated by the nature of HFCA business.

The need to provide other vital community services, for example, custodial work in multiple HFCA buildings on a daily basis, is handled by a separate auto expense allowance for the employee(s) to use his/her own vehicle. This kind of usage is identified as a line item of expense for the appropriate department in the annual budgeting process.

The HFCA Community Manager has a vehicle for his/her use as part of a personal employment contract with the HFCA Board. This arrangement is similar to that of most leading Community Associations in the Poconos. At HFCA, the manager's vehicle is also used as a pool vehicle during working hours when the Community Manager is not using it. Expenses for this vehicle are included in the annual budget. This is the only vehicle, and the only employee, in this category.

Eight managing/supervisory employees in certain functions are permitted the use of HFCA owned pool vehicles for commuting between their homes and the HFCA workplace. This is the only personal use permitted.

Over the years, this "Commuting Privilege" Policy has been a useful and effective, relatively low cost, one that has served both the community and these employees well. Employees perceive it as an important point of differentiation when comparing their status to that of peers and employees at competitor organizations, most of which do not offer this privilege.

These vehicles are used in accordance with strict monitoring procedures that meet all legal, accounting and best business practices. They are also fully accounted for in the annual budgeting process, within the appropriate department, although not listed as separate line items.

B. Practices at National and Five Large Scale PA Delaware Valley Chapter of CAI Community Associations Compared to HFCA Spring 2006.

National Community Associations that provide vehicles are in the minority, although many provide a travel allowance.

Among the five Large Scale Community Associations, one provides vehicles for commuting purposes to all key employees, in a program similar to that at HFCA. One provides vehicles to the Community Manager and Golf Manager for commuting. The three remaining Community Associations do not provide vehicles for commuting but they are available for sign-out for approved business reasons when needed.

III. Detail (continued)

Section 6. Vehicles (continued)

C. Re-examination of the “Commuting Privilege” Policy

Times and conditions have changed, suggesting a new look at this program that is available only to a limited number of employees. The cost/benefit of the “Commuting Privilege” Policy is dependent on a variety of factors, beginning with type and age of the vehicle and specific commutation mileage. An employee who commutes a mile or so receives very little value. An employee who commutes long distances receives more substantial value. The value changes if the employee moves closer to, or further from, the place of work during participation in the program. Because of the variables, its value can seem to be subjective and difficult to measure. Increasingly, this creates a difficult to manage, difficult to forecast, management tool, and raises concerns as to the continued value of this program.

There is one additional consideration. As the Human Resources Ad hoc Committee reviewed all Human Resources related policies, and specifically payroll, it observed that for some HFCA employees, compensation (hourly or salaried) was not keeping pace with competitive pressures. In Section 4 of this document, the committee identified this as an issue to be addressed.

If HFCA were to phase out the “commuting privilege” program, recouped funds, although modest, could be deployed to help overcome some of the deficiencies in pay scales, beginning with those employees who would be adversely affected by this change in policy.

D. Recommendations:

The Committee recommends for the Board's consideration the following policy regarding the personal use of HFCA cars or other vehicles by employees.

- 1. All HFCA-owned vehicles will be available as pool vehicles for use by staff members when needed for the conduct of Association business and will exhibit appropriate HFCA signage.**
- 2. Effective one year from the Board's adoption of this policy, use of such vehicles for daily commuting by employees will be eliminated.**
- 3. Notwithstanding the above, the Community Manager, with approval of the Board may allow a vehicle to be used for commuting when it is deemed appropriate to meet community needs, and this information should be made public.**
- 4. During 2006 and 2007, when vehicles are still assigned to the “Commuting Privilege” program, costs will be treated as a separate line item of expense.**
- 5. The HFCA Community Manager, in consultation with the HFCA outside independent auditor should identify which costs are assigned to this line item of expense.**

The Community Manager has a personal employment contract with the Board and therefore would not be subject to this policy.

IV. Executive Summary

Section 1. Observations

HFCA Human Resources Policies and Procedures continue to be:

- Well-defined and well documented.
- Motivational and easy for employees to understand and to use.
- Compliant with all federal, state and local laws.
- Compliant with IRS regulations and best accounting practices.
- Consistent with best business practices used by other community associations and other businesses in the region and local area.

