

Approved Minutes of the Regular Meeting on September 19, 2009

BLUE LAKE SPRINGS HOMEOWNERS ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

DIRECTORS PRESENT: President Frank Hengel, Secretary Harry Tittle, Treasurer Teresa Rossi-Clay, and Directors Angela Logan, Doug Rischbieter, and Roy Silcox.

DIRECTOR ABSENT: Vice President Dave Ryniec.

General Manager: Tony Abila

Assistant General Manager: Marsha Hampton

President Hengel called the regular meeting to order at 9:00 a.m.

1. Member/Guest Introduction: Larry and Bobbi Haskell, Lot 731, Unit 5; Marilyn Larson, Lot 119, Unit 13; Sherry Tittle, Lot 12, Unit 1; Shiela Silcox, Lot 785, Unit 7; Tom & Marie Jones, Lot 785, Unit 7; Sue Steinberger, Lot 234, Unit 13; and Joe Morgan, Lot 282, Unit 2.

2. Member Forum: No comments.

3. Approval of Minutes:

- a) Discussion of Format for Minutes: President Hengel explained the reason for including this subject on the Agenda. He described three options for producing Board Meeting Minutes: 1. Outcome Minutes in which only what was done at the meeting is included. 2. Verbatim Minutes which is essentially a transcript of the meeting. 3. Outcome Minutes which include Board Member comments.

A lengthy discussion ensued. The following is a summary of the main concerns expressed by the Board Members and what they believe the Minutes should contain.

The Minutes produce a record of the things that the Board has agreed to do. It is an essential record, if in the future there is a need to look up what the Board did. Some members had confided it is cumbersome to have to sort through a whole lot of dialogue to find what decisions were made.

It is important to understand, not just what was done, but why. This is especially important when there is a difference of opinion. It is crucial to understand the basis for the decisions that are reached whether the vote was unanimous or not.

If the minutes contain the reasoning behind the decisions that the Board makes, it is important to make sure that the Minutes are not skewed in favor of one concept over another concept.

There are two Association documents that clarify what Minutes should contain.

The Association By-Laws and The Board Director's Guide. Both documents agree that the purpose of the Minutes are to record what was done at the meeting. It was also noted that Robert's Rule of Order also states that Minutes are a record of what was done at a meeting not a record of what was said.

b) **Director Silcox made a motion that the outcome Minutes format of the Special Meeting of August 8, 2009 be approved as written. Secretary Tittle seconded the motion.**

Manager Abila suggested that the Board write a policy that guides the staff to produce the Minutes the way that the whole Board requests. That way the staff can continually produce Minutes that are approved by the Board.

President Hengel called for the vote on the above motion. **Voting Results: Treasurer Rossi-Clay, nay; Secretary Tittle, aye; Director Roy Silcox, aye; President Hengel aye; Director Rischbieter, nay; Director Logan, nay. The motion died with three ayes and three nays.**

President Hengel instructed the staff to rewrite the Special Meeting outcome Minutes to include the salient points that supports the reasoning behind the arguments for and against the motion.

There was a discussion about creating a policy that provides guidelines for the staff. It was decided that Director Silcox and Director Logan would draft a policy pertaining to guidelines for creating Board Minutes.

c) Approval of August 15, 2009 Regular Meeting Minutes: **Director Rischbieter made a motion to approve the Minutes of the August 15, 2009 Regular Meeting as corrected. Treasurer Rossi-Clay seconded the motion.** President Hengel called for the vote. **Voting Results: Secretary Tittle, nay; Treasurer Rossi-Clay, aye; Director Rischbieter, aye; Director Silcox, nay; Director Logan, aye; President Hengel, nay. The motion died with three ayes and three nays.**

Director Logan made a motion to approve the Minutes of the August 15, 2009 Regular Meeting Minutes as submitted. President Hengel seconded the motion.

There was further discussion about the August 15, 2009 Minutes. It was pointed out that there are necessary corrections that need to be made to those Minutes.

President Hengel called for the vote. **Voting Results: Secretary Tittle, aye; Treasurer Rossi-Clay, nay; Director Rischbieter, nay; Director Silcox nay; Director Logan, aye; President Hengel, nay. The motion did not pass with two ayes and four nays.**

The approval of the August 8, 2009 Special Meeting Minutes and the August 15, 2009 Regular Meeting Minutes will be placed on the Agenda for the October 17, 2009 Regular Meeting.

4. President's Report: No report.

5. Manager's Report: Manager Abila gave the following report:

a) Operations review:

Fly In Lake will be drained at the end of October or when the Ebbetts Pass Fire Department informs the Association that the fire danger is over.

Lodge Lake will be drained one week after Fly In Lake is drained.

The turnout for Pasta Night in August was minimal. Management has met with the chef to plan some changes for next year.

The Labor Day BBQ attendance numbers were low this year. Management and the chef will review options to make this event more affordable.

A bid for purchasing a used sound system was presented. The subject will be included on next month's Board Agenda.

The outside restroom septic pump had to be replaced due to misuse of the bathroom facilities at a cost of \$1,500.

Manager Abila asked for an urgent item request. Kline's Fitness Center is selling their pool and kitchen equipment at reduced prices.

Director Silcox made a motion to give Manager Abila the latitude to purchase what he deems is necessary on an urgent request basis, not to exceed \$4,000. Secretary Tittle seconded the motion. The motion passed unanimously.

b) Fly In Acres Financial Request:

Director Rischbieter made a motion that we issue the standard bill to Fly In Homes at the standard time with the understanding that late fees or interest will not accrue and that the receipt of the payment may not come until January 2010. Director Logan seconded the motion. The motion passed unanimously.

c) Maintenance Repair:

The 1997 Ford Ranger maintenance truck is in need of repair and is out of commission at this time. Due to the continuing need for repair and the condition and age of the vehicle, Manager Abila suggested that replacing the truck should be considered in next year's budget. Repairs for the failed bottom pool valve are to be funded by the Reserve.

