

**Apple Canyon Lake Property Owners Association
Special Board of Directors Meeting Minutes
July 13, 2013**

APPROVED

1.0 Call to Order – President Deb McNamee called a special meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 8:05 a.m. at the Apple Canyon Lake Clubhouse, Saturday, July 13, 2013. A quorum was present with the following directors in attendance: Ms. Marge Clark, Mr. Josh Cocagne, Mr. Kevin Kavanaugh, Mr. Rick Paulson, Mr. Mike Harris, and Mr. Erin Winter (joined the meeting during Property Owner Comments). Mr. Bob Ballenger and Mr. Chuck Larsen were absent.

3.0 Property Owner Comments

-George Drogosz, 08-048, He stated that he recently noticed the trail had been modified at Nixon Beach without any awareness of the Trails Committee. The change means that more vehicles are now driving on the Township roads; which they cannot legally do. Mike Harris will talk to Steve Mischler, Maintenance, and see why the change was made.

-Henry Doden, 13-129, Henry was dismayed to come back from a trip to find a bill for his June *Apple Core* ad, which he had already paid. He was frustrated that people were not even billed properly and noted problems with the Association's database which is difficult to use. President Deb McNamee assured him that the new General Manager would perform a thorough evaluation of all the processes, procedures, software, etc. in use by the Association. Henry also noted rumors about free employee boat rentals, which Kevin Kavanaugh clarified, were not true. He was also concerned about people renting properties having access to the amenities. Dick Brennan, 01-012, commented from the audience that the Restated Covenants expressly allowed for this. Deb stated that the new manager would also perform an analysis of the rental program. Henry then commented on members of the campground running air conditioners continuously in empty campers. Every property owner is paying for this electric.

-Jim Craig, 11-294, spoke as a seasonal camper that when they see someone doing this, they talk to them about it. He also expressed concern that looking at today's agenda, it appears that many things have already been decided, and not in an open meeting.

-Tom Brennan, 12-115, He stated that he has been a property owner for 30 years, on the Board for 9 years, on numerous committees, especially the Budget Committee, for 25 years. At the last Budget meeting, he mentioned to Josh that if a new Search Committee were formed, he would like to participate; he also emailed Bob Stanger, Interim General Manager. He received an application from the office, but when he stopped in to pick up a hard copy, he was told by Mr. Stanger that the Board did not want additional members. This surprised and upset him; and he hopes the Board will consider his application and any others that have volunteered.

4.0 Approve appointment of General Manager Search Committee

4.1 General Manager Search Committee Charge – President McNamee read the narrative. Josh Cocagne motioned, seconded by Kavanaugh, to open the item for discussion. Deb stated that the number of members discussed by the Board included two Board members, those who immediately submitted applications, and the Interim General Manager. The Board can decide to up the number to seven; or if the Interim General Manager finds his workload too high, he can

elect to step down, which would create another opening. Marge Clark stated that it should be taken into consideration how quickly the decision was made and that no announcement was made to the membership. We have always discouraged discouraging volunteers. Seven is not an unmanageable number. Kevin Kavanaugh noted that with the last Search Committee, many meetings were held during the week which created a hardship for those non-resident property owners who had other employment commitments. This should not be a bar, but a consideration for anyone wishing to join. Rick Paulson stated that he is not in favor of the committee charge and feels that an Executive Search be performed and then the committee could decide on a candidate. Deb stated that Furst Search of Rockford had been contacted, and the cost for their executive search services ranges from 20-30% of the first year total compensation package; and she is not in favor of such a large expense. Jim Craig stated from the audience that the Board is requiring professional opinion for all projects, for the flow of water through the campground, etc., but this is probably the most important decision they are going to make and they are going to do it alone? He again stated that the decision to go with a committee vs. a headhunter should have been made in an open meeting. President McNamee expressed that she had no doubt that Tom Arzbaecher and Dick Brennan were qualified to head the search. It was clarified that the decision to go with a committee was made in Workshop (open to the public); but that Workshop was not posted on the agenda. Mr. Arzbaecher stated that they held a couple informal meetings prior to today. They have analyzed the job description, where to target, how to market. If at any point he committee feels the task is too large, they will come back to the Board to hire it out. Mr. Doden stated that Apple Canyon is unique, and someone who has experience with a rural environment, not just condos & townhouses is needed. Janet Helgason, 06-018, expressed that she feels the individual should be a property owner with a personal interest in ACL. Mr. Arzbaecher stated that both issues have been discussed and will be part of the job description, and regarding residency/ownership, is preferred, but cannot be a requirement. Erin Winter commended Tom and Dick for their professionalism. It was decided to split the recommended motion into two, Josh Cocagne moved for the charge only, "to establish a General Manager Search Committee charge to be made a part of the Minutes. "The General Manager Search Committee has been established for the purpose of conducting a search for a new General Manager for Apple Canyon Lake. The primary duties of the Committee shall include: review the General Manager job description and recommend changes as may be needed, solicit, screen and interview qualified candidates, recommend a short list of qualified candidates to be interviewed by the Board of Directors. The committee will prepare a summary of Activities and Projects the committee has been involved in over the past year for presentation at the annual meeting."", seconded by Kevin Kavanaugh. The motion carried with Rick Paulson voting nay.

Kevin Kavanaugh motioned, seconded by Marge Clark, to suspend the rules for discussion. Regarding the number of members, input from Mr. Arzbaecher and Mr. Brennan was sought. Tom stated that he felt that five was a good number, and to increase it to seven would require the committee to re-think their current plans. He is concerned that candidates will not open up as much with seven members, which could be seen as more intimidating. More members create more of an administrative challenge. Dick agrees with Tom's analysis. He does feel the makeup is a little light in terms of financial understanding. Tom Brennan would be an excellent addition for this. It will be a very time consuming task, and he feels that Mr. Stanger may find he does not have the time to complete the work that will be required. Kathy Richards, 11-255, questioned how many people would be involved in an executive search. It was stated that there would be

only one person in contact with us, but many people working behind the scenes. Henry Doden noted that such companies usually provide a flood of candidates we would still have to weed through. Josh Cocagne motioned “To appoint a General Manager Search Committee of five members, to consist of two Board members, Deb McNamee and Erin Winter; two property owners, Tom Arzbaeher and Dick Brennan; and Interim General Manager Bob Stanger. If Bob Stanger were to step down, recommend Tom Brennan as alternate.” Mike Harris seconded the motion, which carried unanimously.

4.2 Approve General Manager Search Committee budget – President McNamee read the narrative. The budget request prepared by Dick Brennan was discussed. Dick felt that there should be plenty of money in the request to cover the search itself. Marge Clark stated that as to the funds coming from the Contingency line item, this contingency also covers the loss from Dues, etc. If the budget is found to be tighter than expected, the Committee for Fair Real Estate Taxes has completed their task, and has funds that they wish to contribute to the Association that could be earmarked for the search. Erin Winter motioned, seconded by Mike Harris, to approve \$13,810 for the General Manager Search Committee budget. Funds will be taken from the 2013 Contingency line item” The motion carried unanimously.

4.3 Appoint members of General Manager Search Committee – Already addressed in item 4.1.

5.0 Adjournment – Mike Harris motioned, seconded by Kevin Kavanaugh, to adjourn to Executive Session to discuss the General Manager’s contract at 8:45 a.m. The motion carried unanimously.

The Directors returned from Executive Session and adjourned the meeting at 10:44 a.m.

Substitute Recording Secretary Megan Shamp

President Deb McNamee

Date

Corporate Secretary Josh Cocagne