Section 2. Recommendations To The HFCA Board

1. The following HFCA policies and procedures should continue in effect as presented.
 - Human Resources Policy
 - Employee Handbook and Safety Program
2. Pay scale adjustments to correct certain identified inequities should be considered as soon as practical.
3. Additional pay scale adjustments should be phased in over time during regular budget planning cycles.
4. Employee healthcare benefits programs should continue in their present form through fiscal 2006. During this period they should be reexamined to determine if they remain affordable to HFCA, and are fair and equitable to employees. Alternatives that address both of these issues should be considered.
5. The “Commuting Privilege” policy should be phased out in an orderly fashion over a period of one year, so as not to cause undue hardship for any affected employees. The pay rates for these employees should be examined to be certain they are within the acceptable range after the program is discontinued.
6. After the period of one year, the only permitted daily commuting should be for purposes that the Community manager and the HFCA Board deem to be appropriate to meet community needs, and this information should be made public.
7. During the remainder of time that the “Commuting Privilege” program is available, expenses related to this program should be listed as a separate line item in the budget, based on Community Manager consultation with the HFCA outside independent auditor.

IV. Executive Summary (continued)

Section 2. Recommendations to the HFCA Board (continued)

8. HFCA has won national awards for the excellence of its communications programs. As part of that ongoing distinction, the Committee recommends that after the Board has reviewed and approved the document, it should make the information available to HFCA members.

- The Executive Summary should be printed in a prominent position in the Hemlock News at the earliest opportunity.
- The full report should be available at the HFCA Administration Building for members to read during business hours by appointment. Reading by appointment will ensure that a quiet place can be set aside for the reader and that this activity will not adversely affect other business activity in the office.
- The full report should be available on the HFCA website for members to download if they wish to do so.
- The full report should be available at the Hemlock Farms Library for members to read on premises, or to borrow.
- Notice of the availability of the report should be a permanent feature on Channel 14.

Section 3. A Recommendation For Additional Study

A study of current benefits and alternatives, especially in the area of containing health care costs, should be made undertaken prior to making any commitments beyond 2006. The practice of experience ratings based on a large universe, overloaded with an aging and diabetic population that is currently used by insurance carriers should be challenged to the degree possible with a smaller, more stable HFCA data base as the goal for the experience rating universe.

Section 4. Dissolution of The Human Resources Ad hoc Committee

The Committee thanks the HFCA Board for the opportunity to lead this examination of the HFCA Human Resources Policies and recommends dissolution of the Committee when the HFCA Board determines that the task is complete.

Note: Copies of this report and its exhibits are available on line at hfca.com. It may be read at the Association Office during business hours by appointment or at the Hemlock Farms Library during its hours of operation. Any page is available in hard copy for 10 cents or for the full report.

Appendix/Exhibits

- V. Appendix/Exhibits 15-24
- A. Human Resources Ad hoc Committee Member's Resumes
 - B. HFCA Organizational Chart Location
 - C. Summary of HFCA 2 006 Budgeted Payroll Costs
 - D. Resources for Researching Payroll and Benefits Costs That Are Included In This Report – Compiled 2006
 - E. Compensation Comparison Survey based on Two Resources
 - Northeast Pennsylvania Statistics
 - Five Large Scale Community Associations in the PA Delaware Valley Chapter of CAI Compared to HFCA Spring 2006
 - F. Benefits Comparisons, Foundation for Community Association Research The CAI Manager Compensation and Salary Review, 2003, A Survey of 453 Respondents
 - G. Benefits Comparisons, A Survey of Five Large Scale Associations in the PA Delaware Valley Chapter of CAI Compared to HFCA Spring 2006

HFCA Human Resources Ad hoc Committee Member's Resumes

Ed Davis

Professional: Retired pension actuary. Headed New York region of William M. Mercer, largest compensation and benefits consulting firm in the world, and served on its Board of Directors.

HFCA: Member Finance Committee. Serves on various sub-committees, including Audit and Bylaws Review

Other Community Service: Serves on Executive Committee as VP Finance of the Jamaica Service Program for Older Adults, operator of several centers and provider of various other services for seniors in South-east Queens, New York.

Charlie Eible

Professional: Long-time Superintendent of Schools, Westchester county NY. Was responsible for \$54 Million budget, and 900 member staff, with responsibilities that included development, negotiation and administration of Human Resources (personnel) policies. Was consultant to other school districts for all aspects of their development.

