

Approved Minutes of the Regular Meeting on October 18, 2014

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

DIRECTORS PRESENT: President Bev Vasquez, Vice President Pete Padelford, Treasurer Kevin Anel, Secretary Mike McAtee, Directors Doug Nunes and Linda Penney.

DIRECTOR ABSENT: Director Michele Stahlberg

General Manager Tony Abila Assistant General Manager Marsha Hampton

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

1. **Member/Guest Introduction:** Three members attended the meeting.
2. **Member/Guest Comments:** One member stated that he had heard the Board was considering building a new lodge. President Vasquez informed the member that there were no such plans.
3. **Consent Agenda:**
 - a) Approval of Minutes of the September 20, 2014 Regular Meeting:
Secretary McAtee made a motion to approve the Minutes of the September 20, 2014, Regular Meeting. Director Penney seconded the motion. The motion passed with five yeas and one abstention. Director Nunes was absent at the September 20, 2014 meeting.
4. **Committee Reports:** Acceptance of Committee Reports.
Director Penney made a motion to accept the Committee Reports. Treasurer Anel seconded the motion. The motion passed unanimously. All reports will be summarized and discussed under Committee Reports.
5. **President's Report:** President Vasquez gave the following report:
As we get into the task of reviewing the preliminary budget and then in November voting on a budget for 2015, it is important that we keep in mind a number of issues.
 1. The Asset Reserve Account has not been funded enough for a number of years. While the Reserve Account should have been increased annually, other issues took priority. We now find the Reserve Account underfunded. To remedy this situation, in 2013 a policy was put in place that requires all future Boards to fund the reserve account on an annual basis. We believe that it is in the best interest of all our members to have a properly funded Reserve Account.
 2. Just as it is with your home, as years go by, there are things you need to do to keep your home in good condition...a roof replacement, painting, a new septic system...and so, we too (BLS), after 50 years, are finding that there are major projects that need to be completed so that we continue to enjoy Blue Lake Springs and all that it offers. There is a failed septic system at Fly-In Lake. The bathroom at Fly-In is a disgrace. Both lakes are in need of dredging so that the accumulated silt can be removed and the lakes continue to stay healthy. Along with these projects, we still have the responsibility to maintain other areas of the facility, such as tennis courts, pool, and the Lodge just to name a few.

3. Also keep in mind that there have been many increases in costs. Minimum wage was increased in 2014, with another increase coming in 2015. The cost of goods has been steadily rising, and we will see increases in worker's compensation as well as other areas.
4. Finally, and very important to consider, is that we have probably the best complete staff that BLS has ever had. It is important to be able to keep this staff intact. Many of these employees have not seen an increase in pay for several years.

Keep in mind these issues and what will best serve our membership and the value of their properties as you review the 2015 proposed budget.

We have an important responsibility in front of us.

6. General Manager's Report:

- a) Operational Review: Manager Abila gave the following report:

The Lodge Lake and Fly In Lake will be drained the first week of November, however if the fire danger is still a concern of CalFire, the draining may be postponed for an additional one to two weeks.

The new menu is currently being used and is on the website.

7. Treasurer's Report:

- a) Financial Review YTD: Treasurer Andel gave the following report:

September 2014 income was \$90,054 which was (\$9,067) or (9.1%) lower than the budgeted amount. September 2014 expenses were \$86,952 which was better than the budgeted amount by (\$8,313) or (8.7%). The actual net gain for September 2014 was \$3,102 or 3.6%. Restaurant income missed the budgeted amount by (\$3,307). The income for recreation was overestimated in the budget and therefore missed the budgeted amount by (\$3,754). Snack bar also missed the budget by (\$983). September expenses were better than the budgeted amount in all departments except Maintenance at (\$2,627) and Utilities at (\$1,870). A contributing factor under Utilities was the higher usage of Propane due to keeping the pool open all of September.

September YTD income was \$1,010,198 which was under the budgeted amount by (\$9,533) or (0.9%). YTD expenses were \$966,053 which was under the budgeted amount by (\$38,180) or (3.8%). YTD Net Gain (Actual) was \$44,145 or 4.6% better than expenses. Administrative income (Reimbursements & Refunds) were better than the budgeted amount which was a contributing factor for the Net Gain. YTD expenses were over the budgeted amount in Maintenance and Utilities only. All other department expenses were under the budgeted amount.

8. Committee Reports:

- A. Finance:** Treasurer Andel gave the following report:

Three CDs have matured and it was agreed that all three be reinvested after reviewing the CD rates and reviewing the larger expenses in the Three Year Asset Review document. These expenses include the failed septic system at Fly In Lake and the dredging in Fly In Lake and the Lodge Lake. The bathrooms at Fly In Lake have also been identified in the three Year Assessment Review as requiring replacement.

Treasurer Andel informed the Board that the 2015 budget is in the final stages of completion and will be on the Agenda for approval at the November Board Meeting. He

requested that the Directors review the draft budget and contact him with any questions. Treasurer Andel stated that the bathrooms at Fly In Lake were not included in the Reserve Study. Manager Abila explained that items that have over a thirty year life were not included in the Reserve Study. The bathrooms are over thirty years old and therefore were not included. Treasurer Andel recommended putting the bathrooms at Fly In Lake back on the Reserve Study.

Secretary McAtee made a motion to include the bathrooms at Fly In Lake in the Reserve Study. Vice President Padelford seconded the motion. The motion passed unanimously.

B. Summer Recreation: No report.

C. Winter Recreation: No Report.

D. Architectural Review: Manager Abila reported that there was one paint and one garage application.

E. Facilities/Long Range Planning: Manager Abila reported that a letter went out soliciting for a project manager for the dredging of the lakes. So far, there has been three responses and he has met with one engineer.

F. Snowflake Lodge: President Vasquez reported that the new menu is out; the new dance floor is in the process of being refurbished; new salt/pepper shakers and new table lights were purchased. The Lodge Manager is working on marketing to increase the number of diners during the slow time of year.

G. Special Projects: No report.

H. VIP: Vice President Padelford gave the following report:

CALFIRE has requested the VIP program develop and implement a plan for a fire break around Blue Lake Springs Subdivision. This fire break would be 100 foot minimum to 300 foot maximum wide. Blue Lake Springs is the largest subdivision in Arnold so this extensive fire break will benefit the whole community. There is grant money available for just this type of project. We are looking for someone with experience writing grants to help us with this.

With the help of Louise Cooke and CALFIRE we are also working on getting our Fire Wise Designation Application in by the December 31st deadline.

Director Nunes reported about the EPPOC meeting. There has been an increase in economic growth in the Arnold area, some of the increase is due to the Bear Valley Ski Resort.

9. Old Business:

a) Approval of Policy 500 A-4, Issuance of Membership Cards:

Director Penney made a motion to approve Policy 500 A-4, Issuance of Membership Cards. Secretary McAtee seconded the motion. The motion passed unanimously.

10. New Business: None.

11. Member Comments: A member suggested eliminating the bathrooms at Fly In Lake and using portables instead.

12. Correspondence: None.

13. Closed Session:

- a) Delinquent Accounts: Several delinquent accounts were discussed.
- b) Personnel: No discussion.

14. Open Session:

- a) Consider approval of lien: **Vice President Padelford made a motion that the Board of Directors accept the Association's Attorney's recommendation to delay the filing of the lien on the property with APN# 026015002 until further communication with the Association Attorney. Director Nunes seconded the motion. The motion passed unanimously.**

15. Adjournment: Vice President Vasquez adjourned the meeting at 11:37 p.m.

Respectfully submitted,
Recording Secretary Marsha Hampton
Approved for posting: November 15, 2014