

Approved
 Sylvan Shores Property Owners Association
 Board of Directors Meeting
 February 27, 2016 10:00 a.m.

Open Forum 10:00 a.m.

Joel Linker, President, called the board meeting to order at 10:15 a.m.

Roll call- All Board members in attendance: Joel Linker-President, *Polly Brown - V. Pres, *Betsy Berglund,-Treasurer, Ann Dibb-Secretary, Terry Chacos, Judy Fricke, Joan Morphew. Note: Those attending via conference call noted with an asterisk (*).

Review the Minutes meetings of December 5, 2015. A question was raised regarding the start and end of the Durand and Associates management contract. Judy, who was on the prevailing side of the motion amended the motion to start the Durand contract January 1, for the five (5) month duration, through May 31. Seconded. Vote: 6 Yes/1 No. Motion carried.

A question was raised regarding the appointment of Betsy Berglund as a replacement of Sharon Kadlec as the annuitant of the Athene Annuity. Bylaws article XI Section 2 may prevent it. Joan made a motion to cash in the annuity. Seconded. Discussion indicated there is a hefty penalty (up to 15%) for early withdrawal. Suggestion was made to research alternate options for annuitant to avoid early cash out penalty. Vote: 2 Yes/5 No. Motion failed. Betsy and Judy to research alternate options.

Judy made motion to accept the minutes as amended. Seconded. Motion carried.

Additions to/Approval of Agenda- Two requests: 1) Change Advisory to Finance Committee. 2) Add army truck to the new business. Motion was made to accept the agenda as amended. Seconded. Motion carried.

Treasurer's Report- Judy Fricke shared the Treasurer's Report, as requested by Betsy as she was in attendance via conference call. A motion was made to approve the Treasurer Report. Seconded. Motion carried.

Assessments rec'd in 2016	\$	925
Springer Collections		0
Camping income		0
Capital Reserve Accounts:		
5 year annuity, Athena 12/31/17 (as of 8/27)		13,659
3 x State Farm CD 60 mo -10/19 (as of 1/31)		77,166
State Farm CD 60 month 3/20 (as of 1/31)		25,450
Total Capital Reserve Accounts		116,275
Funds Available:		
Petty Cash		98
Checking		12,626
(Land savings \$1461.61. This amount still in checkbook.)		
Operating Expense Savings Account		161,654
Total Funds Available (rounding difference)	\$	173,999

Reports

Approved

Management Report out by Ann Dibb, Secretary. Activity in the office has been slow in the winter hours. Brenda Pogreba, office coordinator, indicated that there continues to be inquiries about lots, campground and community center and clubhouse rental inquiries. Realtors have been meeting with potential buyers at the clubhouse.

Dale Rocheleau has been employed as part-time maintenance/groundskeeper starting in January. Gene Platzer continues as maintenance groundskeeper primarily at the campground. Brenda Pogreba was offered the office coordinator position with increased hours starting in April. Kick off meeting with Durand occurred. There was a question raised regarding the date the assessment invoices will be mailed, Durand Management company is in the process of preparing the invoices expected to mail in March. Mail date is pending.

Board meetings were determined for 2016:

- May 21
- July 16
- September 3
- December 3

Committee Reports

Finance Committee- Betsy Berglund and Judy Fricke. Judy read the Finance Committee minutes of January 30 (see appendix). In August a proposal was brought forward for a financial audit, since there is no record of an audit since the Association was formed which is a standard good business practice. Three bids were received. Judy made a motion to move forward with the audit using Michael P Mullen CPA for an expense to up to \$4000 for 2015 for a one year audit. Seconded. Discussion: The audit is to review internal controls identify best practices and ensure proper procedures, and not as a result of perceived improprieties. Vote: 4 Yes/2 No. Motion carried.

Architectural Committee- Terry Chacos reported that the Architectural Committee has met three times and also has met with the By-laws Committee and are getting close to recommending an updated permit document.

Joel reported the property owner who had construction equipment has removed all except the cement mixer that is pending and a lawn mower which does not belong to him. Also, the army truck that was to be removed by the owner today, was removed by an unauthorized tow. The Board, nor the office authorized the tow. The towing company received a call from someone assumed to be from Sylvan Shores asking for its removal.

Entertainment Committee- Polly Brown and Joan Morphew. Joan reported that there is not going to be a bake sale Memorial weekend due to declining interest and volunteerism. If there is interest in a garage sale, Sylvan Shores may put an ad in the paper. Roadside clean-up is scheduled for April 16th with an alternate date of April 23rd. There will be maps in which you can sign up for the area to be cleaned up. Polly and Joan will create a poster to inquire if there is sufficient interest in having a garage sale.

