

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION  
BOARD OF DIRECTORS MINUTES  
AUGUST 18, 2012**

**APPROVED**

**2.0 Call to Order** – President Kevin Kavanaugh called the regular monthly meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 9:05 a.m. at the Apple Canyon Lake Clubhouse, Saturday, August 18, 2012.

**3.0 Pledge of Allegiance** – After the Pledge of Allegiance, a quorum was present with all the directors in attendance: Mr. Bob Ballenger, Ms. Marge Clark, Mr. Josh Cocagne, Mr. Kevin Kavanaugh, Mr. Chuck Larsen, Ms. Debra McNamee, Mr. Rick Paulson, Mr. Duane Suits and Mr. Erin Winter. General Manager Paula Lange and Recording Secretary Dottie Gricius were in attendance.

President Kavanaugh announced a change to the agenda: Marge Clark moved, Rick Paulsen seconded, to “Alter the 8-18-12 Board Meeting Agenda by moving Property Owner Comments to Agenda Item 11.3”. Marge explained why it was important to have PO comments open before discussions on the budget. President Kavanaugh asked that all the following agenda numbers change accordingly. The motion carried unanimously.

**4.0 Record/Adopt July 21, 2012 BOD Minutes** – Bob Ballenger moved, Chuck Larsen seconded, to “Adopt the July 21, 2012 minutes as presented.” The motion carried unanimously.

**5.0 Treasurer’s Report** – Marge Clark moved, Chuck Larsen seconded, to “Adopt the July 31, 2012 Treasurer’s Report as presented.” Duane Suits commented on some areas of the report. The motion carried unanimously.

**6.0 Committee Reports by Board Liaison and/or Committee Chair**

**Trails** – Deb McNamee had nothing to report. Later she stated the committee was in full support of Rules & Regs adopting a trail speed limit.

**AECC** – Rick Paulson stated that a couple of projects were reviewed and approved; one was denied. The committee has made some recommendations to the Board regarding the AECC Fee Schedule. There were a couple projects without permits and given a stop-work order.

**Legal** – Marge Clark had nothing to report.

**Pool** – In Doug Vandigo’s place GM Lange stated that the next meeting is the 29<sup>th</sup> of September which is a Saturday.

**Rules & Regs** – Josh Cocagne stated that the next meeting is Saturday, August 25 and they will definitely revisit the trail speed limit based on Security’s research this year. Also there will be a few other things to review.

**Conservation** – Erin Winter stated that at the last meeting, Darryle Burmeister reported the oxygen content dropped off around 13 ft. There were concerns raised of a fish kill, but Erin informed members the probability was low and he explained why. Also a couple pathways to the docks (5-37 and 12-62) have been done but more will be completed next year.

**Campground** – Chuck Larsen stated the next meeting will be September 8<sup>th</sup>.

**7.0 President's Report** – Kevin Kavanaugh reported that he attended the Bass Club meeting and found them to be receptive and he learned some things. They plan on writing an article for the *Apple Core*. He supposed members read his last report in the *Apple Core* regarding change.

**8.0 General Manager's Report** – Paula Lange introduced Kim Pouloupoulos who is part of the Office Management Team. She reported on the pool closing with attendance numbers along with various costs for the new pool. The burn ban was lifted. IALC' watercraft will have green oscillating lights on its security boats on the lake. After this meeting, the 2013 Budget will be published in the *Apple Core* and in October it should be ratified.

**9.0 Property Owner Comments** – This moved to agenda item 11.3 after items are discussed.

### **10.0 Old Business**

**10.1 Tee Box Signs** – Chuck Larsen moved, Deb McNamee seconded, to “Amend the authorization previously adopted May 19, 2012, to approve a cost not to exceed \$2,600 from the Golf Committee's Designated Funds for the signage and engraving of new tee markers. This cost will include all taxes and transportation to ACLPOA. Installation will be completed by ACL Maintenance Department.” With no discussion the motion carried unanimously 8-0.

