

Sylvan Shores Property Owners Association
Board of Directors Meeting
May 21, 2016 10:00 a.m.

Open Forum 10:00 a.m.

President Joel Linker called the regular Board of Directors' meeting to order at 10:05 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.

Review the Minutes meetings of Feb 27, 2016. Judy made motion to accept the minutes. Seconded. Motion carried.

Additions to/Approval of Agenda- Three items were requested to be added to new business: Terry requested: 1) building permit and 2) upgrade to sites for campground. Joan requested: 3) June 11 meeting. Ann made a motion to accept the amended agenda. Seconded. Amended agenda accepted..

Treasurer's Report- Betsy reported, requesting that the Treasurer's report have further review of the details provided by Durand prior to approval. Additional assessment detail was provided: Past due assessments coming into 2016 from 2015 was \$186K, with \$76K past due from thirteen owners with past due amounts greater than \$3K. 2016 assessments is \$188,580. \$6645 of that amount is Sylvan Shores' assessments. Billing to members is \$182,935. To-date \$116 has been paid with \$66K forthcoming. Ann made a motion to table the approval of the treasurer report until the next Board of Directors meeting to allow the Financial Committee to confirm accuracy of the financial report provided by Durand. Seconded. Motion carried.

Revenues are for 1st quarter ending 3/31/2016

Assessments Collected	\$ 42,902
Interest Income	649
Springer Collections	0
Camping income	2,900

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 3/31)	77,437
State Farm CD 60 month 3/20 (as of 3/31)	<u>25,540</u>
Total Capital Reserve Accounts	116,636

Funds Available:

Petty Cash	669
Checking	41,126

(Land savings \$1461.61. This amount
still in checkbook.)

Operating Expense Savings Account	<u>161,717</u>
Total Funds Available (rounding difference)	<u>\$ 203,512</u>

Reports

Management Report - reported by Ann Dibb-Secretary:

Staff: Brenda Pogreba has submitted her resignation. We are posting to replace her position. We have obtained a few pool attendants and Brenda is working to put a pool attendant coverage calendar together. A certified pool operator has been secured for this year.

Office environment:

The MacAfee virus protection was upgraded. Internet connectivity to the office computer was resolved with a new wifi wireless adaptor \$50. Email service was changed to SylvanShores@Outlook.com. SSPOA@mail.com is forwarding to the new email address. This was done for better functionality for group mailings. Welcome packets: Brenda has been creating and distributing welcome packets as appropriate since she has been in the office. The packet includes: Welcome letter, SSPOA 'Did you know facts', By-Laws, Covenants and colored map and campground brochures.

Compost pile: As awareness, the compost pile was moved to the community center in March of 2015.

Miscellaneous:

Terry reports that the electrical poles coming up the driveway were replaced by Todd Wadena Electric at no charge. As part of the process Todd Wadena identified that we have been overcharged for a long period of time. Todd Wadena issued a refund of \$1922.

Also not mentioned in the building and maintenance report was that a new lawnmower and trailer were purchased \$2800 below planned budget. Additionally the lawn mower was sold for \$1800. Denis Whipperling has been working to assess our insurance coverage and make recommendation.

Committee Reports

Financial Committee- Betsy Berglund and Judy Fricke. Arlene researched savings certificates and reported recommendation. Finance committee will review and make recommendation at a future Board meeting.

Architectural Committee- Terry Chacos reported (see appendix)

Entertainment Committee- Polly Brown reported: Roadside clean up went well and had a lot of volunteers. The pool company is opening the pool on June 1. The cost is higher (\$1010) due to a part replacement, otherwise the cost would have been lower (\$710). Stone- age pools was selected after checking with other vendors. The garage sales are being run independently this year. An ice cream social Sundaes on Saturdays is planned for June 11 from 12-1:30.

By-Laws/Covenants Review Committee- Judy Fricke. Judy made a motion to spend up to \$650 to print and mail a notice to members of the special Board of Director meeting on June 11 for the purpose of acting on the committee recommended resolutions to the By-Laws. Seconded. Motion carried. The notice and resolutions will be posted to the web site. There will be limited copies at the meeting for the members. It is anticipated that the recommended resolutions to the Covenants can be acted on by end of summer.

Unfinished Business

- A. Financial audit Mike Mullen and Associates has provided initial draft of audit results this week. Betsy made a motion to table this topic to the next meeting to allow for review of the results. Seconded. Motion carried.

