

ENCHANGED FOREST PROPERTY OWNERS ASSOCIATION
Board of Directors Meeting Minutes
Saturday, December 6, 2014

1. The meeting was called to order at 10 AM by President Esson; the Pledge of Allegiance followed.
2. Roll call by Secretary: All Board members were present except Brian Wilson (excused) and Matt Mogle (downstate).
3. The agenda was approved as amended.
4. Approval of minutes:
 - a. Oct. 4, 2014 (Regular Board meeting) – With one correction, minutes were approved.
 - b. Oct. 25, 2014 (Special Board meeting) – Minutes approved.
 - c. Nov. 29, 2014 (Special Board meeting) – Minutes approved.
5. President’s Report
 - a. Tony reported that the foam insulation bid for the Clubhouse utility piping “tower” was received to fix the open area in the roof; fixing this should eliminate a major roof icing problem over the kitchen and reduce heat loss.
 - b. Has only been a few folks using the Clubhouse; hopefully this will pick-up with snowmobilers when the snow improves.
6. Treasurer’s Report was circulated by Nancy; income is much better compared to last year at this time. In general, we are in a much better financial position this year.
 - a. Maintenance fees are up this year compared to last year; we have been more aggressive in small claims court to get overdue payments collected.
 - b. Activities Committee activities have been strong and well attended.
 - c. Propane expense was reported as higher due to timing of gas bill payments.
 - d. Legal fees are up due to an ongoing legal issue; also many insurances are due at this time of year.
7. Facility Supervisor’s Report – Tom reported that some pool fittings were purchased and that next year he will be able to do the official pool closing instead of hiring the Pool Doctor. Insulation problem in the one roof area is being resolved.
8. Business Manager’s Report – Sherice reported:
 - a. We are using Northern Credit Bureau to collect on out-of-state back dues; this does show up on the person’s official credit report as a negative. Official notification of collection activities will be sent to those who are behind when this year’s dues bills are sent out.
 - b. Those instate owners who are behind are being processed by Sherice through the official court procedures.
 - c. Clubhouse hours were discussed; few are using the Clubhouse at this time of year; most use is for access to the Internet. When weather creates better snowmobile conditions, perhaps there will be increased use.
 - i. Changing open hours over the holiday was discussed and were changed to:

1. Wed. Dec. 24 – open for coffee and then closed
 2. Thurs. Dec. 25 - closed
 3. Sun. and Mon. Dec. 28 and 29th – open 10 AM to noon, 4 PM to 8 PM
 4. New Year's Eve Day - Thur. Dec. 31 – open 10 AM to noon, & 4 PM till after pig dinner and folks decide to leave.
 5. Fri. Jan. 1 - closed
- ii. More teens might come to use the Clubhouse if some up-to-date electronic games were available; then they can “hang out” with their friends. Budget Committee can discuss this expense at their next meeting.
- d. The locked dumpster has not been a problem; those who need it opened come get the key during open clubhouse hours. Clubhouse trash pick-up is now reduced to every other week.
9. Activities Committee – Sherice reported on the Christmas ham dinner potluck Dec. 6th, & the New Year's Eve Pig Roast Potluck. Staying open till midnight after dinner was discussed. Several other possible events were mentioned.
10. Budget & Finance Committee – Tony needs to talk to John Westenbarger, our financial advisor to discuss the investment options he is suggestion for our \$35,000.
- a. Budget Committee needs to meet to create next year's budget so it can be approved at the next regular Board meeting; Tony will schedule it in early January.
11. Building and Grounds Committee
- a. Steve McQueen (Lots 577-578-579) presented his desire to add a detached garage to the lots owned by him, his Mom and his brother. He described where it would be positioned on the property. Tom, George and Tony have all looked at the site; they are requesting a variance on positioning the garage. After lengthy discussions about attached vs. un-attached requirements in Section III deeded restrictions, and previous variances given, Steve said he will get a detailed drawing of the lot, and the preferred position of the garage. All members of the Board encouraged him to do this; he will submit the plan to George who can bring it to the next Board meeting.
12. Bylaws, Rules & Regulations Committee – No report
13. Communications Committee – Polly will be creating a Lyric shortly and asked for topics.
14. Deeded Restrictions Committee – Fred indicated no report; he will reschedule the special meeting for the Board to discuss proposed changes (perhaps in February after the next regular board meeting).
15. Employee Relations Committee – Ron LeBourdais said that our manager and supervisor are both doing a fine job. Are no employee concerns at this time.
16. Military/Government Relations Committee – No report
17. Security Committee – No report