### **11.0 New Business**

**11.1 Property Owner Appeal on ATV** – President Kavanaugh asked Mr. Ludwisiak to explain his appeal. Mr. Ludwisiak stated his trail vehicle was insured and in good working order but because of what it is called, the Association will not allow his vehicle onto the trails. It is about the same size as a golf cart and does not go fast; ATVs are a lot bigger and faster. Before President Kavanaugh turned this over, he read from the Rules & Regulations titled “Prohibited Vehicles” which stated go-karts are not allowed on the trail. Mr. Ludwisiak stated State Farm Insurance classified the vehicle as an ATV. Bob Ballenger stated that years ago, go-karts were allowed on the trails. Deb considered this an all-terrain-vehicle. The manufacturer listed this vehicle as a go-kart and as long as that rule is on the books, Marge could not support this for the trails unless Rules & Regs changes the rule. Josh stated that if this is reconsidered, he asked if the Association will reconsider motorcycles, dune buggies or jet boats on the lake.

**11.2 Stone Sign at Pro Shop** – President Kavanaugh read the narrative. Duane Suits moved, Bob Ballenger seconded, to “Approve the funds for purchase of a new ACL golf course entrance sign to be placed at the entrance of the Pro Shop below the practice green at a cost of \$125. Cost includes stone, engraving, taxes, and transportation. A property owner will pay \$125, bringing the total cost to \$250. Installation will be completed by ACL Maintenance Department.” Fred Turek responded to GM Lange about where the sign would go. The motion carried unanimously.

**11.3 Property Owner Comments** will be under each section below.

Bob Ballenger moved, Marge Clark seconded, to “Suspend *Robert’s Rules* for discussion of the 2013 Fee Schedule.” Motion carried unanimously.

**11.4 Presentation of the 2013 Fee Schedules** – At this point, the 2013 Fee Schedules (both Operating and AECC) were shown on the screen.

**11.4.1 Fee Schedule Changes** – President Kavanaugh explained the fee schedule was previously discussed at the Budget/Finance Workshop and this discussion would determine how many amenity tags (passes) would go to members who paid the OARF at no additional charge. He noted that the rules stated “each person that paid the OARF would receive five (5) passes”; Duane clarified – the owner plus the five passes would total six (6) tags or passes. President Kavanaugh took an informal show of hands of the number of amenity tags to be issued: 6 per OARF or 10 passes per OARF. The second discussion covered additional tags specifically for pool use daily or annual use and whether there should be a limit. He declared that amenity tags have to be worn when on ACL properties which will not be open to the general public. There was concern that giving too many amenity tags could quickly cause an excess of the maximum capacity at the pool. Multiple suggestions were given but an informal show of hands indicated that there would be no limit of additional passes purchased. The next conversation was about what the nominal charge should be for additional passes. President Kavanaugh offered a number of suggestions and took another straw poll via a show of hands.

-Henry Doden stated on the Daily charge, a lot of people come up for the weekend and he suggested a charge for a Two-Day Tag versus having to come to the office twice. The charge for could be higher than a Daily Tag. President Kavanaugh thanked Henry and asked that to be added as a Three-Day Tag for a weekend.

-Bob Stanger stated that the Workshop Minutes indicated that Kevin “made clear that the Association will not allow non-members to purchase passes”. Bob theorized that a PO could sell annual passes to non-members. Bob stated that circumvents the issue of a non-member getting an annual pass by paying the PO. He suggested charging \$.50 or a dollar a day for anybody who wants to come in. Marge replied amenities are not open to a public forum. Duane explained that a pass will have a number on it that can be traced. Property Owners are responsible for the actions of those whom they give a pass to.

-Marty Handley was curious about people fishing and asked if they have to be a member. Only members and their guests are allowed on our private lake and everyone should wear the tag since Security will be patrolling.

Rick Paulson listed the changes to the AECC Fee Schedule and described why the AECC recommended charging by the square foot for certain items on the schedule. Brian Hartlep explained what the Building Inspector does for the \$.20 per sq. ft. There was a fee for the contractor registration. It was suggested a fine structure go to Rules & Regs. It was made clear that fines would be on the property owner. Marge stated that there have been less than desirable contractors; some not bondable or without insurance. Josh claimed there was no recourse to a contractor’s work and Deb stated some contractors may object to the fee. Kevin was not convinced there was a consequence to the contractor fee other than to the PO. Bob Ballenger stated that the Building Inspector needs to give contractors ACL rules: for example, how many know there is a ban on using phosphorus here. President Kavanaugh took an

informal straw poll on whether there should be a contractor registration with a fee or without a fee. It showed to have no contractor registration at all.