New Business:

- A. Pine Island access: Awareness- The locks and gate to the access has been removed to allow all members access as the locks were problematic and restrictive to members.
- B. Insurance coverage review: Betsy made a motion to pay an insurance invoice for \$7725 that is payable by June in order to receive a discount. Seconded. Motion carried. Discussion: Dennis Whipperling who is working with the insurance company to review and recommend insurance coverage should proceed to research options with the expectations that the amount would be amended if we were to change the coverage.
- C. Management Company contract: Betsy made a motion to communicate to Durand and Associates intent to discontinue the contract at the end of our contract terms. Seconded. Motion carried. Discussion: Durand has been providing financial and consultation support. Although much has been learned, the financials have been challenging. Financial management support will be determined on the level of skill we are able to acquire in the office staff and whether it can be maintained internally with an upgraded version of QuickBooks, or an external accounting firm.
- D. Annual meeting: Awareness- Annual meeting is September 3rd per current By-Laws.
- E. Process for running for a Board of Director position: Question regarding process- According to the By-Laws the President appoints an Election committee. The Election committee will determine the number of Board

positions and oversees the election process. A Standard Operation Procedure will be written to guide the process based on the By-Laws. The By-Laws/Covenants Review Committee has a resolution that addresses terms that may be acted upon on June 11.

- F. Pool opening and closing: Question regarding hours: Hours are 10:00 to 9:00 (unchanged).
- G. Building Permit: The building permit has been revised by the Architecture Committee to have the verbiage consistent with the Covenants and By-Law. Judy made a motion to approve the revised permit version dated May 12, 2016. Seconded. Motion carried.
- H. Electrical upgrade to campground sites. Terry has been soliciting bids to upgrade the electrical to partial sites. Terry made a motion that to leverage Wayne's electric, to updates 12 partial sites at a cost of \$3045 and disable 48 those not being updated at this time. Seconded. Discussion: \$1500 is already in the budget for the campground. Money from sale of equipment and Todd-Wadena electric refund can be applied to offset this expense. Judy made a motion to table the proposal to gather more detail on campground usage for decision making. Seconded. Motion to table passed.
- I. June 11 Special Board of Directors meeting will be held to act on resolutions to By-Laws as discussed in Committee reports.

Adjourn- Move to adjourn. Seconded. Motion carried. The regular Board meeting adjourned at 12:44 p.m.

Submitted by
Ann Dibb, Secretary
(Approved July 16, 2016)

Appendix:

FINANCE COMMITTEE MEETING

May 17, 2016

Betsy Berglund – Treasurer, Co-Chair
Judy Fricke - Co-Chair
Dennis Whipperling
Arlene Grover
Joan Morphey

Meeting started at 7:00 p.m.

Dennis and Judy attended via conference call.

1. Acct 6002 reflects 88.23, this is a payroll tax and was entered under the wrong account.
2. Management fees were to come under 6009, Professional Fees, but is listed separately under 6404.
3. Professional fees wanted the items separated.
4. Need to find out why the YTD Total Budget is not what was original approved.
5. Office Expense items appear to include items that should be under some other categories.
6. Charging for the use of credit card, Durand does it this way, we agreed.
7. Durand website was confusing for payment of assessments. Information for credit card charges was not clear on the billing.
8. Payroll Checks are coming from Durand.
9. Phone, Campground shows no expense, not sure where it is being billed.
10. Property clean-up 6031 thought it should be under R & M Grounds 6013.
11. Did Durand provide any insurance binder on errors and omissions?
12. Homeowners associations are required to use Accrual method, which the annual reports should represent, however, the monthly statements are done on a cash basis.
13. We talked about getting another CD. We will need to get one soon and we need to have the maturity dates staggered. Arlene will check for rates and provide the information hopefully by the weekend.
14. Durand has made some errors it may be part of a learning curve.
15. Durand is doing monthly financials would like to have the financials provided to the committee monthly.

Conclusion on financials, need to have more detailed information on the income and expenses.

Wages for Pool attendant

Do we stay with the \$7.25 and the \$1.00 for cleaning? If we stay with this method need to make sure that the chores are tracked and frequency of chores is given along with direction to employees on how to complete and use the tracking sheet.

