

Sky Meadows Ranch, Board of Trustees Meeting

Saturday September 20, 2008

Un-approved Minutes

The meeting of the Board of Trustees of Sky Meadows Ranch was held in the cabana. A quorum was present and the meeting was called to order at 9:06.

1. Board Members Present: Colin Ferrin, Steve Locati, Bob Poole, Dale DeGour, Kris Johnson
Bob Swenson, Peggy Locati, Trent Ely

2. Board Members Absent: none

3. President's Remarks: none

4. Secretary

1) Minutes Approval -Motion Peggy /Kris to approve minutes. Unanimous

5. Caretaker's Report

- 1) Harold is on vacation.
- 2) Poole reported that Harold was using his vacation time up before switching to the new timekeeping process.
- 3) The dumpster has not been compacted due to the fact that the Case 580 is currently not working.
- 4) Kris reported that the recent correspondences regarding the lodge was in part due to the fact that Harold is on vacation. She also noted that the facilities get dusty quickly and that the toilets are stained.
- 5) Members need to please not use the paper towels for drying out of the shower.
- 6) Sealing of the railing will be accomplished by the winter, Poole reported.

6. Treasurer's Report

1) Check approvals: Motion Steve/Trent, to approve 8904 through 8932.

- a) Discussion: Trent asked about the second check to Norm Cook. Peggy reported the second was for the grading of the berm in the meadow and parking lot grading.
- b) There is a portion of the billing that should be allocated to Water Capital and portion that should be General Operations. Bob will correct that with the bookkeeper.
- c) Bill Williamson attorney billing was for a bill for the road study report and expert witness regarding the Pederson Lawsuit.
- d) *Motion passed unanimously.*

2) Financial Report: 2008/9 Budget: Motion Peggy/Trent to approve budget:

- a) Discussion: Kris asked why groomer maintenance and operation was under water operations. Bob reported that it is in the expense column because it has been done that way in the past since equipment maintenance operations is all pulled from Water Operation but that it is agreed that the groomer isn't Water Operation. There has been an imbalance as in the past years most of the money had gone into Water Operations expensing regardless of what fee the income was from. This is a violation of our Assessments Disclosure Policy. The budget for 2008/2009 was designed to remedy as much of that as possible and this item was one that was not addressed. The bottom line is there is no dollar increase to members in the new budget.
- b) Although we can move money from general to water, in the future we need to continue to budget expenses correctly per the income disclosure. Ron Bell asked why we don't budget and account under the principal of fixed assets. Steve mentioned that he believes as a non-profit we don't account for tax purposes under GAAP. And categorizing as assets, amortization, depreciation etc. would move certain expenses from the P & L and make day to day management of our budget much more difficult.
- c) *Motion amended to approve the 2008/9 budget with the change of the category of the Groomer from Water Operations to General Operations (Peggy/Poole) Vote: Unanimous*

3) September Billing Status: The bills for Water and Garbage have gone out for September.

- a) Joyce Munson asked why the bills were out late since the meters were read in August. Peggy explained that September was the first billing cycle since August. Joyce asked why the due date would be October with the bills being sent in September. Peggy explained that there would be no past due penalties unless the payments were more than 30 days late.
- b) Further discussion regarding the funds from the sale of the old groomer being categorized as income. Poole explained that it was a goal under the budget.

- c) Bob Swenson explained this board's budget management process has been to review the budget monthly and analyze our position by line item noting changes of income and expenses as necessary and hi-lighting watch items to stay on track.
- d) Linda Wood asked if there would be a forum at the general membership meeting to ask questions regarding the budget prior to turning in their ballot. Members may attend the meeting and turn in their budget. In the interim members can email or call the board. Members may also proxy by following the proper process as identified in the Annual Election Policy and By Laws. Steve explained that after any explanation it is the member's choice to vote to approve or not approve the budget.

