

Minutes from the October 18<sup>th</sup>, 2014 Sylvan Shores Board of Directors meeting

The meeting was called to order at 10:05 AM at the Clubhouse by Secretary Peggy Forstner as both the President and the Vice President are absent. According to Robert's rule the Secretary is next to serve. Also noted by the Board, we do have a quorum of members present.

Members present: Arlene Grover, Lance Holthusen, Peggy Forstner, Lincoln Messner, and Kathy Jefferson.

Members absent: Rich Nagel and Bruce Dibb

Minutes from the last meeting: the minutes from the last meeting were read. No corrections or additions were noted. Arlene Grover made a motion to accept the minutes as read. Lance Holthusen 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Treasurer Report:

Lincoln Messner gave the following Treasurer Report:

Assessments Received:	\$161,925.45
Springer Collections:	\$513.27
Camping Income:	\$9,650.00

Funds Available:

Petty Cash:	\$50.00
Checking:	\$2,478.21
(Land Savings \$1461.61)	
Operating Exp Savings Acct:	\$143,116.13
Capital Reserve Acct:	
36 mo CD-Unity Bank:	\$23,932.76
5 y Annuity, Athena	\$13,338.92
3 x State Farm CD 60mo:	\$75,000.00
Total:	\$257,913.02

Noted in the report is the fact that we are now complainant with the FDIC regulations.

Kathy Jefferson made a motion to accept the report as given. Lance Holthusen 2<sup>nd</sup> the motion. The motion passed with all yes votes.

Manager Report:

Sharon Kadlec gave the manager's report (see attached sheet). Some of the highlights include seeking interest in a Garden Club, Sylvan Shores calendars for 2015 are for sale, and addressing the issue of property owners finding inappropriate notes on their cars at the Fawn Lake landing.

Advisory Committee Report:

Lincoln gave the Advisory Committee Report. The committee has been meeting to plan the budget for 2015. Some of the items the committee is including in the budget is to have the main parking lot at the clubhouse resurfaced in 2015. They are also working on bids to repair the shower/bathrooms at the campground as they are in very bad disrepair. The committee is also looking at options for the Barn but has not reached any conclusions at this time. They are also looking at the CD that will come due in Nov.

Architectural Committee:

The Architectural Committee has been working on a proposal around the garage issue. This will be deferred to Old Business.

Entertainment Committee:

Joanne Folkert gave the Entertainment committee report. Of note, the events that have been held this year all had free will offerings that almost completely covered the expenses for the committee for the year. The events held this year will be re-evaluated next year based on attendance. There was discussion about using Facebook and email to promote events at Sylvan Shores to encourage participation as well as including information in the newsletter.

#### Old Business:

Chacos Property: They have not combined their properties as of yet because they are in the gap created by the issues surrounding garages. A decision was made to talk about garages first and move this lower in the agenda. This was amendable to the Chacos party.

#### Lamb Property:

Peggy asked the Lambs if we could talk about the garage issue first and move their issue lower in the agenda. This was amendable to the Lambs as well.

Our attorney is Patrick Leach and we have been in contact with him about a potential solution around the garage issues. We have been discussing how to deal with garages that are not on the same property as the owners home. Patrick Leach sent us a letter that deals partially with the Lamb issue and partially with garages in general. Peggy read the portion of the letter that was broad in nature and not the portion that is specifically related to the Lambs.

This letter was received on Sept 10<sup>th</sup> and it is from Patrick Leach. It is a discussion about the garages.

"I have attached, for your review and comment, my proposed letter to the Lamb's legal counsel. My thoughts expressed in the attached letter reflect my overall analysis of the relevant provisions in the Associations' Declaration and the manner in which the Board has handled the "out-building" issues in recent years. The relevant language found in Article VII, Section 1 of the Declaration reads as follows:

No building shall be erected, altered, placed, or permitted to remain on any lot other than one single family dwelling not exceeding two and one-half storied in height, and one private garage or boathouse, or combination garage and boathouse for family automobiles and boats.