Dale may be cleaning, but not sure if or how it is being tracked.

Is Lawanna going to be CPO? Need to know what her duties will be, need to establish job descriptions along with expectations.

Audit

Michael stated we need reserve funds. Believes we are underfunded. If we are creating a budget need to include monthly

monies for reserve. Any monies under budget should go into reserves.
Hope to get Audit report before BOD Meeting on May 21, 2016.
Tax Asset Detail report, Michael questioning the pool cost/expense.

Inventory

Joan and Betsy to do the inventory.
Meeting ended at 8:40

Submitted by:
Judy Fricke

Bylaws and Covenant Committee Report

March 19, 2016

In Attendance; Judy Fricke, Arlene Grover, Mary Linker, Judy Vrdoljak ,Dennis Whipperling
Monica Chacos
Architectural Committee; Terry Chacos, Bruce Dibb,
Guests: Ann Dibb, Joan Morphew.

Meeting began at 10:00 am

The two committees met for the specific reason to discuss those parts of the covenants which represent the Architectural Control Committee.

Discussion began with Covenants, Article VII, BUILDING AND USE LIMITATIONS, Section 2.

1. There was much discussion on the following;
 - a. Use of tents. There has been some belief that tents could not be used on any lot, developed or not. However, the committee believes that this particular article is specific to what can and cannot be done on an undeveloped lot. The purpose of this Article is to define that while building you cannot use your lot as a residence until there would be running water and septic. This would be consistent with the County provisions. As it relates to "tents" there is an understanding that if someone had a developed lot and if someone wanted to tent on a temporary basis that this would be allowed. Examples given were directed to those having company and using a tent or something similar to accommodate guests on a weekend or short period.
 - b. Camping. The BOD should review rules on camping and visitors.
 - c. Animals. There have been several issues over the years with loose dogs/pets and those causing a nuisance, excessive barking as an example and number of pets. It was determined that the BOD has the ability to create rules and regulations that could and should address these issues. This will be referred to the BOD.
2. Section 3. Building Location
 - a. Terry will research the 3 foot minimum side yard for garage or other permitted accessory building located to the rear of the property. It could not be determined how this 3 foot minimum would be different than other side yard easements.
3. Section 4. Easements.
 - a. This section provides the owner of a lot that is adjacent to another lot owned by the same owner to build on the lot line which than makes the easement inoperative. The committee questioned if there should be something filed with the county that would approve the legality of this location of the building, therefore, showing the county is aware of such inoperative easement.
4. Article VIII GENERAL PROVISIONS
5. Section 3. ENFORCEMENT.
 - a. Discussion regarding liens. The BOD needs to determine an SOP on enforcement. If liens are filed need to determine what measures need to be taken to keep the liens enforceable.
6. Article IX Amendment
 - a. This Article provides a list of those items that are in the Bylaws that cannot be amended without consent of Owners of at least 67% of the Lots. Specifically the item that provided discussion was #9. Renting. There has been a belief that renting was not allowed in SSPOA because some believed it to be a business. However, there may be some confusion since the Covenants do list Renting and the Bylaws do define Temporary Members as Lessees.

Meeting ended approximately at 12:30pm

Next meetings scheduled for April 2nd, 10:00 am and April 16th, 10:00 am.

Submitted by:
Judy Fricke
Committee Chair

Bylaws and Covenant Committee Report

April 2, 2016

In Attendance; Judy Fricke, Arlene Grover, Mary Linker, Judy Vrdoljak, Monica Chacos
Guests: Board of Directors, Ann Dibb, Polly Brown, Joan Morphew.

