

Approved Minutes of the Regular Meeting of January 17, 2009

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

DIRECTORS PRESENT: President Norm Friborg, Vice President Dave Ryniec, Secretary Angela Logan, Treasurer Matt Salayko, and Directors Dick Lawlor, Teresa Rossi-Clay, and Doug Rischbieter.

General Manager: Tony Abila

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

1. **Member/Guest Introduction:** Frank Hengel, Lot 127, Unit 2, Roy Silcox, Lot 785-07; Luann Baugher and Dave Baugher, Lot 801, Unit 7; Cindy Culcasi, Lot 104, Unit 11.
2. **Member/Guest Forum:** President Friborg presented Policy 500 A-22 as revised before moving to Member/Guest Forum, originally listed on the Agenda under President's Report a). **Director Rossi-Clay made a motion to approve the Policy 500 A-22, Member Meeting Rules For Association Meetings, with revisions as written. Director Lawlor seconded the motion. The motion passed unanimously.** The revisions include allowing members to provide comments at the beginning of an agenda item prior to board deliberations.

Member Roy Silcox requested that his prepared statement be made part of the record of this meeting.

Roy Silcox: Lot 785, Unit 7, Past Board President 2005-2006.

The following is a summary of the statement that Mr. Silcox read to the Board:

Subject: Unimproved Lot and Associate Member assessment violations.

The publication which guides homeowners associations cites in California Corporation Code 1366(b) that yearly assessments cannot be increased by more than 20% over the previous year. He asked that management mail revised statements accompanied by a letter of explanation. He further requested that a meeting of the Finance Committee (of which he is a member) be reconvened for determining what changes would have to be made in the 2009 budget due to a decrease in income.

Mr. Silcox's written statement is retained by the Association and stored with the audio tape of this meeting.

Member Frank Hengel requested that the following joint statement be made part of the record of this meeting.

Frank Hengel, Lot 127, Unit 2; Past Board President 2004-2005.

Roy Silcox, Lot 785, Unit 7; Past Board President 2005-2006.

The following is a summary of the statement that Mr. Hengel read to the Board:

Subject: Board action to exempt multiple lots owned by a single member and excessive annual assessment fees.

Dues for undeveloped lots and associate memberships were increased beyond the limits provided for in California Civil Code 1366(b). In the attempt to equalize the annual assessment, the Board voted to exempt approximately 138 lots from paying any annual assessment. These lots belong to members owning more than one lot. Two present Board members fall in this category. These exemptions will reduce the Association's income by \$54,924.00 He proposed that the Board reconsider this arbitrary exemption and include all lots in the annual assessment. If exempted lots continue, the result will be substantial assessment increases in the future.

The joint Hengel/Silcox written statement is retained by the Association and stored with the audio tape of this meeting.

Director Rischbieter maintained that all actions the Board has taken were not arbitrary and were for purposes and in manners that are consistent with all law and Codes.

3. Approval of Minutes: Director Rischbieter made a motion to approve the Minutes of the December 20, 2008 regular meeting. Director Lawlor seconded the motion. The motion passed unanimously.

4. President's Report:

- a) Policy 500 A-22 revision and adoption: Was discussed under Member Forum.
- b) Update Policy 500 A-3: Disregard.
- c) Selection of election inspector(s): President Friborg stated that when he knows the date of the By-Law Revision Election he will seek a volunteer(s) to be the election inspector(s).
Director Rossi-Clay stated that there are three guidelines recommended by Davis-Stirling for selecting election inspectors, the first, which is most commonly followed, is that the Board select election inspectors.

5. General Manager's Report:

- a) Operations Review: Manager Abila gave the following report:
The Fly In Lake repair timeline depends on the weather. The lake will be filled for summer usage. The heating/cooling problem in the recreation office was discussed. Options are being researched. The Lodge Lake valve will be closed next week to capture as much water as possible due to the lack of snow/rain.
- b) Status of By-Law Election: All printing of By-Laws and envelopes will be in the office on the 19th. The ballot instructions will need to be printed after the date of inspection is decided.
- c) Updating Fire Suppression System-Snack Bar: The fire suppression system needs to be replaced before the next inspection in May 2009.
- d) Agenda Items-March Meeting: President Friborg requested that agenda items be submitted to Vice President Ryniec for the next Board Meeting.

6. Member Forum: Member Cindy Culcasi stated that she likes the emails sent out by the Association

Office that informs members of weather and road conditions in Arnold.

Member Luann Baugher requested clarification of exemptions available to owners of multiple lots.

