

**Apple Canyon Lake Property Owners Association  
Board of Directors Meeting Minutes  
September 19, 2015**

**APPROVED**

**2.0 Call to Order** – President Mike Harris called the regular monthly meeting of the Apple Canyon Lake Property Owners’ Association to order at 9:00 A.M., Saturday, September 19, 2015.

**3.0 Pledge of Allegiance** – After the Pledge of Allegiance, a quorum was present with the following directors in attendance: Jack Finley, Jody Ware, Bob Ballenger, Mike Harris, Rich Krasula, John Asta, Chuck Larsen, and Jim Craig. Director Fred Turek was absent.

**4.0 Approve/Adopt the August 15, 2015 Minutes** – Rich Krasula motioned “to approve the August 15, 2015 Minutes”; seconded by Bob Ballenger. Rich noted three minor corrections to the Minutes. The motion carried with Charles Larsen abstaining.

**5.0 Treasurer’s Report** – Rich Krasula read from the August Treasurer’s Report. The full report will be published in *The Apple Core* and on the website.

**6.0 Committee Reports**

**AECC** – Mike Harris reported they approved two garages and four shoreline retaining walls.

**Legal** – Jody Ware reported the committee is meeting tomorrow.

**Deer Management** – Jack Finley reported that they had several meetings in preparation of the upcoming hunting season. Wildlife Biologist Doug Dufford discussed Chronic Waste Disease (CWD), which is a very serious issue that has been reported south of Elizabeth and Stockton. 8% of the deer in the county have this disease. IDNR is testing for CWD aggressively, and will test 25% of the deer in the county. If they don’t hit 25% of the population through hunters, they will cull deer to test. When we have our harvest, we will have our deer tested. Jack reminded everyone not to feed the deer or set out salt blocks, this creates ideal conditions for the disease to spread.

**Budget** – Rich reported that the committee met on August 29 and did complete the budget to recommend to the Board, which is on today’s Agenda.

**Dam Advisory Panel** – Chuck Larsen stated he would be in touch with engineering firms and will get information on the depth of the water and involving pressure. Chuck did not have a report for the Campground or Long Range Planning committees.

**Rules and Regs** – Jim Craig stated they reviewed additional Campground concerns and have started to review the Boating section.

**Conservation** – Paula Wiener reported that Driftless has been here and has removed many invasive species. The committee recommends getting goats to remove invasive species near the golf course for a period of two months. Temperature and clarity of the lake is normal. They are trying to educate people with articles in *The Apple Core*.

**Nominating** – Mike Cammack reported that they will host a Coffee on November 7 at 10:00 a.m. Anyone interested in running for the board is encouraged to attend.

**7.0 Operations Director's Report** – Rick Paulson is not present, his report will be in *The Apple Core*.

**8.0 President's Report** – Mike's report will be in *The Apple Core*.

### **9.0 Property Owner Comments**

**Gary Bartell, 11-1&2**, read a letter he prepared. He stated that in 2003, we had a General Manager that left the position due to micromanaging; then the head of security left for the same reason. He read in *The Apple Core* our Interim Operations Director received a call from the IL Department of Professional Regulations, which may result in fines against our association. He likes the job Rick is doing, the property has never looked better and we need to commend the staff for the job they are doing. Paula Wiener questioned what was being challenged. Rich Krasula reported it is state law that the General Manager have a license to run an Association, but there is a lot of debate over who needs to have this license. Bob Ballenger also noted that Rick is the Interim Operations Director, not the General Manager.

**Kevin Kavanaugh, 6-6**, questioned items about the budget, specifically relevant to the Golf Pro Shop and Marina. We had \$374,000 surplus, now we have a shortfall. We are not getting full dues from every lot, we need to do something about this, or the only choice will be to raise the dues. He expressed concerns that the Pro Shop is underselling the Cove restaurant.

**Henry Doden, 13-129**, stated the board should supply all members with an itemized list of all expenses. We as owners know very little about how our money is spent.

**Ron Beckel, 8-192**,– Maintenance did a fine job on the trails, it is wonderful.

**Fred Pfeiffer, 3-14**, gave his opinion on the financial markets and actions the Board should take.

**10.0 Consent Agenda** – Mike Harris read the recommended motion, Bob Ballenger motioned “to appoint Roger Vanderleest to the Appeals Board and Barbara Hendren to the Nominating Committee, and to accept the resignation of Mike Harris from the Rules and Regulations Committee and Jean Malone from the Appeals Board”; seconded by Jody Ware. The motion carried unanimously.

**12.0 New Business** – President Harris stated that item 12.3 Pool Payoff would be moved on the Agenda to follow item 12.6.

**12.1 Property Owner Citation Appeal** – Security Staff were on a medical call, hold until Safety and Security can arrive.

**12.2 Rules and Regulations Campground Section Revision** –Jody Ware deemed the recommended changes to be major, Bob Ballenger agrees, sent to a three meeting rule as outlined in the Board Policy. This item will be discussed next month and voted on at the November meeting.