By-Laws/Covenants Review Committee- Judy Fricke. Judy reported that this Committee has worked very hard. The Committee has completed By-laws review, and has started the review of the Covenants. Have met with the architectural Committee on the two articles they are responsible for. There are several questions that need clarification from an attorney. Next step will be to write up resolutions. The Board has authorization to update bylaws, but the members have opportunity to speak to it also. There will need to be a special meeting to review, discuss and update the By-Laws- hopes of having this special meeting to be in May. This will require a special mailing with the recommended amendments. The Covenants require a larger member participation to change (as designed). The survey has questions that will help support the direction of By-Law and Covenant changes.

Unfinished Business

- A. Amend the SSPOA Covenants, Article VII Building and Use Limitations. Update: We will be mailing out the survey hardcopy to property owners to solicit additional perspective from members on the garage issue.
- B. Correspondence
 - i. Community Center Rental. Joan and Polly will review the Community center, Clubhouse rental, and campground rental agreements for recommended changes. Fees on the electrical service at the campground need to be updated as well.
 - ii. Electrical: There is limited electricity at the campground and community center. Recommended contacting an electrician to assess.
- C. Ping pong table repair: The ping pong table was damaged. Determined to repair it as best as possible. Dale will attempt to repair the ping pong table. There was discussion on whether to have the responsible party pay for the damage, however member discussion resulted in decision that this is unnecessary.

Approved

New Business:

- A. Pine Island access: The locks and gate to the access has been removed to allow member access to the lake
- B. Copy machine in the office is broken and needs to be replaced. Agreement that we should research best solution and purchase.

Adjourn- Move to adjourn. Seconded. Motion carried. Meeting adjourned at 12:02 p.m.

Submitted by
Ann Dibb, Secretary

Appendix:

<p>Finance Committee notes</p>	<p style="text-align: right;">January 30, 2016</p> <p><u>Finance Committee Meeting</u> Betsy Berglund – Treasurer Judy Fricke Joan Morphew Dennis Whipperling</p> <p>Meeting started at 10:00 am.</p> <ol style="list-style-type: none"> 1. The Committee reviewed the financial statements ending December 2015. In reviewing the Financials we have come under budget by \$32,349.75. In part because we had more income than what was budgeted and less expenses that what was budgeted. As for the 2016 budget, we have budgeted in line with what the income and expenses for 2015 represent. Budget for 2016 for income was budgeted less than what was received for 2015 and expenses were budgeted for more than what was dispersed. The Committee also anticipates that we should be buying another Certificate of Deposit soon. In doing this, need to insure staggering of the maturity dates of all CD’s needs to be considered. <ol style="list-style-type: none"> a. Discussion on sending out the financial report as required by Article VII, Section 3. The Committee recommends that the financial statement be sent with the dues assessments. b. The Committee recommends setting up an account for future capital expenditures. It was suggested to work with the management company and their CFO to accomplish this. 2. Assessments – Committee reviewed the bylaws and covenants as it relates to the dues assessments. Would like to have assessment billing to be March 1st, due date per Bylaws and Covenants is April 1st. Committee suggests an SOP be established as it relates to late dues as stated in the bylaws and covenants and that it be followed. 3. Audit – discussion on getting additional proposals for audit. Three additional letters have been sent out and will be followed up with phone calls in approximately 10 days from mailing. Committee recommends the BOD move forward with the audit. 4. Management Company – Durand and Associates. Betsy has been in communication with Durand and has provided them the necessary information to process the financials and payroll. The checks will still be signed as directed in the by-laws. 5. Inventory - Betsy provided a report titled Tax Asset Detail. It is a report which provides a good base to our inventory. However, some items no longer exist and there is no accounting for the number of some items. Betsy and Joan will create an inventory to include Serial numbers or any other identifiable remarks on equipment when available. Also will need to account for items listed that are no longer in existence. <p>Meeting ended at 11:45.</p>
--------------------------------	--