HFCA: Co-chair Multi-purpose Building and Steer Barn Renovation Ad hoc Committee has served on Recreation, Architectural, Planning & Land Use, Finance Committees, new Deed Restrictions Ad hoc, 2004 HR Ad hoc, served on HFCA Board for three years, President for two years.

Other Community Service: Current board member Pike County Library System Board, and member Pike County Task Force charged with planning, designing, funding and construction of a new branch library in Milford, PA

Ed Jaffe:

Professional: Trial attorney and senior partner of law firm in New York City and presently active in the practice of law.

HFCA: Former member and past president of the HFCA board of directors. Chair of the 2003 Deed Restriction committee during its entire term as an ad hoc committee; former chair of the Planning and Land Use Committee; former member of the Steer Barn Renovation Committee; former member of Act 180 liaison committee.

Other Community Service: Board member and past president of LVCC

George McDonald

Professional: Retired after 25 years as Vice President and Director, International Transport Workers Union of America. Represented 87 local unions with more than 200,000 members in Airlines, Railroads, Transportation and Utilities. Retired from NYC Transit Authority. Retired US Air Force, Chief Master Sergeant (E9) as Chief of Operations of the 274th Combat Communications Squadron.

HFCA: Member Finance Committee; former member Elections, OPPI, Public Safety Committees; past member HFCA Lake Watch Team; past president, current vice president HFVF&R Auxiliary, member HFCA Emergency Response Plan Committee.

Other Community Service: appointed to the Department of Labor, Bureau of Labor Statistics. Negotiated first rule making in the history of the Federal Railroad Administration; member Mt. Sinai Occupational Illness Advisory board; participant in the National Institute for Occupational Safety and Health regarding personal protection during responses to terrorist attacks on the World Trade Center, the Pentagon, the Murrah Federal building in Oklahoma City; Founder and Father of "Workers Memorial Day" April 28, celebrated in 70 countries.

Lee Oakes

Professional: First female Vice President Media Planning, McCann-Erickson, Interpublic Group of Companies. Concentrated in planning strategies for development of client business, new business solicitation, and entry-level management training programs, liaison to other U.S. offices for media planning and client development.

HFCA: Current chair Finance Committee, HR Ad hoc, co-chair Multi-purpose Building and Steer Barn Renovation Ad hoc, has served on Elections, OPPI, Planning & Land Use, and Recreation Committees, New Deed Restrictions Ad hoc, Act 180 Ad hoc, Fawn Hill Expansion Ad hoc, HFCA Board for six years, President for four years.

Other Community Service: Current board and executive committee member Wayne Memorial Health System, and chair Professional Affairs Committee, board member Pike County Chamber of Commerce, Pike County Industrial Development Corporation, Northeast Pennsylvania Alliance (economic development), Treasurer Pike County Interagency Council, member Advisory Committee Pike County Comprehensive Plan, and Kindred Spirits Music and Arts Programs at Grey Towers. Incorporating President and six-year board member of United Way of Pike County Inc, currently Press Secretary.

Pat Quinn

Professional: Long-time Human Resources executive and Human Resources Director with Lockheed Martin, with responsibility and specific expertise in systems analysis, employee benefits, retirement planning and counseling, union contract negotiations, executive relocation, compensation and bonus programs and Ethics Training for employees in the United States.

HFCA: Has served on Appeals, Elections, Planning & Land Use Committees, and Advisor for Visioning Plan Ad hoc, Editor Review Ad hoc, and Community Manager Review Sub-committee. Is current board member and liaison to Planning and Land Use Committee.

Other Community Service: Serves as HFCA Library volunteer, member Milford Garden Club and New York State Garden Club, member, former board member HFCA 50+ Club.

Bill Stratemeier

Professional: Vice President, Regional Director H&R Block, responsible for divisional human resources, including payroll and benefits recommendations, ordering and supplies, also responsible for marketing, budgeting and five-year plan forecasts, business, and client growth and outcomes.

HFCA: Member Finance Committee, Audit Oversight Sub-Committee, current board member, Vice President for two years, past liaison to Environmental Committee and current liaison to Public Works Committee.

Other Community Service:

Deputy Grand Knight, Knights of Columbus, Holy Name Society

Michael Zibrin

Professional: Retired President of Kingsborough Community College of CUNY, earlier, Senior Vice President in charge of Internal Operations of the college, including all aspects of Human Resources. Has an MBA in Accounting and Doctorate in Industrial Relations.

