



**BLUE LAKE SPRINGS HOMEOWNERS' ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS**

**Saturday, September 18, 2021
Snowflake Lodge and via Zoom**

1. **Call to order:** 9:00 am by President Prosisie
2. **Roll Call:** Directors Present: President Kevin Prosisie, Vice President Roxanne Dubois (via zoom), Secretary Nancy Dommes, Treasurer Joanne Schultz, Directors Kayleen Clemens, Rick Giorgetti, and Dale Ward. A quorum was established.

Staff Present: General Manager Tony Abila
3. **Executive Session:** Delinquent accounts and CC&R violations and legal matters were discussed
4. **Open Session:** 9:30 am President Prosisie reported the Board requested to meet with the Association's attorney regarding the ongoing lawsuit update.
5. **President's Update:** President Prosisie's update included impact of COVID on the facility, staffing issues, California fires, etc., to be addressed by the Board, as needed..
6. **Open Forum-Members' Comments:** 9 members attended the meeting via Zoom. 18 members attended in person. Member comments included:
 - Questioning the reason for a standing restaurant committee so soon after the last and what data drove this decision. Comment regarding the restaurant refuted claims previous restaurant committee recommendations were implemented. Concern expressed about a proposed change in restaurant budgeting.
 - Written correspondence received requested putting a burger on the menu
 - Question asked regarding the status of the lawsuit
7. **Approval of Minutes:** Approval of prior month's meeting minutes. Director Ward moved, "To approve the meeting minutes of the August 21, 2021, Regular Board of Directors' Meeting with changes." The motion was seconded and passed unanimously

8. General Manager's Report: Manager Abila reported

- Delinquent Accounts: The current list was discussed in closed session.
- CC&R Report: Discussed in closed session
- Ongoing Lawsuit: Total cost of legal proceedings included in the Board book and discussed in closed session. Management shared the Association prevailed in the latest appeal.
- PPP Loan: Notice of forgiveness of loan included in the Board book
- 2022 Budget: General Manager is currently working with the Finance Committee on the 2022 Budget
- Wooden Pool Decking: Staff is currently contacting an engineer to review the deck's condition and determine next steps to take.
- Outdoor Space (above Restaurant): Staff has contacted an arborist to schedule a site review. Meeting is scheduled for the end of the month.
- Retaining Wall: Staff is currently working on the removal of the current retaining wall in the pool area
- Restaurant Report: Included in the Board book for review.
- Snack Bar Report: Included in Board book for review
- Summer Recreation: Included in Board book for review

9. Treasurer's Report: Treasurer Schultz reported the following:

- A. During the recent Finance Committee (FC) meeting:
 - Reviewed possible investment options
 - Recapped monthly CID meeting
 - Reviewed required July documentation, including Amazon invoices
 - First draft of 2022 Budget assumptions
 - Reviewed Levy, Erlanger, & Co. engagement letter
- B. Investment Policy: The Governing Documents Review Committee reviewed the Investment Policy. Most of the changes were editorial, but it is also clear more discussion is needed before it can be formalized to provide additional income to the Reserve Investment Fund. This has been tabled until January.
- C. CID Meeting: A small group met with CIDC and continued discussions on questions the Treasurer and the FC had on the July financials. Most questions were addressed and adjusted.
- D. 2022 Budget Assumptions: The budget was discussed briefly, and the proposed budget assumptions were reviewed. The General Manager has begun the budget process and is updating the employee cost figures. The HR committee will meet to review staffing decisions. A list of proposed replacements were reviewed by the Board President and will be presented at the October Board meeting. Questions concerning the past years' replacements deemed allowable for 2021 will be reviewed. The committee received a copy of the assessment history which will also be presented to the Board in a graphic at the time the Board is ready to vote on the budget.

- E. July Financial Review: The July balance sheet was reviewed. Operating accounts show a balance of \$849,842 down from \$930,787. Accounts receivables continue to go down and is now \$53,544 down from \$78,787 with a bad debt allowance of \$70,000. The Reserve Fund has increased to \$950,825, up from \$932,087, with approximately \$127,000 replacements left to be completed.

The Net Revenue over expenditures for July is at \$142, 011. Revenue is over budget by \$15,275. The Net Expenditure savings is \$111,300 made up mostly of salary savings of \$83,878 of which 42% is from the restaurant.