Bob Ballenger moved, Marge Clark seconded, to “Reestablish *Robert’s Rules* for the vote for the changes to the 2013 Fee Schedules and for the vote on the 2013 Fee Schedules for Publication.” The motion carried unanimously 8-0.

Bob Ballenger moved, Marge Clark seconded, to “Allow 10 free Amenity Passes per OARF paid. The charges for additional Three-Day Amenity Passes will be \$5.00 per pass; additional Daily Passes at \$3.00 each and additional Annual Passes at \$15.00 each. The Construction Fee Schedule to be changed with the deletion of the Contractor Fee. The fee for Additions to Dwellings and Accessory Structures was changed to \$ .20 per square foot.” The motion carried unanimously 8-0.

**11.4 Presentation of the 2013 Fee Schedules** - Rick Paulson moved, Bob Ballenger seconded, to “Approve for publication the 2013 Operating and AECC Fee Schedules per CICAA requirement, and publish as part of the budget in the September issue of the *Apple Core*.” The motion carried unanimously 8-0.

Bob Ballenger moved, Marge Clark seconded, to “Suspend *Robert’s Rules* for discussion on the 2013 Operating Budget.” Motion carried 8-0.

**11.5 Presentation of the 2013 Operating Budget** – President Kavanaugh read the narrative. Under Revenue, Josh asked where building permits fell which was on line 20 Building Permits & Septic Programs which was changed. On the Expense side of the budget, under Total Payroll expenses, Paula added people and explained what this will give: 5 days of coverage on the trails; 7 days of coverage on the lake including 16 hours on Saturday and on Sunday which covers problem areas. She answered various questions such as someone at the Marina to pump gas which may be state required. Changes were explained for Fringe Benefits (medical plan), Conference Training (control burn certifications), Registration Expenses (tag cost), and Maintenance-Building (Pro Shop HVAC). Duane suggested ordering fewer tags to see how that goes. Duane stated that the \$399K for the R & R contribution is different from last year and he suggested having \$299K in the motion which would make the motion for expenses \$3,372,078. The other \$100K is optional for the Board to make that transfer which could be made at the end of 2012 or it could be made in 2013 as needed, and to ensure that we keep the Reserve Funds at \$1 million dollars which is required on the loan agreements. Regarding the \$100K, the Board would need to make a motion to approve a surplus from Operating Funds move to R&R at the end of the year or if needed in 2013.

-Rich Miranda asked for clarification about Uniforms/Name Tags for \$7,450. Brian Hartlep informed him that employees are given two uniform shirts and \$100 reimbursements for boots and \$75 for jean wear and tear. Paula stated there has been discussion about changing uniforms for Security. Rich asked about Supplies for Resale. This covers all resale items for the Marina and Pro Shop. Special Projects covers several things including fish restocking. He suggested putting in parentheses what these items are to give POs an idea how that money is earmarked.

Rick Paulson moved, Bob Ballenger seconded, to “Reestablish *Robert’s Rules*.” Motion carried 8-0.

Bob Ballenger moved, Marge Clark seconded, to “Approve for publication the 2013 Operating Budget’s Revenue (\$3,261,975) and Expenses (\$3,372,078) including the transfer to R&R and the transfer to the Capital Project (pool) Fund and per CICAA requirement, to publish the 2013 Operating Budget for 30 days. The 2013 Operating Budget will be published in the September issue of the *Apple Core*.” The motion carried unanimously.

Marge Clark moved, Deb McNamee seconded, to “Suspend *Robert’s Rules* for discussion of the 2013 R&R Budget.” The motion carried unanimously 8-0.

