

Approved minutes of the regular Board of Directors meeting July 15, 2017

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

1. **Call to order:** 9:00am
2. **Roll Call:** Directors Present: President Chris Gosswiller, Vice President Bev Vasquez, Treasurer Guy Pollak, and Directors Bob Podesta, Bruce Utter, and Denny Clemens

Staff Present-

General Manager: Tony Abila

Assistant General Manager: Amber Meyer

Absent: Secretary Jimmy Cooke

3. **Member/Guest Introduction:** 4 members attended the meeting
4. **Member/Guest comments:** Member comments on cleaning property and where pine needles are supposed to go if no one is willing to take them. Member mentioned if we had an area to collect the pine needles and hold for summer, it could be burned when season opens again. Discussion on what the options may be on collecting pine needles, and being shut down by Cal Fire if we collect over a certain amount pine needles. Members comments regarding Frisbee Gold course at White Pines, and the usage. Would a Frisbee Golf course be worth the cost versus how many people would actually use it? Members comments on facility usage of homeowners vs. guest/renters.
5. **Approval of Minutes of the Regular Board Meeting June 17, 2017 meeting:**

Director Utter motioned to approve the minutes for the June 17, 2017 meeting. Treasurer Pollak seconded the motion. The motion passed unanimously.

6. Presidents Report: President Gosswiller gave the following report:

Good Morning,

We are in the middle of summer and the heat is on! We had huge crowds using our facilities at Lodge Lake and Fly-In Lake. In a five-day period starting Friday, June 30 and ending on July 4th, 4,806 people used our facilities! That is 961 people per day! The Lodge property had 3,674 people over this five-day period which is 734 people per day. The Fly-In lake property had 1,132 people over the five-day period which is 226 people per day. It is pretty obvious that we need to develop the Fly in Lake property with proposed improvements to take the demand off of the Lodge Lake property. Our Long Range Planning Committee and the Finance Committee are reviewing plans and our finances to see what can be done. Total revenue from passes sold was \$13,572. We are looking at various ways to increase our profit from the sale of passes. I have no doubt that if the 4th of July had been on a weekend, our numbers would have been much greater!

The lawsuit from a member disputing our assessment policy appears to be finally going to trial in early August. This lawsuit has cost our membership over \$200,000 to date. I am hopeful the end is in sight.

Our Emergency assessment for the storm damage was mailed out in June for \$55.00 per lot. I have not received any negative comments from our membership, in fact, just the opposite. Our members understand and wish to maintain and preserve their investment in Blue Lake Springs.

Guy Pollak's Finance Committee will be hard at work in the next few months establishing the 2018 budget. It is almost a forgone conclusion that our annual assessment will be increasing due to lawsuit costs and mandatory minimum wage increases. We are looking at every dollar spent and seeking ways to save money.

Our Employee Appreciation Luncheon is scheduled for Friday, August 11th and 12 noon. This is an annual event where the Board of Directors serves hamburgers and hotdogs to our wonderful employees to thank them. I hope that all the Board of Directors are able to attend.

Chris Gosswiller, President

7. Manager's Report: Manager Abila reported

- Legal Fees: Cost to Date \$217,084. This has directly impacted the 2017 Budget and Management is projecting a shortfall by the end of 2017.
- Sale of BLS property: Staff is working on property. Management met with purchasers and agreed that an October closing date would be more in order. Management and staff have not had any responses from contractors. Currently staff is chipping slash.
- Reserve Study: General Manager has started on the three-year update on the Association Reserve Study. Study will be completed for August meeting.
- CC&R report: Several non-operational vehicles have been reported and owners notified. A mattress was also reported. Management has noticed and upswing in CC&R Violations that are coming from Full Time Rentals in the subdivision.
- Lake report: Fly-In lake- Due to scheduling a full-time maintenance employee at Fly-In Lake, the property has never looked better. Lodge Lake- It was determined the aeration system was warming the water temperature to 74 degrees, which is in turn why fish were lost in the lake.
- Replacement Bridge and new floating dock at Fly-In: Fish and Game is looking at project and has not responded.