Meeting began at 10:00 AM

1. Discussion began with Article V, Section 9 of the Restrictive Covenants.
 - a. Defined “devises”; ceased property through a will.
 - b. Penalty fees and interest to start 30 days after delinquency date. Currently this 30 day period would be May 1st. That is when the fees and interest should start.
 - c. Sentence which states; “There shall be added to such assessment a late charge, as set by the Board from time to time,.....” Need to determine how this would be implemented and define what the intent of this part of the section is to mean.
2. Need to determine from Betsy or Durand if the fee and penalties occurred with this last billing of assessments.
3. Section 13. Subordination of the Lien to Mortgages.
 - a. There is a document dated December 10, 1988, Titled **ASSESSMENT LIEN POLICY** in which the board created a policy for forfeiting assessment dues under specific situations. This document should be reviewed by all Boards and it should be determined if it has been followed or should be.
 - b. Committee discussed the sale and transfer of property. There appears to be problems with the association receiving notification, legal or otherwise, of this occurring. It was discussed that the Association, must receive legally filed documents with the State or County in order to include these properties as new owners of the Association. Association needs to determine the necessary documentation needed in order for the Association to list the correct owner of the property.
4. Article VII Building and use Limitations, Section 1. And Article IX Amendment #9 Renting.
 - a. Discussion on renting/renters. The committee would like a legal definition on when or if renting/subletting becomes a business and/or commercial enterprise.
5. Article VIII General Provisions Section 3. Enforcement
 - a. Discussion and questions by the committee regarding the enforcement of liens. Does a current lien need to be filed every year?
6. Article V, Section 3 Basis and amount of Annual Assessments.
 - a. It has come to the committee’s attention that assessments have not been properly billed according to this section. Billing is based on EACH subdivision also, which has not occurred. Need to determine how many owners are affected by this type of billing for assessments.

Submitted by;
Judy Fricke
Committee Chair

Architecture Committee report

5/16/2016 By Terry Chacos

(For activity since the last board meeting on February 27, 2016.)

Building Permits approved or pending:

3-21-2016, Committee approved a deck permit for Mr. Kenneth Salber at 284750 Ottawa Drive.

5-4-2016, Committee approved a deck permit for Mr. Bruce Schommer at 40788 Penelope Loop.

5-14-2016, Committee approved a deck permit for Marie Schmaus at 40281 Paradise Drive.

5-14-2016, Garage permit received and reviewed by Terry and is pending, he gave the permit back to the office in order to have the office contact the property owner to provide additional information including some pages of the permit that were missing.

5-16-2016, A letter has been sent to Marilyn Berg and Allan Schneider responding to her letter dated May 2nd, 2016. In that letter, Marilyn requested that the architectural committee approve her previously denied permit from October 13, 2015.

Previously on February 3, 2016 the SSPOA Board sent a letter to Marilyn and Allan offering to settle our differences is they

would respond in WRITING that they would “abide by the latest version of the Governing Documents, Declarations, By-Laws, Policies, and Rules and Regulations, for all future projects that require Association processing and approval before any project begins.” The letter sent by the SSPOA board on 5-16-2016 is likely just recently received by Marilyn and Allan and thus they have yet to provide the terms we request in writing, thus their permit is pending.

Building Permits that were denied:

3-19-2016, Committee denied a permit to Cheryl Petersen, lots 15 and 16 are located on Orange Court in Sylvan Shores Villa. Some of the reasons for the denial were; a camper trailer was placed on the lot to be lived in while the planned home was under construction, this is not allowed per the SSPOA Building Permit dated 6/1/2013, and not allowed per SSPOA Covenants Article VII Section 2. No indication that the property lines had been located was provided. The drawings submitted with the permit would were not detailed enough for the committee to give their approval for the home design. The site did not have a septic system design or permit from Todd County at the time of their application (no proof that a design was in the works was provided). The site did not have a well permit from a licensed installer at the time of their application (no proof provided that a certified well was on the site). The site did not have a Todd County Land Use Permit at the time of their application, in their defense however, our Building Permit dated 6/1/2013 did state that they should get their Sylvan Shores permit before the Todd County permit, this has been changed recently and I did inform Cheryl that she should get the Todd County Permits first as well as the Septic Permit and the Electrical Permit.

A letter from the Sylvan Shores attorney Mr. Thomas Mathews was sent to the Petersen’s in affirmation of the Architectural Committee’s right to deny the Petersen’s permit. They were asked to remove the trailer by April 23, 2016 and to respond prior to that date or SSPOA could have their trailer towed. No response has been received from the Petersen’s.

Building and Maintenance report

5/16/2016 By Terry Chacos

(For activity since the last board meeting on February 27, 2016.)

3/8/2016 SSPOA purchased a new Husqvarna 52 inch zero turn lawnmower from True Value Hardware in Staples for \$5,368.74.

3/20/2016 SSPOA purchased a new 6 ½ foot wide by 10 foot long utility trailer to be used to transport the new Husqvarna lawnmower. The trailer was purchased from Fleet Farm for \$1579.48 including taxes and registration.