- F. Restaurant Review: Included in the Board book were the approved recommendations sent to the former restaurant committee. It contains a summary of the various Board presentations including one done at the May, 2021 Board meeting. Also included is an introduction to the work, detailed progress report on restaurant costs, and a financial statement from the IntACCT accounting system included within the overall HOA Financials, and a report pulled from actual data. An extensive review of restaurant financials was presented by Treasurer Schultz.
- G. Engagement Letter: The committee received the engagement letter for the 2021 audit. It is the same cost as the last two years and with the relationship that we have built with the firm and their expertise in HOA auditing, it is a good fit.

H. Report Certification Disclaimer

Just a reminder when the Treasurer and the Finance Committee recommend certification of the Financial Statements it does not mean the reports are perfect and/or are 100% accurate. It means the reports have been reviewed and necessary adjustments identified. It is the opinion of the Treasurer and FC that further review and/or any identified changes are not material.

I. Recommendations

- July 2021 Financial Statements. The Finance Committee reviewed the transaction reports, as well as the Balance Sheet, Revenue and Expense statement, Budget to Actual, and the President and the Treasurer reviewed the Bank Statements. Director Clemens moved, **“To certify the July 2021 financial statements as presented.”** The motion was seconded and passed unanimously.
- 2021 Audit Engagement Letter. Director Ward moved to **“Accept the accounting firm of Levy, Erlanger & Company LLP to conduct the Blue Lake Springs’ 2021 audit for a cost not to exceed \$7,595.”** The motion was seconded and passed unanimously.

10. **Board Committee Reports:**

- **Facilities and Long-Range Planning** - Vice President Dubois reported the Committee has submitted 8 proposals for Board consideration.
 - Installation of Sign at Fly-In Lake: Treasurer Schultz moved, **“To install a sign at Fly-in Lake made with milled logs, utilizing the staff in the off**

season, mirroring the sign at the Lodge; not to exceed \$400.” The motion was seconded and passed with 6 yeas, with Director Ward abstaining.

- Several proposals were sent back to FLRPC for more information, including outsourcing HOA election.
- **Events Committee** - Secretary Dommes reported the committee had its first meeting and Volunteers were recognized. The member events under the umbrella of the Events Committee were discussed. Meetings are the first Wednesday of each month at 10am
- **Governing Documents Committee** - Secretary Dommes will report on committee happenings in October.
- **Architectural Review Committee (ARC)** - Director Ward reported the following ARC approvals:
 - Garage approval
 - Paint approvals
 - Tree removals
- **Facility Usage and Fees Committee** - Director Ward reported the committee met to review facility usage numbers from Summer 2021. They will continue to work on visual representation of the number of people using the grounds.
- **EPPOC**: Director Clemens will report out at the October meeting
- **Dining Facilities and Food Services Committee**: Director Giorgetti presented the charter of the committee: *To develop and support operational and financial plans to leverage the current and future BLSHA Membership dining facilities, with the goal of increasing membership participation at a reasonable financial contribution level.*

11. Fire Prevention Program: Thomas Hein submitted the following report:

- Fire Wise: 2022 Fire Wise Application was submitted and is awaiting approval.
- Property Clean-up: A Moran Rd. property with many dead trees was sold and the new deed is forthcoming. When the new owners are known, the HOA will contact them to assist, where possible, in coordinating clean-up efforts. Another property needing clean-up is also being sold and includes an agreement to clean-up the property. These two properties are two of the highest threats to adjacent BLSHA property owners.
- Bark Beetle: The beetle is omnipresent and is attacking clusters of trees.

12. A. New Business:

- Feasibility of pine needle/slash drop off: Deferred to October meeting
- Lodge Log Updates: The monthly calendar in the Lodge Log will be reinstated showing dates and times of BLSHA sponsored activities and include dates when the Lodge is being reserved by outside groups.

B. Old Business:

- Resolution for use of excess funds: Electronic ballot for resolution is acceptable and will be emailed to the membership. Will be presented at October meeting for membership vote.

13. Closing Comments: Director Ward requested an agenda item for October to add an Ad-Hoc Rental Committee

14. Adjourn: Meeting was adjourned at 12:32pm to the next meeting on Saturday, October 16, 2021, 9am for Executive Session, 9:30am for Open Session

Minutes recorded by:
Amber Meyer, Assistant General Manager

Blue Lake Springs Homeowners' Association

Secretary's Certificate of Minutes

Minutes of the Blue Lake Springs Board of Directors meeting held
on Sept 18, 2021

as written

I certify that the foregoing is a true and correct copy of the minutes approved
by the Blue Lake Springs Homeowners' Association Board of Directors

Nancy Dommes
Nancy Dommes, Secretary
Blue Lake Springs Homeowners' Association

Oct 16, 2021
Date