HFCA: Member Finance Committee, Audit Oversight Sub-Committee, Has served on OPPI Committee, current board member, liaison to Public Works

Other Community Service: Member, Board of Directors Rotary Club of Lords Valley.

HFCA Organizational Charts

The HFCA Organizational Chart is not available on line. It can be viewed in the Association Office during normal business hours or at the Hemlock Farms Library during hours of operation. A printed hard copy can be purchased in the office for 10 cents per page.

**RESOURCES FOR RESEARCHING
PAYROLL AND BENEFITS COSTS, THAT ARE INCLUDED IN THIS REPORT COMPILED
2006**

Northeast Pennsylvania (including Pike County) Occupational Wages - 2005

Pennsylvania Northeast Alliance
Jeffrey Box, President and CEO
Tel: 570-655-5581 (NEPA Data Center – www.nepa-alliance-org)

Pike County Industrial Development Corporation - 2005

Rachel Hendricks, Deputy Director
Tel: 570-296-7332
Center for Workforce Development Information and Analysis
www.paworkstats.state.pa.us/analyzer/drloesw.asp?geo=4204000103&cat=INC&session=OESWAGE&session=99&areaname=Pike+County&tableused=OESWAGE&defaultcode=&rollgeo=&time=20040711&currsubsessavail=&sgltime=0&siclevel=3&naicslvl=3

Foundation Community Association Research (CAI) – Full Year 2003

Community Manager and Employees Benefits
Large Scale Communities – 453 Respondents Year

**Survey of Five Large Scale Community Associations in the PA Delaware Valley Chapter of CAI
Compared to HFCA Spring 2006.**

Association Statistics, Health Benefits, Other Benefits, including Time-off Policy Compiled by HFCA May 2005. Participants included Big Bass Lake, Eagle Lake, The Hideout, Lake Naomi and Treasure Lake communities.

Exhibit E

HEMLOCK FARMS HUMAN RESOURCE AD-HOC COMMITTEE							9-May-06				
COMPENSATION COMPARISON SURVEY 2006							FINAL				
5 PA Communities									adopted 2003		
FULL-TIME POSITIONS	CA 2006		NEPA 2005		Average	Average	Average	HFCA Salary Ranges			
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
Management	A	46,000	125,000	15,344	70,841	30,172	97,921	64,046	45,000	60,000	Senior M. Positions
	B	80,000	74,000	42,875	74,773	38,813	73,337	58,000			
	C	35,000	86,000	35,950	72,236	43,827	71,456	52,250			
	D	30,000	18,000	32,911	46,830	37,511	110,045	7,316			
Plant Operators	A	30,000	65,000	28,940	75,790	42,220	85,785	58,500	40,000	55,000	Department
	B	80,000	66,000	29,726	66,584	29,863	66,886	47,728			
	C	40,000	65,000	21,556	63,283	30,778	59,142	44,960			
Department Directors	A	38,000	68,000	28,930	88,241	29,883	84,372	41,788	38,000	48,000	Assistant and Other
	B	30,000	30,000	22,511	30,000	22,511	30,000	22,511			
	C	24,000	46,000	30,852	46,795	32,296	46,368	36,997			
	D	30,000	65,000	32,267	44,731	31,129	54,866	42,997			
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										
	B										
	C										
	D										
	A										

Benefits Comparisons
The CAI Manager Compensation and Salary Review 2003
A Survey of 453 Community Managers

EMPLOYEE BENEFITS OFFERED				
Community Association Manager Compensation and Salary Survey:				
		<i>Fully paid</i>	<i>Partially paid</i>	<i>Not</i>
		<i>by Organization</i>	<i>by Organization</i>	<i>Provided</i>
Medical insurance				
CAI large-scale Communities		51.8	42.5	5.7
HFCA			X	
Life insurance				
CAI large-scale Communities		58.9	13.4	27.7
HFCA		X		
Dental insurance				
CAI large-scale Communities		43.9	30.9	25.2
HFCA			X	
Prescription insurance				
CAI large-scale Communities		38.3	43.5	18.3
HFCA			X	
Cafeteria Plan				
CAI large-scale Communities		12.8	18	69.2
HFCA				X
Short-term disability				
CAI large-scale Communities		35.1	7.3	57.6
HFCA		X		
Long-term disability				
CAI large-scale Communities		32.8	11.6	55.6
HFCA		X		
RETIREMENT PLANS:				
401(K) Plan				
CAI large-scale Communities		17.1	44.8	38.1
HFCA			SIMPLE IRA	
Pension				
CAI large-scale Communities		8.7	5.4	85.9
HFCA				X
Profit Sharing				
CAI large-scale Communities		2.8	1.1	96.1
HFCA				X
Deferred Compensation				
CAI large-scale Communities		2.8	2.8	94.4
HFCA				X