Secretary Logan explained that the Board looked at the way the Association was structured. She stated that because we are a recreational club and therefore tax exempt, the members using the facilities should not be charged multiple times. Director Rischbieter brought Mrs. Baugher's attention to a "Frequently Asked Questions" sheet that had been prepared for staff use, the aim of which was to answer all questions that might arise about the 2009 dues structure.

Member Luann Baugher indicated that the explanation was helpful and that she never felt it was right that she, as an Associate Member who is a non-BLS resident of the area, paid less dues while having full use of the facilities.

Further discussion ensued about exempt lots, fee restructuring and tax exemption and what the cost would be to the Association if the Association went non exempt.

7. Financial Report: Treasurer Salayko gave the following report:

- a) Review December 2008 and YTD Financials: Treasurer Salayko expressed his concern about the low balance in the Operating Account at the end of the 2008 year.

Total income for December 2008 was \$85,606.65, a shortfall of \$9,590.35, or (10.1%) against the budgeted amount.

Total expenses for December 2008 was \$63,561.61, under the budgeted amount by (\$14,843.39) or (18.9%).

YTD income for 2008 was \$1,137,140.48, a shortfall of (\$65,690.52) or (5.5%) against the budgeted amount.

YTD expenses for 2008 was \$1,100,580.73, exceeding the budgeted amount by \$38,198.73 or 3.6%.

YTD P/L for 2008 was \$36,559.75, a shortfall of (\$103,889.25), or (74%) against the budgeted amount.

The beginning balance in January 2008 in the Reserve Account was \$471,486.65. The ending balance as of December 31, 2008 was \$448,008.59.

8. Committee Reports:

- A. Summer and Winter Recreation:** Vice President Ryniec reported that the attendance at the New Year's Eve Dinner/Dance was low. There was discussion about allowing members to invite guests to this event.

B. Marketing:

- a) Promotional Evaluation Committee: Secretary Logan reported that this committee has not met yet.

C. Human Resources:

- a) Updates regarding performance evaluations, 1099s and Salary Validations: Director Rossi-Clay reported that all performance evaluations and salary validations have been

completed and the General Manager will ensure the 1099s are prepared on time.

D. Architectural Review/CC & Rs:

a) Status of ARC reviews: Director Rischbieter stated that two plans have been reviewed.

He also stated that one of the plans has not been signed off by the water company. Manager Abila will investigate. Director Rischbieter was still awaiting a plot plan that had not been submitted with one of the submitted plans.

E. Facilities:

1) Long Range Planning Committee:

Director Lawlor made a motion to accept the document titled ‘Action to Form a Long Range Planning Committee January 2009’ as a basis for the future Long Range Planning Committee. Treasurer Salayko seconded the motion.

A discussion ensued about whether to end the committee in June, 2009 or extend to June 2010.

Director Rischbieter suggested amending the document and motion to include, **The Board form the Committee contingent on authorizing it for the current Board’s term and recommending the next Board reauthorize it for 2009-10. The amended motion, referring to the amended document, passed unanimously.**

F. EPPOC: Vice President Ryniec reported that the highlights at the last meeting included the following:

There have been layoffs at the County Building Department.

The number of county water hookups is down.

The Solid Waste issue was not discussed. All deposal sites continue to operate without change.

9. Facilitator: No report.

10. Old Business: Secretary Logan asked if the financial committee could give the Board an evaluation of the financial impact on the restructured fee schedule versus giving up the tax exempt status.

A discussion ensued on whether to do this analysis. It was decided to reconvene the Finance Committee to evaluate the dues structure and revised budget.

11. New Business:

a) Director Ryniec’s Raffle idea: Vice President Ryniec proposed using a raffle to encourage members to vote when a supermajority quorum is needed. The Board was supportive of considering a raffle in such cases.

12. Member Comments: Member Hengel discussed the quorum requirements and the Board’s choice to not use proxies.

Director Rossi-Clay advised that election inspectors are to extend the deadlines for returned ballots as necessary to satisfy any quorum requirements.

13. Correspondence: FYI Only

14. Adjournment: President Friborg adjourned the regular meeting at 11:10 a.m.

15. Closed Session:

- a) Employee Benefits: Postponed discussion of employee benefits.
- b) Review and discuss portions of Davis-Stirling Act: Discussed California Civil Code 1366(b) and its effect on dues structure pending attorney's response.

Respectfully Submitted:

Recording Secretary Marsha Hampton

Approved for Posting: February 21, 2009