Groomer Donation Savings	5174.57
General Checking	2407.65
Club Dues Savings	23,034.04
Water Capital Savings	44,085.53
Water Operation Savings	4581.63
General Savings	10,495.20
Water Capital CD	<u>73,527.96</u>
Total	163,330.66

7. Roads, Parking & Equipment

- 1) Paving Report: Poole reported that the bid with the company we chose for the paving was for a better quality of finished product and amount of asphalt. We did not add two inches of gravel as the paving company originally advised since the base of our road was so compacted it would not be advisable to tear it up first. So they recommended a coat of gravel to level the road and then a 1 inch layer of asphalt as an under-layment to the 3 inch top coating. This is what he approved. The apron edges will be worked to make it better as soon as the Case 580 is repaired. Until the aprons are finished it is asked that we all be careful to take care to not damage the asphalt approaches.
- 2) Poole reported that we are considering using tug boat rope for speed bumps. The asphalt company recommends this as it works well and can be removed for winter months. Dave Chambers asked that we have some speed control around the entrance and parking and dumpster areas. Poole reported that that is what he has in mind.
- 3) Dave Chambers expressed that after thought and discussion he is questioning whether the board has the ability to execute the loan agreement. He presented a letter to the board from his family expressing his concern and stated that it is the end of the issue from his family.
- 4) *Motion Poole/Peggy to approve the execution of the note to the Schaafsma's for \$60,000.00 no interest loan to pay for the paving of the Casassa Road entrance. Passed 5 approved. Trent refrained, Colin and Kris opposed.*
- 5) Trent asked Dave Chambers about his concerns. Dave explained that he is concerned that the project should have been done under a capital improvement project with a special assessment. He is concerned for future unexpected expenditures. Bob Poole reported that this project was done under budgeting of the road improvement fee.
- 6) Dave Chambers said that in the future if our covenants were amended a provision for this type of capital improvement project that needs to be handled in an expedient fashion. It was expressed that there was an understanding of the need to act because the bid we had was only good for a short term and that in the future it would be too expensive to ever accomplish because of the fact that paving has increased in price so much.
- 7) Kris expressed concern that she didn't feel she was in the loop of communication. Poole told her he addressed her in all of the emails. Dale told Kris he responded to the emails that Bob Poole sent to Kris. Everyone agrees that communication is one of those things that can always be better regardless of much is done.
- 8) Old Groomer Sale Plan: Bob Poole reported that he is expanding where they are advertising to sell the old groomer. **GROOMER IS FOR SALE IF ANYONE KNOWS OF A PERSON OR ORGANIZATION THAT NEEDS IT!!**
- 9) Bob Poole reported on the maintenance costs of the Case.

8. Water System

- 1) Firefly Installation Report: Pierson Smith, who is the member volunteering to oversee this project, gave a report. He started by explaining to those who have not followed the project that the Firefly system

is an electronic meter reading and communication system that compiles the data in a main frame. The system will send out an alert of higher than normal usage which will be reported to the caretaker and designated board members.

2) The initial hardware infrastructure has been installed. On the September 30 the vendor will have personnel on site to train for installation and work with our bookkeeper to automate the billing process. There will be 73 firefly meters installed this fall and the remainder to be installed in spring. The devices being installed this year are on lots that currently have a flat meter glass.

3) We are going to have to replace some of our older meters which do not have dial sweeps. The two newer type meters will be compatible. 137 meters will be replaced.

4) Julie Ring asked what would occur as far as the filling of their holding tank or someone's hot tub or a septic installation. The board expressed that as always, they are expected to contact the caretaker in advance of necessary larger than normal water usage, the alert would then be avoided.

5) Training will begin on Sept 30 at 8:00 AM at the Cabana.

6) Ron Bell asked if this was under water operations. Trent reported the money is in the Water Capital budget.

Pierson stated that we saved money by eliminating certain hardware we didn't need that the vendor was proposing.

7) The replacement of the meters added approximately \$2,000.00 to the cost of this.

8) Dave Chambers asked why the cost of the new meters that were needed was not a burden placed on the members who have those meters. It was explained that is not the fault of the member that their meter was one of the older used meters that were originally used at Sky Meadows. Members are welcome to donate to the cost of the new meters. Several members attending expressed a willingness to donate money for this.

9) Eileen Polanski asked why the water statement only gives them the total usage rather than the beginning and ending meter reading. It was explained that we don't pay our bookkeeper to go to that extent due to the cost. Trent reported that members can contact him if they want their actual reading.

10) Well Drilling on 1C1 Report: Trent reports that the driller has still not given us a solid date.

11) *Water Status Upgrade Approval: Motion Trent/Colin to accept the single application for part time upgrade he has. Unanimous.*

9. Fire, Safety & Security

1) Firewise Report & Grant Funding: Dale reports that we procured an additional \$6,000.00 from the conservation District in Grant Funding for Firewise efforts.