Benefits Comparisons
The CAI Manager Compensation and Salary Review 2003
A Survey of 453 Community Managers

OTHER BENEFITS:				
Car				
CAI large-scale Communities		16.3	11.1	72.6
HFCA		X		
Cell phone				
CAI large-scale Communities		60.2	13.3	26.5
HFCA			X	
Club membership				
CAI large-scale Communities		30	3.7	66.3
HFCA				X
Training/Education reimbursement				
CAI large-scale Communities		81	13.7	5.3
HFCA		X		
Travel allowance				
CAI large-scale Communities		63.6	16.6	19.8
HFCA		X		
		Average	Median	HFCA
Minimum number of hours worked by part-time employees to qualify for medical insurance				
		31.6	30	FT only
Per year:				
Number of paid vacation days				
Less than 1 year on job		2.8		0
1 year		8.4		10
2 to 5 years		11.6		10
6 to 10 years		14.4		15
Over 10 years		15.7		20
Number of paid holidays		8.2		8
Number of paid sick days		5.7		6
Can sick days be accumulated if not used?	yes		47.6	yes
	no		52.4	

A Survey of Benefits at Five Large Scale Associations in the Poconos, Spring 2006, Compared to HFCA

	HFCA	Community #1	Community #2	Community #3	Community #4	Community #5
2006 COMPENSATION AND BENEFITS SURVEY - AREA COMMUNITY ASSOCIATIONS						
Association Information:						
2006 budget, millions	\$6.0	\$5.3	\$4.7	\$2.0	\$4.35	\$5.80
2006 dues/home	\$1,423	\$1,062	\$2,900	incl Club	\$1,208	\$566
2006 dues/lot	\$872	\$1,007	\$2,650	incl Club	\$1,208	\$566
# of employees - full-time	60	59	42	21	39	32
# of employees - part-time	45	100 - 125	10	20	5	10
# of employees - seasonal	85		185	30	52	85
Community Manager Info:						
Years of experience	21	8	25	24	26	15
Professional designations	PCAM, LSM, CMCA, MSM		MCM, PCAM, CCM	MBA, MPA, PCAM	CMCA, PCAM, LSM	PCAM
Health Benefits:						
Provider Organization	Blue Cross	Principal	BC/BS	BC/BS	Geisinger	BC/BS
Type of Plan	PPO or HMO	PPO	HMO	HMO	traditional	PPO
% contribution by employer	90	70	100	100	100	100
% contribution by employee	10	30	0	0	0	0
% family coverage paid by employer	85	70	100	75	employee only	50
Dental insurance (yes/no)	yes	yes	yes	no	yes, employee	yes
Vision insurance (yes/no)	no	yes	yes	yes	yes	no
Short-term disability paid by Assoc	yes	yes	yes	yes	no	yes
Long-term disability paid by Assoc	yes	no	yes	no	no	yes
Life insurance paid by Assoc	yes	yes	yes	50,000	no	yes
Retirement Plan type	SIMPLE IRA	401K	Pension, contrib 5%	Matching 3%	401K	401K 5% mat
Other Benefits:						
Association auto (yes/no)	yes	no	yes	unlimited	yes	yes
Monthly auto allowance (amount)	n/a	300	mgr only	400	1,000	200 for 8 emplo
Cell phone (yes/no)	yes	yes	yes	no	yes	10
Training/education allowance	yes	no	yes	yes	3,200	yes
Paid professional memberships	yes	yes	yes	yes	yes	yes
Other (list)			Incentive comp. \$2,000 to \$25,000, Home computer, fax, copier	-		club members
Time Off with Pay:						
Vacation 1 yr - 5 yr: # of days	10	5	5	10	10	5
Vacation 5 yr - 10 yr: # of days	15	10	10	15	15	10
Vacation 10 yr+: # of days	20	15	15, max 20	20	20	15
Sick time (annual): # of days	6	5	combined:	3	20	5
Holidays: # per year	8	3	15 days	7	4	7
Other (list)	3 personal	4 personal 1 birthday				