

Approved Minutes of the Regular Meeting of December 20, 2008

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

DIRECTORS PRESENT: President Norm Friberg, Vice President Dave Ryniec, Treasurer Matt Salayko, Secretary Angela Logan, Director Dick Lawlor, Director Doug Rischbieter, and by telephone conference Director Teresa Rossi-Clay.

General Manager: Tony Abila  
Assistant General Manager: Marsha Hampton

President Friberg called the Regular Meeting of the Board of Directors to order at 9:00 a.m.

1. **Member/Guest Introduction:** Roy Silcox, Lot 785, Unit 7; Frank Hengel, Lot 127, Unit 2. Mr. Silcox and Mr. Hengel were former Presidents of Blue Lake Springs Board of Directors and both are current members of the Finance Committee.
  
2. **Approval of Minutes:**
  - a) Discuss and finalize format of Minutes-actions, decisions made including financial reporting: A discussion regarding substantive minutes and compliance with Corp. Code 8320 was discussed. It was agreed that Minutes are edited, submitted and approved by all board members and corrections are made that are believed to be correct, relevant and true. The tapes of the Minutes are available to all Board Members. Also, Director Rossi-Clay provided a recommendation for future financial disclosures in the Minutes to provide the membership with a clear picture of the Association's financial status.
  
  - b) Regular Meeting of November 15, 2008: **Director Rischbieter made a motion to approve the Minutes of the November 15, 2008 regular meeting as amended. Director Lawlor seconded the motion. The voting results were President Friberg, aye; Vice President Ryniec, abstained; Treasurer Salayko, aye; Secretary Logan, abstained; Director Lawlor, aye; Director Rossi-Clay, aye; and Director Rischbieter, aye. The motion passed.**
  
3. **Member/Guest Forum:** The Members present requested that they be allowed to speak as certain topics arise. President Friberg agreed that this would be appropriate. There was a discussion about allowing members and guests to speak at additional times during the meeting. It was agreed that members be allowed to speak after the General Manager's Report, in addition to the other opportunities that are on the Agenda.

**Director Rischbieter made a motion that based on Mrs. Calcasi's and Mr. Hengel's observations, that we, in future agendas have a second opportunity for member or guest comments following the General Manager's Report. Director Rossi-Clay seconded the motion.**

Discussion on the matter continued. It was decided that the topic would be on the agenda for the January 2009 Board Meeting. Director Rischbieter declared that since progress was being made on this issue, he was withdrawing his motion. President Friborg and Director Rossi-Clay agreed to rework the policy for the Board of Director's consideration in the following month.

**Secretary Logan made a motion that we allow the members present today to speak if they have pertinent points on our agenda items. Director Lawlor seconded the motion. The motion passed unanimously.**

**4. President's Report:**

- a) Board Protocol: President Friborg reiterated that if a Board Member makes outside contact with a vendor, they go through him so he is knowledgeable about what is going on. Sometimes a bill for these services ensues. The expenditure is not approved by the Board nor is the Board aware of the expenditure. He stated that he is asking again that Board Members do not go off board, but go through him and in future occurrences, he will make sure that the individual making the contact gets the bill rather than the Association getting the bill. Director Rischbieter requested that all Board Members be notified when an outside vendor is contacted by one of the Board members.
- b) Member Correspondence-Comments from members during Board Discussion: Discussed previously under Member/Guest Forum.
- c) Call for a Vote of Confidence: Moved to Closed Session.

**5. General Manager's Report:**

- a) Operations Review: Manager Abila gave the following report:  
Well #2 has always produced enough water and he recommends that it be repaired rather than abandoned. (Tony consulted with BLSMWD General Manager, Mike Herried.)  
The trees have been removed by the pool and the hillside leveled. The next step will be to put a sprinkler system in and lay the sod. Sequoia Woods GC may assist with this project.
- b) Reserve Transfer-Nov./Dec: The overages that have happened this year, with both lakes and repair items, has left the operating fund short.  
The 2008 budget was 5 1/2 percent short on revenue and 5 1/2% over on expenses. This is the cause of the Operating Fund being lower than was forecast, and the reason for the request to waive the November and December Operating transfer to the Reserve Fund.