2) He suggests that the next goal in firewising needs to be to eliminate some of the canopies over the roads and to remove dead and diseased trees along the roadways. He would like to offer to volunteer to continue to help after he is off of the board and is volunteering to be a member of a fire and safety committee he desires the future board to form.

3) Dale expressed the need for more volunteers for future projects.

4) Dale would like members to contact him regarding dead or diseased trees needing to be removed.

5) Dale reported that in the past we have referred to DNR regulations which do not exist other than fires and barbeques. Our policies regarding equipment bans is a policy enforced under our bylaws and remains in effect.

6) Dale reported that there is a problem with a dog that belongs to a renter in the development. The board must send a letter. Bob Brutsche offered to take care of it.

7) Joyce Munson reported a possible discrepancy she saw on the web site regarding the fire level.

8) Debris Pile Removal / Clean up: October 13 is the removal date of the debris pile in the lower lot.

9) Dale offered to help members with de-limbing trees on a case by case basis.

10) Colin gave a report on the proposed new reader board that he and Dale are proposing. The reader board would have a roof overhang, be lighted at night and will include a map of the development. He is projecting the cost would be around \$800.00 to \$1,000.00. He will be taking this project forward to the next meeting.

10. Buildings & Grounds

1) Kris reported that the doors to the lodge will be replaced with fiberglass doors. Ron Bell has volunteered to install them. Ron reports that the doors will be white. They are heavy duty doors that should have a long service life expectancy.

11. Architectural

1) Colin reported on two requests for tree removal. One he is approving and the other is still under consideration.

- 2) Colin reported he has been in communication with a member that needs to clean up some debris on their lot and anticipates working through the issue.
- 3) Colin reported there is another lot that the trailer was extensive damaged by a tree and has been repaired without architectural approval.
- 4) Bob Swenson reported on conversations with DNR regarding tree density. DNR reports they cannot fight a fire where there is dense canopy. He suggests we look at managing for tree density. Firewise aspects may not correspond with our current tree removal architectural policy. Colin reported that he has been considering this in his approval considerations.

12.Old Business

1) Insurance Update: Steve reported that we are still working on attempting to obtain better coverage since we currently have an exclusion in our coverage relating to all snow activities. We are working with an agent that is sending a risk manager out to see our facilities and talk with us regarding safety measures and recreation management that should be addressed. They are also telling us we must have a recreation safety management policy in place.

13.Member Input

- 1) Joyce Munson expressed that she didn't agree with the wording in the newsletter regarding the audit report. It was reported that the audit was only an audit and not a quest to discover an explanation; it is up to the board to investigate the audit.
- 2) Bruce Polanski expressed concern that he took exception to the fact that the Treasurer was present at the audit. Peggy reported she was there when the audit committee asked her to come in and answer questions regarding the current processes.
- 3) Linda Wood asked if the 2008/9 budget would be over run on roads with note repayment. Bob Swenson explained the roads budget in detail and that there are extra funds in 2008/9 roads budget after the note payments are made.
- 4) Bruce Polanski asked about a policy dated 1988, FIN05. The board reports that they believe they have complied.
- 5) Dale asked how many candidates we have for the board elections. We currently have two. The Board asked since some in attendance appear to want to be part of board decisions if anyone in attendance wishes to apply. Nobody stepped up.
- 6) Dale asked why the members that always attend the meetings would not serve.
- 7) Julie Ring asked about the specific openings. Specific assignments are not predetermined. It is up to the new board to appoint positions of elected members when they become members of the board.
- 8) Jeanne Schmidt stated she would consider serving on the board if it was more member volunteer committee oriented. The board responded that they would love for more members to volunteer to serve.
- 9) Joyce Munson expressed that she thinks the new board members should take position at the meeting that the election is held. She would like to see the new board approve the budget. She was answered that the board approves the proposed budget and the members vote to ratify the budget. If the membership do not approve the budget, the same budget as the previous year will carry forward.

14.New Business

1) A note from Robin Swenson was read. Robin is resigning from the editor of the newsletter and manager of the website. The board expresses appreciation for all of the hard work that Robin has done. The newsletter and web site has been a terrific enhancement of the communication to our members. We have received endless appreciation from members. We hope that someone will step forward with the desire and ability to try to continue these efforts.

15. Adjourn July Meeting

1) Motion Peggy/Trent to adjourn. Approved and adjourned at 12:13 PM.

Respectfully submitted,
Steve Locati, Secretary