Even though this language seems relatively clear that the only buildings that can be built on Association lots are a house AND a garage or boathouse, the exceptions that have been allowed here have led to the current issue and an impression that the rule itself has become almost meaningless. The Board has allowed the following:

1. The construction of the structure at issue, essentially more of a storage shed than a garage for vehicles.
2. On a separate lot WITHOUT a residence, and
3. Its subsequent severance from the original owner and sale separate from that owners residence.

If the intent of the Declaration provision was to ensure that each lot contained one house AND (not or) one garage/boathouse which would run together for the purposes of ownership, we have created something of a Frankenstein's monster by permitting something other than a pure garage, on a lot without a residence, which can be separately purchased and sold.

In Dec 2009, in a apparent effort to – at least in part – rectify this problem, the Board passed a resolution that requires property owners who intend to build a garage on a separate lot to have the properties joined at the County level. This motion however, related only to NEW garages and was not enacted as an Amendment to the Declaration. Amending the Declaration is controlled by Article IX and requires 67% of the owners."

Much discussion was held about should Sylvan Shores attempt to look at just the garage issues and just deal with this single issue or is it time for Sylvan Shores to look at all of its Covenants and By-Laws and up-date all the documents.

It was noted that with the exception of the manager position, all positions on committees and the Board are volunteer positions. It was also noted that we have had issues in the past with rental property and businesses in Sylvan Shores.

The members present were about evenly divided about how to proceed (deal with issues 1 at a time or look at all the documents).

Lincoln suggested that we document all the excepts that have been made in the past and use this as the standard we use until we can pass an amendment if this is an approved was to deal with future garage permits until we have an amendment. (Example, garages that were built across the road and garages that were built on adjacent lots).

After much discussion, a decision was made to start working on the garage issue as a group. All members will be welcome to attend and participate in the meetings. The first meeting will be on Dec 6<sup>th</sup> at 10:00 am at the Clubhouse. We will work until lunch, take a break, and work again until the Sylvan Shores Christmas party later that day.

The Lamb and Chacos issue will come off old business.

The recommendation made by the Architectural committee is no longer an option for Board vote but must be sent to a vote of all owners.

2009 Motion: Kathy Jefferson moves to rescind the 2009 motion that requires property owners to combine properties in Sylvan Shores. Arlene Grover 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Comments about what the structure of the workgroup will look like that is looking at the garage issue and the Covenants as a whole were entertained by the Board. Also, much discussion about what do we really need to look at and doing this correctly. We are to a point where we are going to need legal help with some of these issues.

Kathy Jefferson made a motion to look at the 3 major issues immediately and then over time review all By-laws and Covenants. The 3 issues are garages, rental properties, and businesses in Sylvan Shores. Garages included any outbuildings. Lincoln Messner 2<sup>nd</sup> the motion.

Peggy requested a friendly a amendment that participation will be any Board member, any architectural committee member and any interested property owner is welcome to help work on this issue. Kathy Jefferson would like to hire someone who is knowledgeable in Associations who can come and assist us in this process.

We will prioritize garages first with information that states that other issues will be to follow. Arlene Grover 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Lincoln Messner made the motion to meet at Dec 6<sup>th</sup> at 10:00 at the clubhouse and everyone who comes should bring along research. Kathy Jefferson 2<sup>nd</sup> the motion. The motion passed with all yes votes.

New Business:

Campground rates: A discussion was held about camping rates.

Lincoln Messner made a motion to increase the electrical rates for the seasonal sites to \$150.00 per year. Lance Holthusen 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Arlene Grover made a motion to keep the rates and the dates the same for the 2015 camping season for the Campground. Lincoln Messner 2<sup>nd</sup> the motion, the motion passed with yes votes.

Clubhouse hours Jan/Feb:

A discussion was held about the hours for the Jan/Feb. for the clubhouse. Arlene Grover made a motion to have the clubhouse hours to be M-F 10-4 and Sat 10-7.

Kathy Jefferson 2<sup>nd</sup> the motion. The motion passed with all yes votes.

Lamb's attorney fee: A discussion was held about the attorney fee. Lance Holthusen made a motion to table the issue. Kathy Jefferson 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Kathy Jefferson made a motion to adjourn the meeting at 11:40 am. Lance Holthusen 2<sup>nd</sup> the motion, the motion passed with all yes votes.

Respectfully submitted

Peggy Forstner, Secretary