**Director Rischbieter made a motion to waive the November and December 08 deposits to the Reserve Fund. Director Rossi-Clay seconded the motion. The motion passed unanimously.**

- c) Security Report: There has been one break in. There was no information available whether anything was taken.

**6. Financial Report, Treasurer:**

- a) Review November 2008 and YTD Financials: Treasurer Salayko gave the following report:  
Total income for November 2008 was \$80,900.93, exceeding the budgeted amount by 0.7%.  
Total expenses for November 2008 was \$71,142.10. The expenses exceeded the budget by 6.2%.

The P/L for November 2008 was \$9,758.83, a shortfall of (27.1%).  
YTD income for 2008 was \$1,051,533.83, a shortfall of \$56k or (5.1%) against the budgeted amount.  
YTD expenses for 2008 was \$1,037,019.12, exceeding the budgeted amount by \$53k, or 5.4%.  
YTD P/L for 2008 was \$14,514.71, a shortfall of \$109k, or (88.3%) against the budgeted amount.

The beginning balance in January 2008 in the Reserve Account was \$471,486.65. The ending balance as of November 2008 was \$466,372.23.

Treasurer Salayko noted that unanticipated expenditures in November account for the overages against the budgeted amount. Director Rischbieter noted his observation that it can usually be expected at the end of most years, most of the overages typically balance out with underspent amounts in other budget categories.

**Treasurer Salyako moved that the action that was taken as a Board last month regarding fee structure be amended to exclude any lot exceptions. Director Lawlor seconded the motion.**

A discussion on this motion ensued.

Frank Hengel spoke in favor of Treasurer Salayko's motion citing that if the Board desires to level the playing field in terms of all members paying the same amount, exempting certain lots was morally wrong. He also noted that the Board chose to follow the IRS position on tax exempt status rather than that of the BLS attorney.

Director Rischbieter clarified that the "attorney's opinion" had apparently not been delivered as an answer to the clear language of the referenced IRS Publication.

Directors Rossi-Clay and Rischbieter spoke in opposition to the motion making the following points: 1. No one is being exempted, only certain lots are eligible based on precedent including historically certain lots have been exempt. 2. As a social/recreational facility, multiple lot owners are not gaining additional access or privileges from paying a second Dues. 3. The Board approved a balanced 2009 budget with certain lots being exempt in the November 2008 meeting, and to change one Budget item now would unbalance the Budget. 4. We made an objective decision based on the desire and advice to remain an IRS tax exempt (501)(c)(7) organization. 5. Director Rischbieter added that the adopted Budget and Dues structure was based on a proposal that had been circulated and deliberated for almost three months, and no competing proposal had been offered or analyzed in that timeframe; to change the adopted plan based on 5-10 minutes of discussion today would be capricious.

Vice President Ryniec stated, the issue to him was each individual using the facility pay his fair share. If a person has two lots, so be it; everybody pays the same. However, we have emphasized that we are a recreational facility.

Director Logan spoke to the value of security, administration and maintenance of the general community area for which each lot pays with its dues. Director Rischbieter offered a dissenting opinion with respect to any "additional" benefits to second, undeveloped lots.

Treasurer Salayko expressed concern about the end of year balance.

President Friborg called for the question and asked Treasurer Salayko to restate his motion.

**Treasurer Salayko made a motion that the action taken last month regarding fee structure be amended to exclude any lot exemptions. Director Lawlor seconded the motion.**

Director Rossi-Clay objected to the consideration of the question.

President Friborg asked for a roll call vote on the motion and confirmed everyone understood the motion.

Director Rossi-Clay, nay; Director Lawlor, aye; Treasurer Salayko, aye; President Friborg, aye; Vice President Ryniec, abstain; Secretary Logan, nay; Director Rischbieter, nay.

Director Rischbieter noted a tie vote and that the motion dies.

