

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
April 19, 2014**

**APPROVED**

**2.0 Call to Order** – President Deb McNamee called the regular monthly meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 9:00 a.m., Saturday, April 19, 2014.

**3.0 Pledge of Allegiance** – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Ms. Marge Clark, Mr. Josh Cocagne, Mr. Mike Harris, Mr. Kevin Kavanaugh, and Mr. Erin Winter. Mr. Chuck Larsen, Mr. Bob Ballenger, and Mr. Rick Paulson were absent. Operations Director Tim Ridder and Recording Secretary Kandee Haertel were also in attendance.

**4.0 Record/Adopt March 15, 2014 BOD Minutes** – Erin Winter moved, Kevin Kavanaugh seconded, to “Adopt the March 15, 2014 Board Minutes as presented.” Henry Doden, 13A129, called a point of order from the floor. Mr. Doden stated that items in the consent agenda, particularly committee member changes, must be detailed in the minutes and they had not been done so for the past two sets of minutes. President McNamee noted that there were not sufficient Board members who could vote to take action on the minutes anyway and directed Operations Director Ridder to investigate what must be done and to direct further action at the next meeting. No action was taken on the March, 2014 Minutes.

**5.0 Treasurer’s Report** – Marge Clark apologized that because the final audit was not yet available, it was not possible to provide a report for March, 2014. She did note that the first annual payment on the pool is due the end of April.

**6.0 Committee Reports**

**Rules & Regulations** – Josh Cocagne stated that the committee met last week. They are conducting a review to coordinate current rules and regulations with the Bylaws, Covenants, etc. The intent of this review is not to necessarily add any rules or regulations, but to make sure that all documents coincide. They have completed the first section of the work and will discuss second section next month. They are working in concert with administration and plan to have a report to the Board in September.

**Trails** – Mike Harris stated that the committee is meeting next Saturday at 8:00 am, which is an hour early because of the Budget meeting later that morning.

**Budget** – Marge Clark noted that the committee is meeting next Saturday in maintenance building at 10:00 am. This meeting will establish the fundamental ground rules for zero based budgeting.

**Conservation** – Erin Winter reported that the lake monitoring has been again approved by the EPA, which means that they will pay for all of the elements of the monitoring work this year. On April 26<sup>th</sup> there will be a clean up beginning at Nixon Beach. Goose control efforts will begin on April 25<sup>th</sup>. The next meeting will be May 3<sup>rd</sup>.

**Maintenance** – Kevin Kavanaugh reported that the committee had both a regular meeting and a special meeting. At each they heard presentations from a firm regarding the new golf course irrigation system. These firms were Leibold and Midwest, each out of East Dubuque. There may be a third local company that would like to make a presentation. The committee will meet again the first Tuesday in May.

**Campground** – Kathy Richards reported that the committee met. The campground opened for the year last weekend. Plans are moving forward for the pancake breakfast and volunteers are welcomed.

**Recreation** – Kathy Richards reported that the committee is still detailing plans for this year. President McNamee commended the committee on the work they do.

**7.0 President's Report** –President McNamee gave an update on the status of the pool, stating that Operations Director Ridder is dealing with the contractor on a variety of items. To date, the slide which was put in wrong, has been rectified by removing the slide and putting in a patch. This was done to create the proper slope to the slide so that it could be used safely. The entire limestone wall is being replaced because it was hollow behind the stones and not holding properly. Rusting problems throughout the area are also being addressed.

**8.0 Operations Director's Report** – Director Ridder reported that the Jo Carroll energy bill audit went well and ACL has received, and is in a position to receive, significant savings. Following a successful Job Fair, the process of hiring seasonal employees has begun. He has personally been reviewing trails with the committee and corrective actions will be taken sooner than later. He is working with the pool contractors and a punch list has been developed. It may well be a full season before the quality of work is accepted because the pool needs to hold up properly during off season conditions as well. There is a brick test area of wall to verify that the mortar being used is now correct. If so, that test area will be removed and the stone be put back with the correct mortar.

### **9.0 Property Owner's Comments**

George Drogosz, 8A48 Constitution – wants Security improved by slowing down patrols. He reported that a heat warning strobe light was missed because Security was driving too fast to take a good look and see the strobe going off. Operations Director Ridder noted new, more effective technology for the heat light program is out there. Additionally, new rules and regulations for patrols are being considered.

Henry Doden, 13A129 – raised questions regarding the General Manager's licensing. Operations Director Ridder has taken and passed the class and the test that is a prerequisite to taking the licensing test. How quickly he will be licensed is a question of how quickly the State of Illinois moves, which can take some time. Mr. Doden also feels that it is important that the General Manager take the time to meet the members of the association and take whatever steps are necessary to keep the membership informed as to what is going on in a complete and transparent manner.