4/4/2016 SSPOA purchased a new 3 foot wide by 5 foot long garden utility trailer to pull behind the lawnmower to pick up sticks and trash prior to mowing the lawn. The trailer was purchased from True Value Hardware in Staples for \$200.00.

3/31/2016 Four new LED Lights and poles were installed by Todd Wadena Electric along the driveway leading up to the clubhouse at no charge to the association.

4/4/2016 Dock at Fawn Lake put in.

4/28/2016 (on or about this date) Campground and Community Center water turned on.

5/12/2016 (on or about this date) Docks at Clubhouse put in, picnic tables put out.

4/25/2016 Electrical work was done at the Clubhouse by Wayne’s Electric from Staples. The circuit breakers in the front entry were replaced with circuit breakers with the proper rating for their intended use as switches. This was less costly than replacing the panel or adding a new set of switches to control clubhouse lights. In addition a new GFCI circuit was installed in the downstairs kitchen. The already existing 4 or 5 outlets in kitchen are presently all on the same circuit breaker and that is the reason for blowing breakers when too many things are plugged in to them. That existing kitchen circuit is also now protected by the addition of GFCI outlets. The new GFCI circuit that was installed is located to the right of the refrigerator and next to the microwave and should be used when several things need to be plugged in. This brings the kitchen up to code by having two GFCI circuits. Clubhouse electrical cost \$629.44.

Electrical work was also done by Wayne’s Electric at the Community Center. GFCI outlets were installed downstairs in the kitchen area that has been used for parties. A second GFCI protected circuit was also installed to provide additional outlets in order to reduce the problems of blowing circuit breakers. Both the men’s and women’s bathroom outlets were replaced with GFCI outlets as is required by code. The upstairs kitchen although seldom used had a GFCI outlet installed to protect the already existing outlets. The Community Center electrical cost \$665.00. There was also a \$36.00 inspection fee.

Planned Electrical Upgrade to the Campground:

4/26/2016 SSPOA sent out a request for bids to upgrade some of the electrical supply available at various camp sites in the campground. The request or “Work scope” given on the bid to two electrical companies was as follows:

1. Give an estimate on the cost to upgrade some of the full service sites, from a 30 amp service to a 50 amp service **per site**. We would only be able to upgrade a few of these sites this year as we have not budgeted for a large expenditure for the campground this year. (the full service sites we would want to consider for the upgraded first are; 1, 2, 3, 4, 5). NOTE, one contractor indicated it would be less costly to upgrade sites 6, 7, 8, 9, 10 for a couple of reasons.

2. Give an estimate on the cost to upgrade some of the partial service sites, above, **on a per site basis**. We want to replace the enclosure(s) that presently contain 2 twenty amp fuses and 2 duplex outlets with an enclosure that would contain 2 twenty amp

circuit breakers and 20 twenty amp GFCI duplex outlets. (the partial sites we would want to consider for the upgraded first are; 18, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56). These sites were chosen due to they are most frequently used and are close to the bathroom facilities.

NOTE: All of our partial service sites may present a danger to those who are using them because there is no GFCI protection as required for all outdoor outlets. I believe there are two sites that have had GFCI outlets installed by seasonal campers who recognized the danger and paid for the upgrade themselves or SSPOA may of paid for the GFCI's but I am not certain.

Contractor Bid #1: Upgrade from a 30 amp to a 50 amp service to the full service sites 6-10 \$1870.00; but we need to run new wire capable of carrying the increased load from the main service pole and replace the disconnect under the main service meter with one that is up to code, cost \$2530 for a total on the full service sites of \$4400.00.

Upgrade for the twelve partial service sites would be \$3,045.00 if all twelve done at the same time, which is \$254 per site. If done on a one at a time basis the cost per site would be \$375.00 each.

Contractor Bid #2: Upgrade the full service sites from 30 amp to 50 amp \$2885.00. This contractor did not indicate the additional cost to add heavier wire from the main service pole nor did he indicate that the disconnect was not up to code.

Upgrade for the twelve partial service sites would be \$246.00 for each site.

The Board will likely select one of the two contractors before the Board meeting on May 21, 2016. My recommendation is to select Contractor #1 as his bid is the most complete, we would likely only plan on upgrading the twelve partial service sites this year due to the total costs involved and due to all of our full service sites are full, and the electrical work would require trenching and the campers are in the way.