8. Operating Accounts: \$257,084 Reserve Account: \$316,125

Month of June

Income: \$ 261,625

Expenses: \$ 229,949

Net: \$31,676

YTD

Income: \$934,737
Expenses: \$962, 117
Net: (\$27,380)

9. **Treasurers Report:** Treasurer Pollack reported the current accounting program being used is showing a true year to date balance, as opposed to the previous program. Expenses in all departments was higher than normal due to startup costs for recreation, employee wages and extra maintenance crew for damage repair. Expect to see expenses smooth out for July and moving forward as the income comes in from the season. A side by side comparison of actual expenses vs. budgeted expenses will be presented for easier comparison.

10. **Committee Reports:**
 - A. **Finance:** Treasurer Pollak reported the Budget Preparation Calendar is being worked on and will begin August 9th. All Board Members are invited to attend and finance committee and budget meetings for 2018 budget. The assessment amount, although too early to tell how much, will be increasing. The asset reserve account is sustaining itself, but the growth aspect of that account needs to be worked on. Another thing that will be looked at is cost in each department for 2018. It was noted the annual assessment would be considerably higher was there no income from the restaurant or summer recreation coming in.
 - B. **Summer Recreation:** Staff very happy about additional POS system, makes check in easier. Committee will be holding a meeting on August 10th to go over fees for renters and guests, and also to look at Recreation Book for 2018.
 - C. **Events Committee:** No report
 - D. **Architectural Review:** 3 sets of plans for review
 - E. **Facilities/ Long Range Planning:** Met on Tuesday, July 11th. We went on a tour of the facilities at the Lodge property to see the repairs that have been made since the winter storms. The repairs are approximately 50% completed to date. Management also pointed out the many improvements to the property which have enhanced the beauty and enjoyment to our membership. The pathways around Lodge Lake have been restored after being washed out, with future plans to make the pathways more level. The amphitheater is nearing completion. Additional decking with lounge chairs has been built on the outside of the tennis courts with great views of the lake. The Grounds look beautiful and our Maintenance crew should be commended for their efforts. The committee reviewed the information supplied by realtor regarding the proposed sale of 7 small lots in BLS. The committee recommends the Board proceed with the sale of the lots. Prices to be determined by the Board, but it is the recommendation of the committee that base price estimate be increased to cover the cost of selling the properties. The future projects list has been adjusted due to extensive repairs caused by Winter storms.
 - F. **Special Projects:** No report
 - G. **Bylaws & CC&R's:** No Report

11. **Fire Prevention:** In Director Cooke's absence, Doug Nunes reported on inspection numbers. There were 1069 properties that failed 1st inspection. 500 did not pass 2nd inspection. Of those 500 that did not pass, 179 properties were deemed the "worst". Of those 179, 101 had logs on the ground making it difficult to clean up. Those properties will not be evaluated for Cal Fire enforcement. That leaves 78 with issues not resolved to be evaluated by Cal Fire for citation. There were 51 "lot cleaner" properties not yet done that will be re-inspected. Twenty-three requested extension, and were granted until August 15th to complete the clean-up. Three-hundred and two VIP hours were logged on both inspections. The law enforcement officer for Cal fire will review all of the properties, and will issue citations to those who have not complied. Pete Pedelford reported he attended the tree mortality meeting on Wednesday July, 12th. PG&E reports there should be an increase in the next week with their tree removal program. Pete reported he is concerned with the changes Cal Fire is making to the VIP program in 2018, and whether or not it will continue in the Ebbetts Pass area.

12. **EPPOC:** No Report

13. **Old Business:** Update on member's legal litigation on Assessment dispute- will update in closed session.

Update on extra BLS small lots for sale- Realtor gave estimated base sales prices for each property. Can discuss pricing in closed section

Director Clemens motioned to increase base sales price of properties for sale by BLS by 50%, and to split closing costs. Director Utter seconded the motion. The motion passed unanimously.

New Business: Directors review of Bylaws Article 5, section 5.11 "Election and Terms of Office". Suggestion was made to review this article, and move the required number of directors from 7 to 5, because of lack of volunteers to serve on the Board. Any revision would need to go to Members for vote, and require a simple majority.

Correspondence: 4 letters were received and reviewed by the Board

14. Closed Session: 12:00pm

15. Adjournment: 12:00pm

Respectfully submitted: Amber Meyer