Kevin Kavanaugh, 6A6 – Speaking as a property owner, took exception to Mr. Doden's reference to the word "amateur" when referring to the recent Acting General Managers. He feels that very qualified people from this association stepped up to run the organization.

Marge Clark, 11A42 – Speaking as property owner for another property owner who presented concerns about our water utility company. ACL has experienced increased rates with several new owners of Utilities, Inc. in recent years. She wondered if the association has considered taking over the water utility and running it ourselves.

Gail Cocagne, 12A279 – thanked Operations Director Ridder for his prompt response to her emails.

Rosetta Fuchs, 8A184 Independence – Raised the problem of golf carts and ATVs being ticketed by Sheriff for using roads. Operations Director Ridder stated that he has contacted the township regarding golf cart use of roads within ACL and was told that this is a liability issue because one township road cannot be differentiated from another. He hopes that the Sheriff will be reasonable, but all that being said, the Sheriff can issue tickets. President McNamee noted that increased patrols was initially generated from a homeowner request because children were driving golf carts on Apple Canyon Lake Road. The Sheriff's patrols are now hyper sensitive to this issue. They were most concerned about main streets, but may ticket on any township road.

Jan Hedges, 10A9 – questioned who was paying for the testing for our Operations Director to become licensed as a General Manager. Mr. Ridder reported that the \$800 for the classes and testing is being done at his expense, not ACL's.

**10.1 Consent Agenda** – Josh Cocagne moved, Mike Harris seconded, to approve consent agenda items as follows:

- Approve the resignation of John Kline from the Rules and Regulations Committee;
- Approve the appointment of John Matheson to the Rules and Regulations Committee;
- Approve the appointment of Pauline Curtiss and Mary Hannon to the Golf Committee.

Ratify two electronic votes:

- Purchase of propane and propane tanks;
- Setting of reservation policy for the Association.

The motion passed unanimously.

Jim Craig, 11-294, from the audience questioned the need for an electronic vote on the propane issue. Operations Director Ridder stated this was done because it was a cost saving measure that was also time sensitive. Henry Doden, 13A129, also from the audience, interjected that electronic voting should only be used in an emergency situation. President McNamee again noted that this was a time sensitive issue because of an inherited contract and the Board needed to move quickly. Marty Handley, 10A94, also from the audience, addressed his situation with Ferrellgas. Kevin Kavanaugh stated that the co-op worked for those property owners who had rented tanks. ACL now also has more suppliers available and it has become much more a buyer's market in a very volatile situation.

**11.0 Unfinished Business** – None.

**12.0 New Business**

**12.1 Additional Stone at Hole #6** – Mike Harris moved, Marge Clark seconded, to approve at a cost not to exceed \$800, the purchase of additional stones on Hole #6. This will be taken out of the Golf Committee's Designated Fund. The motion carried unanimously.

**12.2 Pontoon Replacement on ACL Barge** – Josh Cocagne moved, Erin Winter seconded, to approve \$2,845.92 be designated from the R&R fund to pay for the replacement of the two pontoons with larger ones from Great Lake Skipper of Racine, Wisconsin. Erin Winter stated that, for safety measures, there should be a railing on the barge. Henry Doden, 13A129, stated that the barge is parked in front of maintenance and has three pontoons and questioned why three pontoons are being replaced with two. Operations Director Ridder stated that the center pontoon is in good shape and is being kept. Only the two side pontoons need to be replaced. The motion carried unanimously.

**12.3 Purchasing Policy** – Josh Cocagne moved, Kevin Kavanaugh seconded, to approve the Purchasing Policy as presented by staff. Operations Director Ridder created the draft policy for purchasing goods and services and presented it to the Board. It contains various levels of purchasing approval and authority; automatic bill payments were also taken into account. He developed this draft after researching policies from both associations and businesses and took the best of what he found. The new policy is easy for employees to follow and to make purchases in the best interests of the ACL.