Approved

	Submitted by: Judy Fricke
Committee meeting notes	<p><u>By-Laws and Covenant Committee meeting of 12/5/2015.</u></p> <p>In Attendance: Judy Fricke, Mary Linker, Dennis Whipperling, Arlene Grover, Judy Vrdoljak Guest: Joan Morphew (BOD) Meeting began at 10:00</p> <p><u>Article V</u> <u>Section 4 Contents of Meeting</u></p> <ol style="list-style-type: none">1. Discussion on what kind of notice, and what information is needed in the notice. <p>Need to incorporate language as it relates to electronic meetings/ conference calls.</p> <p><u>Section 6. Quorum</u></p> <ol style="list-style-type: none">1. Need to establish a Q & A on all language as it relates to Quorums.2. Are there documents and minutes of meetings that reflect if there was a quorum for motions that passed? This would relate to annual and/or special meetings that would be required for certain types of amendments and/or motions to pass. <p><u>Section 8. Order of Business</u></p> <ol style="list-style-type: none">1. In review RONR it was discovered that the annual meetings as it relates to minutes of previous meetings has not been followed. Per Chapter IV, Section 9, Annual meetings it states in part: "...The only difference between this kind of annual meeting and the other regular meetings is that the annual reports of officers and standing Committees, the election of officers, and any other items of business that the bylaws may prescribe for the annual meeting are in order, besides the ordinary business that may come up. The minutes of the previous regular meeting are read and approved as usual at the annual meeting, and the minutes of the annual meeting are read and approved at the next regular meeting. Minutes of one annual meeting should not be held for action until the next one a year later." <p><u>Article VI Assessments to Property Owners</u> Section 4.</p> <ol style="list-style-type: none">1. Discussion on how assessments are being collected. It appears some are on a payment plan. If this is true the proper penalties per the covenants need to be charged. <p>Section 6.</p> <ol style="list-style-type: none">1. Need to develop an SOP to include process and timeline in enforcing penalties and liens. And that liens stay on the property. Also, how to deal with forfeitures.2. Discussion on how SSPOA is to keep on the transfer of property. <p>Section 8</p> <ol style="list-style-type: none">1. Eliminate references to Developer. <p><u>Article VII Finances</u> Section 2</p> <ol style="list-style-type: none">1. Summary of approved budget shall be available in the office. A summary of approved budget to be included in notice of regular meeting of the Association. (Annual meeting) Suggested this should be sent sooner and possibly a separate letter. <p>Section 3</p> <ol style="list-style-type: none">1. Financial Report to members, financial statement, Balance Sheet and Profit and Loss, send in March newsletter. <p><u>Article IX Board of Directors</u> Section 1. A. Do we need or have a corporate seal and is it necessary. D. Rules and regulations. Need to determine what rules and regulations we currently have in place and review and publish and post them. E. Other sources of income. What could this be.</p>

Approved

F. (vi) entry to private property, add this to rules.

Section 2. Number of Directors

1. Add language that any BOD must be a member in good standing throughout their term or be removed.

Section 4. Election of Directors

1. Need clarification on term "25 members" who are members for this article and can there be electronic signatures, email.
2. (C) – (F) Ballots/ Election – Need to create an SOP for nominating and election Committee. Discussion on ballots being sent to a secure place.
3. Discussion on including a section for Election Protests and Appeals

Section 5. Special meetings

1. Eliminate the specific terms of communicating notice of the meeting.
2. Incorporate new language on Electronic meetings.

Section 10. Term

1. Add language from Article XV, Section 4 on terms to incorporate what occurs if there is a completely new BOD.
2. Clarify the first sentence of Article 10. Does this mean if not enough nominees (no successors that a director would stay on BOD)?
3. Add language as it relates to a BOD who resigns and their eligibility to run. Would not be eligible until after their original term would have ended.

Section ? To be determined with renumbering if necessary.

1. Add a section on resignations.

Section 11. Vacancies

1. Add additional language on how to fill vacancies. See RONR. Page 448.

Section 13.

1. Discussion on officer and director succeeding themselves more than once. Is this per year or term?

Section 14.

1. Define "agents"

Section 16.

1. BOD should review all Committees after each election. Also, determine if there is a need for special Committees, (Committees other than what is in bylaws)
2. (C) eliminate Security and Safety Committee and incorporate those duties into Association Properties Committee
3. (D) add to the exemption of members to include spouse, partner, or immediate family member of any BOD to the Nominating/ Election Committee.

Meeting ended at 12:40. Will begin with Article X Officers at next meeting scheduled for January 2, 2016 at 10:00 a.m.

The meeting ended at 12:40. Next meeting is January 2, 2016 at 10:00 a.m.
Submitted by; Judy Fricke

By-Laws and Covenant Committee meeting of 1/2/2016.

Approved

In Attendance: Judy Fricke, Mary Linker, Dennis Whipperling, Arlene Grover, Judy Vrdoljak
Guest: Joan Morphew (BOD)
Meeting began at 10:00
Began with Article X Officers. Discussed the definition of officers. Certain Officers must be members of the BOD.
Section 1. Discussion on the wording of more than one Vice President and an Assistant Secretary. Changed the wording on this to eliminate more than one Vice President and the Assistant Secretary.
Section 4. Discussion on Secretary and Assistant Secretary as it relates to the duties. There is an understanding that these duties may be performed by someone employed by the association Article IX, Section 14.
Section 6. The term “agent” is used through-out the By-laws, would like this defined. What or who would be an agent?
Article XI General Provisions
Section 3. Need the updated IRC. It appears should be 1986.
Article XIII Indemnification of Directors, Officers and Employees.
Need to update the Minnesota Statute listed as 317.16(2) (14). This cite is obsolete.
Article XIV Amendments
Clarify this article on the special meeting and how the amendments can be changed and the requirement as outlined in this article. Need clarification.
Also need to determine the how to best inform membership of these changes.