6. Member Forum: No comment.

7. Financial Report, Treasurer:

a) Financial Statement Review for the eighth month period ending 8/31/09:
Treasurer Rossi-Clay gave the following report:

The cost of the foreclosure proceeding paid to Cimarron in the amount of \$2707.90 is not a bad debt item. It is a service expense and should be transferred to that account. It will be proposed to the Board at the next meeting to consider this expense a bad debt.

Treasurer Rossi-Clay requested that the Personnel Committee research the issue of payment to a regular employee for a contracted service job as an independent contractor.

YTD Operating Income is \$779,369 compared to \$820,334 budgeted, a shortfall of almost \$41000. YTD Operating Expenses are \$752,140 compared with the budgeted amount of \$807,500. This is under budget by \$55,392, a net variance of (6.9%). We have a balanced budget.

The loss of projected income that we have has been made up by reduced expenses and a little increase of income from the recreation department. We project an even budget, possibly \$6,000 to the plus at the end of the year at this point.

There was discussion about whether to proceed with projects that involve Fly In Lake due to their financial situation. There was agreement that the Fly In Lake parking lot does need resealing this year.

b) Accounts Receivable status including review of delinquent account follow-up:

There was discussion on whether to increase the amount in the Reserve for Doubtful Accounts. There is debt this year that the likelihood of collecting is remote. In order to make an accurate adjustment to that account, we need to look at comprehensive accounts receivable reconciliation and that has not been completed yet.

c) Investment Options-review an update from Edward Jones: Edward Jones did not provide the information necessary to discuss this topic.

8. Committee Reports:

A. Finance: The Tax Return, an extension was requested by our CPA, has been corrected, signed and submitted for 2008.

B. Summer Recreation: Manager Abila gave the report under Manager's Report.

C. Winter Recreation: The first Winter Recreation meeting will convene Wednesday, September 23rd.

D. Marketing: Secretary Tittle reported that the committee met on September 10th. The previous two years were reviewed and the direction the committee wants to take is still under discussion.

E. Personnel: No report.

F. Architectural Review/CC & Rs: All plans have been reviewed. One plan is outstanding as additional information has been requested.

Board review of revised ARC policies will be discussed at the next Board meeting.

Application forms have been revised for conformity.

G. Facilities: Director Silcox reported that the Facilities Committee met on August 26th. The Committee walked the facilities and reviewed the items on the reserve list provided by Manager Abila. The condition of all items was satisfactory and only a few items were omitted from the list. Those missing items may be on the master list and Manager Abila will check on this. Director Silcox thanked Ron Andrade and Larry Haskell for their invaluable participation. There were items not on the list that the Committee agreed should be added. There

were also items that were not on the list because at the time of their inclusion, their cost was under the criteria for reserve items. The Committee agreed that those items, due to inflation are probably more expensive now and qualify for the \$1,000 criteria. The Committee advised the Board that those items should be added.

H. Long Range Planning:

- a) Request for Funding of \$5,000: Director Logan reported for Vice-President Ryniec. She stated that the Committee is charged with developing conceptual evaluations, ballpark prices and the pros and cons for some of the ideas. In order to get to the point of being able to provide those conceptual ideas the Committee is requesting funding in order to provide accurate proposals.

Director Logan made a motion to approve a request for \$5,000 funding to the Long Range Planning Committee in order to fulfill their commission.

A discussion followed the motion and several concerns were voiced.

One Board Member stated that it was their understanding that the committee would provide an interim report to the Board which would list opinions, ideas, and options that the Committee was considering.

There is also Fly In Lake to consider if the objective involves cost to Fly In Homes.

Director Logan responded that the committee does plan to submit an interim report but in order to submit a viable and realistic report, in some instances, outside expertise would be necessary.

It was suggested that the Committee provide the Board with a list of proposals that they are focusing on.

Director Logan revised her motion to place a \$5,000 line item in next year's budget that will be available to the Long Range Planning Committee to tap, in order to reach the interim report they expect to have, and bring to the Board for approval those major expenditures that they are expecting. Director Rischbieter seconded the motion. The motion passed unanimously.

It was agreed that the Long Range Planning Committee will be included on the agenda for the next Board meeting and provide an informational packet for the Board indicating the direction that the five sub committees are going.

I. EPPOC: The Minutes of the EPPOC meeting include a comparison profile of the local homeowners associations.

9. Old Business: None.

10. New Business:

- a) CC & R Sections 1 and 2 review. Cancelled.

b) Budgeted expenditures versus non-budgeted expenditures –approval procedures:

Treasurer Rossi-Clay reported that the 4th of July float was a non budgeted expenditure. Although other Winter Recreation events had been cancelled, allowing available money for this event, she felt a request should have come before the Board for review. She stated that in the future, she would like

budgeted expenditures, particularly over \$500 should go to the Board for review.

11. **Member Comments:** A Member stated that he appreciates reading in the Minutes what went into the decision making process.
12. **Adjournment:** President Hengel adjourned the Regular Meeting at 12:15 p.m.
13. **Closed Session:**
 - a) Delinquent Accounts
14. **Adjournment:** President Hengel adjourned the Closed Session at 12:27 p.m.

Respectfully Submitted:

Recording Secretary Marsha Hampton

Approved for Posting: November 21, 2009