- Kevin Kavanaugh noted that Exception #10: Payments Required by State and Federal Law – needs to have the words “and transfer of drug forfeiture money” removed.
- Marge Clark requested the additional changes: Exception #1: Emergency Purchases, Section Approval Process, Sentence 1: Revise to read, “The initial acquisition will be approved by the General Manager.” The reason for this is that Board Policy, under “Capital Expenditures” specifies that the General Manager is authorized to make such purchases up to \$5,000 with three supporting documents or over \$5,000 if the purchase has been approved by the Board in the Budget. This same language also appears in the Job Description for the General Manager.
- Exception #2: Travel and Training Expenses, Alternate Procedure: Recommend a language change to read, “The ACLPOA regular Travel Policy as stated in the Employee Handbook.” The section in the Employee Handbook that addresses this topic is under Association Related Expenses. She is not aware of any other official ACLPOA language that deals with any travel policy.
- Exception #7: Contract Payments for the Construction of Capital Improvements, Alternate Procedure: Her question regarding the language is whether this is applicable to any dollar amount or scope of work. Should there be a clause that specifies some dollar range? “The General Manager shall authorize all change orders for less than 10% of the contract price for the construction of capital improvements. Any change that exceeds 10% of the original contract price must be approved by the Board.” She believes the contract for the swimming pool contained an allowance of \$230,000+ for change orders, which was in the neighborhood of 10% of the contract price.
- Finally, Exception #12: Waiver of Purchasing Policy, Approval Process: She recommends a language change to include the Board Treasurer as a person authorized to approve payments of purchases made under this waiver clause. The payments would then be approved by the Board President or the Board Treasurer and made through the normal accounts payable process and the information will be reported to the ACLPOA Board after payment.” She notes that given our experience with officers of the Board who do not live full time at the lake or may be out of the country, it is better practice to have at least one other person who

can be reached at least electronically for a signature to authorize payments when the purchasing policy has been waived by the General Manager.

She noted that these changes will put things in compliance with the existing Bylaws. Regarding Exception #2, she is not aware that ACL has a travel policy. Regarding Exception #7, the requested changes should hold down change order expenses.

Operations Director Ridder stated that he thought these changes are fine improvements to the draft policy. President McNamee questioned Operations Director regarding the 10% limit on change orders. He indicated that he was comfortable with that figure and also noted that small change orders can delay construction and ultimately add to the total cost.

Jim Craig, 11-294, from the audience brought up the point that ACL does not presently have a General Manager. President McNamee indicated that this was not a problem because this was to establish a policy. Because of the number of changes, it was agreed that the Purchasing Policy would be amended and presented for approval at the next Board meeting. A motion was made by Josh Cocagne to table the original motion, seconded by Erin Winter. Motion carried unanimously. Operations Director Ridder agreed to have the Purchasing Policy with the recommended changes on the agenda for the next Board meeting.

**12.4 Strategic Plan Report** – Mike Harris moved, Marge Clark seconded, to approve the 2014 Strategic Plan Report. Josh Cocagne stated that he really appreciated Operation Director Ridder’s work and he felt the plan will be valuable to future boards as well and will help give administration a clearer direction on the Board’s priorities. Henry Doden, 13A129, from the audience, stated that the membership is supposed to decide which priorities are moving forward. He felt there was no input from the membership on this plan. Mr. Cocagne stated that everyone on the Board has been voted here by the members of the association and they represent the membership. Mr. Doden stated that he feels this plan is putting ACL in jeopardy of voiding their non-profit status. President McNamee stated that the strategic planning process was brought here by Operations Director Ridder and will help the Board serve its constituents by providing a clear direction to the Operations Director by the Board. Erin Winter noted that a survey was sent out to all members of the association and this is how they gave their ideas and thoughts regarding priorities. Marge Clark noted that she is very much in favor of this process because it provides structured timelines. She also noted that the plan needs to be updated every year. It is also her hope that the Board will take a leadership role in moving this plan to the committees and provide them with priorities, which will, in turn, provide the membership with more opportunities to become involved and have their say. It can be very valuable if everyone stays in tune with the plan. She also noted that this has been done at ACL in the past, but was pretty much shelved and not acted upon. Jim Craig, 11-294, questioned the cost of this plan. Operations Director Ridder stated that this plan cost \$3,000. Marge Clark noted that ACL paid \$50,000 for Long Range Plan that was never used. This new plan will be published in *The Apple Core*. Gordon Williams, 5A21, from the audience, noted that he has been part of planning in several organizations and this one looks very solid. He also thanked Operations Director Ridder and the Board for their work. He noted that if an organization keeps to the prioritized items, it can actually be very effective. He felt this is a good program. The vote to accept the Strategic Plan Report was unanimous.

President McNamee noted that the May Board meeting will begin at 1:00 pm due to the Triathlon.

**13.0 Other** – There was no other business.

**Adjournment** – Marge Clark moved to adjourn at 10:00 a.m. The meeting adjourned.

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Recording Secretary Kandee Haertel

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President Deb McNamee

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Date

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Corporate Secretary Josh Cocagne