18. Old Business

- a. Tony gave an update on the current Morris lawsuit; the Community Mediation process order by Judge Morse was unsuccessful and the case will now move through the legal process. Based upon Judge Morse's initial indication on how she might rule in the matter, our attorney suggested the Board amend the bylaws; the amendment was read and clarified as follows:

“WHEREAS, Article VI of the Enchanted Forest Deeded Restrictions are open to multiple interpretations; and

WHEREAS, Article VI of the Enchanted Forest Deeded Restrictions have been interpreted by the EFPOA Board of Directors to ensure that the original Maintenance Fee of \$96 kept pace with the cost of living; and

WHEREAS, a case having been filed asserting that the EFPOA Board of Directors has exceeded its authority by interpreting Article VI as it has since its founding; and

WHEREAS, the Court having indicated that a bylaw explaining how Article VI is to be interpreted will eliminate the cause of action asserting that the EFOA Board of Directors has exceeded its authority by providing formal notice to the EFPOA membership as to such interpretation.

NOW THEREFORE, the EFPOA Board of Directors hereby adopts a policy to ensure the maximum dues amount results in said maximum having the same purchasing power as \$96 had in 1973. The specific interpretation of Article VI of the EFPOA Deeded Restrictions ~~and~~ used to determine the maximum maintenance fee allowable shall be as follows:

Annual maintenance fees in any five year period shall not exceed a maximum fee arrived at by multiplying \$96, the amount originally assessed as the maintenance fee in 1973, by the change in the Consumer Price Index (all items, 1967 = 100) for January 1973 to January of the beginning five year period for which dues are being adjusted. Such five year periods shall begin in 1973, and shall recur every five years thereafter. The formula for calculating the maximum allowable maintenance fees for any five year period shall be \$96 multiplied by the CPI for January of the year beginning the five year period divided by the CPI for January 1973.”

A motion was made to adopt this bylaw amendment.

Those voting “Yes” – Fred, George, Polly, Nancy, Dave, Ron (6 of 9 = 2/3rds)

Motion passed unanimously.

- b. Discussion occurred on the current maintenance fee rate and the rate for 2015. Our attorney has suggested the following statement be adopted by the EFPOA Board.

“WHEREAS, EFPOA has been historically interpreting Article VI of its deeded restrictions to ensure the maximum maintenance fee amount has the same buying power as \$96 had in 1973; and

WHEREAS, the Enchanted Forest property Owners Association (EFPOA) has been involved in litigation in the Otsego County District Court case of Morris v. EFPOA; and

WHEREAS, the above litigation is to determine how Article VI is to be interpreted in the absence of other action by the EFPOA Board of Directors; and

WHEREAS, the Judge has indicated that she is of the opinion (without yet issuing a formal decision) that EFPOA must take additional action by amending its bylaws in order for the interpretation they've historically been using to be the correct interpretation; and

WHEREAS, although EFPOA disagrees with the position the Judge has taken, but understanding it must live with that interpretation, EFPOA is therefore limited to raising the maintenance fees for the period of 2014 – 2019 to the sum of \$370.

THEREFORE it is hereby moved that the maintenance fee for 2014, and for the next 5 years as required by the applicable deeded restrictions, shall be revised to the sum of \$370 and any persons who paid more pursuant to the previously set maintenance fees shall be credited on the next year's maintenance fee cycle."

Motion made to adopt this statement; *motion passed.*

- c. Discussion followed on the Early Payment Discount rates and the 2015 due date.
 - i. Reducing the Early Payment Discount such that the discounted rate remained the same as in 2014 was suggested.
 - ii. A motion was made as follows: Based on the \$370 maintenance fee rate set for 2015, the discount rate will be: -\$35 on the first lot, -\$55 on the second and subsequent lots if paid in full by March 1, 2015. *Motion passed.*
(Maintenance fees for 2015 if paid in full by March 1, 2015 will be \$335 for the first lot, and \$315 for the second and subsequent lots.)

19. New Business

- a. Set dates for future Board meetings; the following dates were set.
 - i. Next meeting – Feb. 14 at 10 AM (Fred's serving pancakes!)
 - ii. 2015 dates set so far... Sat. May 2, June 6, and July 4 Annual Meeting

20. Meeting adjourned at 12:05 (!)