## **7. Committee Reports:**

### **A. Summer & Winter Recreation:**

a) Approve Revised Policy 1300-6:

**Vice President Ryniec made a motion to accept Policy 1300-6, Certificates for Winter Recreation Committee Members as written. Director Rossi-Clay seconded the motion. The motion passed unanimously.**

Vice President Ryniec stated that some of the Winter Recreation Events have been cancelled due to lack of volunteers which include the Christmas Brunch and Casino Night. A discussion ensued about solutions to this problem.

**B. Marketing:** Secretary Logan informed the Board that the Guest Coupon for Snowflake Lodge went out, however due to the slow response, putting a coupon in the Lodge Log may be a better idea.

Encouraging members to sign up for the Association's email service was also discussed.

### **C. Human Resources:**

a) Minutes of HR meeting on 12/13/08: Director Rossi-Clay stated that the minutes will be covered in closed session.

### **D. Architectural Review: CC & Rs:**

a) Status of ARC Reviews: Director Rischbieter stated that there are two pending plans for review. For one he requested additional information, and is awaiting that prior to proceeding. A new "Reviewed" stamp for use by ARC is under consideration.

### **E. Facilities:**

a) Fly In Acres Lake repairs: Covered under Item 9(b).

**F. EPPOC:** Vice President Ryniec reported that addresses are not posted on many properties. The

Ebbetts Pass Fire Department uses street addresses when they respond to emergency calls, hence the importance of having correctly posted addresses in front of the property.

CalFire reported that most clearance violators were located outside of BLS and commended BLS for their level of compliance.

**8. Facilitator:** No report.

(Director Rischbieter needed to take temporary leave of the meeting, and was not present for the ensuing ten to fifteen minutes.)

**9. Old Business:**

a) Delinquent Accounts: **Treasurer Salayko made a motion to authorize the Association to turn over the designated properties to a collection agency, those properties being in, Unit 8, Unit 3, Unit 3, Unit 5, Unit 10, Unit 5, Unit 1, ,Unit 3, Unit 11, Unit 9, Unit 8, Unit 2, Unit 12. Director Lawlor seconded the motion. The motion passed 6-0; Director Rischbieter was not present to vote.**

b) Approval of \$10,000 expenditure for Fly-In Lake: **Director Lawlor made a motion to approve the \$10,000 or less expenditure for Fly In Lake. Treasurer Salayko seconded the motion. The motion passed 6-0; Director Rischbieter was not present to vote.**

c) Status and timeline of Proposed By-Laws for vote i.e. publishing, distributing, returning, tabulating, and reporting to membership: The mailing of the Revised By-Laws and ballot will take place in February 2009.

**10. New Business:**

a) Discuss format for clearly presenting agenda items: Director Rossi-Clay requested that items placed on the agenda be worded as submitted. She further stated that it is important for the agenda items to be as descriptive as possible for the benefit of the Board and the Membership.

b) Establish committee (2 Board members & 2 regular members) to review the effectiveness of Marketing/Promotional programs: President Friberg stated that he would like to see the results of our efforts in this area. The committee will include Secretary Logan, Member Frank Hengel, and Director Rischbieter, and a fourth member of the Association.

**11. Member Comments:** None; the members present earlier had departed.

**12. Correspondence: FYI Only**

Draft Long-Range Planning Committee Concept Document

Director Rossi-Clay pointed out that the Long Range Planning Committee duration can only extend through the term of the present Board which is June 2009 and not May 2010 as stated in the Draft.

**13. Adjournment:** President Friberg adjourned the regular meeting at 12:00 p.m.

**14. Closed Session:**

- a) Establish Holiday Gift/Bonus  
Approved Christmas gifts for employees
  
- b) Consideration of salary/wage data for 2009.  
Reviewed 2009 salary information.  
Redefined Recreation Director's duties.  
Reviewed position titles, wages, and job descriptions.  
At President Friborg's request, expressed a vote of confidence in the General Manager.

Respectfully Submitted:

Recording Secretary Marsha Hampton

Approved for Posting: January 17, 2009