**11.6 Presentation of the 2013 R & R Budget** – President Kavanaugh asked everyone to be aware of the R & R legend which explains the columns. Duane Suits explained that the Budget Committee looked at the columns for Capital Projects, Reserve items identified and recommendations from Management and Committees which were prioritized. Paula reviewed the spreadsheet by explaining amounts which were deleted, deferred, added or reduced. She answered questions and she asked for a Board determination about what to do for the pump house stating that it needs to move and be fixed sooner than in the winter or in 2013. Duane looked at the R & R figures to determine whether the pump house could be done in 2012. Paula continued to review and support the rest of the items in the R&R including a van purchase. The same questions were raised at the workshop and in the other budget meetings. Items suggested at the Workshop, including adding \$20K for trail repairs and reducing the amount budgeted for paving the Campground based on an actual quote, were adjusted. The Fire House was added under Building Elements. \$60,000 was added for the 319 Grant, pending approval. \$10,000 was added for carpeting at the Cove. Kevin stated that all the projects were worthy, but cuts will have to be made. Kevin recapped all the items reviewed starting from the top of the schedule. The directors looked for items that could be deferred to 2014. Duane indicated that entries needed to be cut from the R&R. After a 10 minute break, a number of things were eyed for cuts such as the pavilion. Quite a few items were tied into the 319 Grant; Deb defended the trail work. Brian offered the truck (\$35K) as a cut. Duane offered the idea of a Special Assessment; Josh indicated that would not sit well with POs. But, the million dollar threshold has to be watched. Deferral of the mini-excavator (\$25K), truck (\$35K), and pavilion (\$34K) amounted to \$94K in savings which protected the \$1 million balance required.

Marge Clark moved, Duane Suits seconded, to “Reinstate *Robert’s Rules*.” The motion carried unanimously.

Duane Suits moved, Erin Winter seconded, to “Approve for Publication the Renovation and Replacement (R & R) Budget of \$559,414 net and, per CICAA requirement, to publish the budget for 30 days. Budget will be published in the September issue of the *Apple Core*.” The motion carried unanimously.

Marge Clark moved, Chuck Larsen seconded, to “Suspend *Robert’s Rules* for discussion of the Propane Gas Coop.” The motion carried unanimously.

**11.7 LP Gas Coop** – President Kavanaugh stated he has watched other places offer as low as \$1.14 for propane. Co-ops lock in a specific price. Paula stated that last year she purchased LP at a lower rate than our co-op but she also stated that our current co-op contract will stay in effect until winter. Rick Paulson moved, Marge Clark seconded, to “Reinstate *Robert’s Rules*.” The motion carried unanimously. Rick Paulson moved, Marge Clark seconded, to “Discontinue the LP Gas Program.” Motion carried unanimously.

**11.8 Restricted Lots** – President Kavanaugh read the narrative. Brian went out and inspected the lots. Erin Winter moved, Chuck Larsen seconded, to “Approve lots 04-130, 06-004, 07-001, 07-118, 07-202, and 07-035 to be restricted. Recorded deed must be returned to Phil Jensen, ACLPOA Counsel, and ACLPOA Office prior to December 31, 2012, to qualify for reduction in dues for 2013.” The motion carried unanimously.

**11.9 Apple Slide and Basketball Hoop Change Order** – President Kavanaugh explained the change order and read the motion. Rick met a number of people who opposed spending so much on a slide. Debra agreed and would like to see the frog. Josh Cocagne moved, Chuck Larsen seconded, to “Amend the authorization previously adopted July 21, 2012 not to exceed \$31,591.39 for the purchase of the Apple Slide and the Basketball Hoop for the new pool.” Upon Roll Call, the motion carried 6 to 2 nay votes from Erin Winter and Rick Paulson.

**11.10 Pump House and Motors** – President Kavanaugh read the narrative. Duane clarified that the \$135K was put into the 2013 budget and then taken out so it is a wash. Duane Suits motioned and Chuck Larsen seconded, to “Approve the Pump House be moved, the pumps be replaced, and the electrical box moved in 2012. Asset Preservation Funds will be used with any additional funds required from R&R as Emergency Funds. Cost is \$135,000. Funds in Asset Preservation are \$167,067.00.” The motion carried unanimously.

**11.11 Fire Station Discussion** – President Kavanaugh read the narrative. This did not need a motion.

**Adjournment** – With no other discussions, Josh Cocagne moved to “Adjourn at 12:40 p.m.” Motion carried unanimously.

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Recording Secretary Dottie Gricius

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President Kevin Kavanaugh

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Date

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Corporate Secretary Josh Cocagne