**12.4 Publication of 2016 Operating Budget** – the Budget Committee has recommended to the Board the 2016 Operating Budget, with total income of \$3,680,599 and expenses and transfers of \$3,822,834 inclusive of R & R (\$402,000) and capital projects (\$222,000), for a net deficit of \$142,235 to be funded from our current operating surplus. Per CICAA, the budget must be advertised for a minimum of 30 days prior to the Board adopting the budget. The 2016 Operating Budget will be published in the October issue of *The Apple Core*. The Budget will be adopted by the Board at the November 21, 2015 meeting. Mike Harris read the recommended motion, Rich Krasula motioned “to authorize staff to publish the 2016 Operating Budget in the October issue

of *The Apple Core*"; seconded by Jack Finley. It was noted that there would be no increases for annual dues. Ron Carpenter explained that the 2015 budget did not include appropriate wages for Maintenance, Security, or Communications. Foreclosures were not filed on time, as a result there was no lot sale this year. We accrue the dues as income, those dues that are not paid are recorded as income and carried as a receivable. This has contributed to the amount of Bad Debt in the budget. The Board should make sure Honkamp takes a bad debt loss in 2015 for some of the 2014 dues we are not going to get. The motion carried unanimously.

**12.5 Publication of the 2016 R & R Budget** – the Budget Committee has recommended the 2016 R & R Budget of \$569,722 to the Board for approval. Per CICA, the budget must be advertised for a minimum of 30 days prior to the board adopting the budget. The 2016 R & R Budget will be published in the October issue of *the Apple Core*. The R & R Budget will be adopted by the Board at the November 21, 2015 meeting. Mike Harris read the recommended motion, Rich Krasula motioned “to authorize staff to publish the 2016 R & R Budget in the October issue of *The Apple Core*”; seconded by Jim Craig. The motion carried unanimously.

**12.6 Publication of the 2016 Operating and Building Fee Schedules** – The Budget Committee has recommended the 2016 Operating Fee Schedule & Building Fee Schedule to the Board for approval. Changes to the Operating Fee Schedule include one-session swimming lessons, a pool party fee, and weekly camping fees. There are no proposed changes to the Building Fee Schedule. Per CICA, the budget must be advertised for a minimum of 30 days prior to the Board adopting the budget. The 2016 Operating Fee Schedule and Building Fee Schedule will be published in the October issue of *The Apple Core*. The fee schedules will be adopted by the Board at the November 21, 2015 meeting. Mike Harris read the recommended motion, Rich Krasula motioned “to authorize staff to publish the 2016 Operating Fee Schedule and Building Fee Schedule in the October issue of *The Apple Core*”; seconded by Chuck Larsen. The motion carried unanimously.

**12.7 Restricted lots** – Mike Harris listed the 10 lots that were inspected and deemed to be unimproved. Motion to approve the Request to Restrict Lot for the 10 lots made by Jim Craig, seconded by Chuck Larsen; roll call: Jim yes; Chuck no; Jack no; Rich no, Bob no; Jody no; John no. Motion fails.

**12.8 Lot Combination Agreement** – Mike Harris read the recommended motion, Bob Ballenger motioned “to approve the lot combination agreement as included in the board packet and attached to the motion card”; seconded by Rich Krasula. The motion carried unanimously.

**12.9 Cove Parking Lot Retaining Wall Replacement** – Mike Harris read the recommended motion, Bob Ballenger motioned “to authorize the Interim Operations Director to enter into an agreement with Korte Landscaping to remove and reconstruct the collapsed wall adjacent to the Cove parking lot per the specifications on Korte’s quote”; seconded by Chuck Larsen. Questions were raised about why the insurance company denied this claim; and the different specifications in the quotes. The Korte quote does not include anything about drainage. If we do not fix the drainage problem, the same thing will happen again. John recommended publishing the specifications and indicating the need for drainage. Motion failed with zero yeas, 7 nays.

**12.1 Property Owner Citation Appeal** – Steven Minogue appealed three citations to the Appeals Board. The Appeals Board upheld all three citations, at which time Mr. Minogue stated he would appeal the three citations to the Board of Directors. The Board heard presentations from Patrick Quinn of the Security Department and then Mr. Minogue. The Board of Directors went into Executive Session to review at 10:10 AM. At 10:26 AM regular session resumed. Mike reported that the Board reviewed the tape and asked for a motion to uphold all three

citations. Motion by Jack Finley, seconded by Jody Ware. The motion carried; Bob Ballenger was not present at the time, but indicated his yea vote.

**12.3 Pool Payoff** – The Budget Committee recommended that the Board of Directors consider an early pool payoff to be funded from an internal loan from the R & R fund. Rich Krasula motioned to “approve the early payoff of the pool loan funded from an internal loan from the R& R fund and then reimbursing the R & R fund for this loan over the next three years”; seconded by Jack Finley. The motion carried unanimously.

**13.0 Other** - Mike reported that he has been getting calls from committee chairs about committee members not showing up at meetings. If three consecutive meetings have been missed without an excuse, they should be removed. However, some have served on these committees for years or have legitimate excuses to miss meetings. The big concern is having a quorum. We should look at a leave of absence that would not count against a quorum. Ron Carpenter noted the Board should look at how many people on the committee actually recommended an item. If telecommunications were improved, we could use technology for committee and Board meetings.

Meeting adjourned at 10:50 a.m.

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Recording Secretary, Rhonda Perry

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President, Mike Harris

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Secretary, Jack Finley

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Date