Completed review of the Bylaws, next meeting will start on the Covenants.

Meeting ended approximately at 12:00.
Next Meeting, January 16, 2016
Submitted by; Judy Fricke

Bylaws and Covenant Committee Report **January 16, 2016**

In Attendance; Judy Fricke, Arlene Grover, Dennis Whipperling, Mary Linker, Judy Vrdoljak
Guest; Joan Morphew (BOD)

Meeting began at 10:00
Review of Covenants
Noticed that in the last WHEREAS it reads; “SYLVAN SHORES ASSOCIATION”, though it is also recognized as SYLVAN SHORES PROPERTY OWNERS ASSOCIATION (SSPOA) not sure when or how the terminology was changed to SYLVAN SHORES PROPERTY OWNERS ASSOCIATION.
Article 1, Definitions
Section 1. (A) again reference is SYLVAN SHORES ASSOCIATION not SSPOA.
1. (E) use of the term “Contract for Deed” vs “Land Contract” should this be changed for easier clarification?

2. (F) received attorney opinion on Owner and General Member as it relates to signatures on a petition for the purpose of Special meetings. Still is unclear to some, need a better question for clarification on all references to members, owners and other terms as it relates to requirements for signatures for all references therein.

3. (G) again definition of Member – need clarification.

Article II Property Subject to this Declaration Additions thereto
Section 1. Existing Property.
1. Does the language in this section need to be expanded to include “all” Townships along with the Plat description?

Section 2. Additional Lands

Approved

1. (A) The Developer -would like a clarification on this site.
2. (B) Other additions – would like a clarification on this site also.

Article III Membership and Voting Rights in the Association

Section 1. Membership

1. Have an attorney opinion on this and it also relates to Article 1(F) of covenants and also Article III Bylaws – need clarification on different degrees of membership and how they relate to all articles on membership and voting rights.

Section 2. Voting rights.

1. Each lot shall be entitled to one vote. What does this refer to, Elections only?

Article IV Property Rights in the Common Properties

Section 2. Title of Common Properties

1. Seems to speak to the Developer, is this needed or can it be omitted?

Section 3. Extent of Member’s Easements

1. (c) Suspension of rights to members, also see Bylaws Article III Section 8. B. These are rules and regulations that need to be “published” per this article.
2. (d) Right to charge fees. Need to have a list of all fees along with the date they were effective.

Meeting ended approximately 12:00. Next meeting January 30, 2016 at 11:30.

Submitted by: Judy Fricke

Bylaws and Covenant Committee Report

January 30, 2016

In Attendance; Judy Fricke, Dennis Whipperling, Mary Linker, Judy Vrdoljak

Meeting began at 12:00

Review of Covenants

Started with Article V Covenant for Maintenance Assessments

The right to assess payment and penalties rules and regulations.

1. Need to research and review all current rules and regulations and provide them to all members and have them posted.

Section 1. Creation of the Lien and Personal Obligation of Assessments.

1. Need an understanding of how liens and when liens should be placed and what if any options to re-coup any monies.

Section 3. Basis and Amount of Annual Assessment

1. Annual Assessment is based on subdivisions also, should this language be eliminated? Should we look to an increase in assessments?

Section 6. Notice and Quorum for any action authorized under sections 4 and 5.

1. Need to define quorum as it relates to this article in reference to sections 4 and 5.
2. Need to define how this section is implemented.

a. Speaks to 60 percent and subsequent shall be one-half ½ of required quorum?

Section 8. Duties of the Board of Directors

1. Shall prepare a roster of properties and assessments 30 days in advance of due date. Need to be aware of an established roster and its availability
2. Speaks of certificate as evidence of payment. Should this be considered or at least be aware of this?

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien, Remedies

Approved

of Association.

1. Discussion on all the fees that are attributed to late payments of assessments. Also, discussion on implementing liens. May need management and attorney direction on this.
2. Also the Board should be reviewing the amount of any late charge. Need to determine what the current late fees are and when they were established.

Meeting ended approximately 2:00. Next meeting to be scheduled.

Submitted by: Judy Fricke

Architectural Committee meeting: 2/13/2016

Started at 10:00 AM

Ended at 12:00 PM

Members present: Bruce Dibb, Rob Brown (phone), Judy Vrdoljak, Terry Chacos

Guests: Joel & Mary Linker , Ann Dibb, Judy Fricke, Joan Morphew,

Propose: Continued the review of possible changes to the Sylvan Shores Building Permit.

The group began by reviewing all of the previous proposed changes from the 10/31/2015, 11/21/2015, 12/06/2015 meetings starting at the page 1 of the permit. The suggested changes from this meeting will be emailed to Committee members and presented at the next Architectural Committee meeting for final review and then present the final document to the Board of Directors for review and approval.

Respectfully,

Terry Chacos