

June 19, 2013
Heritage Lake Board Minutes
7:06PM

Roll Call

Present – President Coan, Secretary Weir, Vice-President Strickrod

Absent – Treasurer McGrath, Secretary Weir, Director Bukowski, Director Magarity

President Coan announced that there were not enough Board members for a Quorum, so this will be an informational meeting only.

Director Bukowski arrived at 7:09PM

Roll call was recalled to reflect his arrival. There is now enough Board members for a quorum.

Approval of minutes.

Secretary Weir reported that the minutes from the previous meeting the week prior were not complete and the minutes from the meeting before won't be available due to the resignation of Secretary Lundeen.

Approval of expenditures

Motion to approve by Vice-President Strickrod

Seconded by Director Bukowski

Passed unanimously

Open floor to members

PJ Floyd stated that the barbed wire around the campground has been cut and was wanting to let us know. He also stated that he lives across the street from the campground and has noticed that there have been campers there for an extended period of time and would like to know what the policy is on that. President Coan will look into it. Sean from the road committee said he had picked up some steel siding for the roof of the lean-to, but was concerned on how close the roof is to the power line. Board will check into what is code and what our options will be.

Treasurer's Report

Road Fund \$11,925.45

General Fund \$6,221.20

Lake Fund \$86,778.89

President's Report

We've retained the services of attorney Brian Mooty of the firm Kavanagh, Scully, Sudow, White and Frederick to take care of our business. We have accepted Jim Johnson's resignation from the Board. Cory McGrath has been appointed to the Board as the Treasurer. Rodney Strickrod will assume the Vice-President position. We have accepted Renee Lundeen's resignation from the office and from the Board.

Due to the theft and ongoing investigation, the operating funds of Heritage Lake Association have been depleted. It is our attorney's opinion that all funds have been comingled. The lake fund was empty at one time and a transfer was made from the general fund to the lake fund of \$86,799. We have an obligation to keep Heritage Lake Association solvent. Do you have any questions on this matter?

Member question-What does this mean?

Board answer- Our attorney said we can use all monies as needed or we will go into receivership and bankruptcy.

Member question-Do we know what is supposed to be in each account?

Board answer-The Executive Finance Committee is working on what should be in each fund and if and when we recover surety insurance or bond insurance we will repay all accounts on a percentage basis.

Member question-Do we have insurance for all of this?

Board answer-Yes, we have a named person Bond with Pekin, and had coverage under a commercial liability policy through Cincinnati Insurance from 1970 through 11-15-12 and a commercial liability policy through Country Financial from 11-15-12 through present.

Member question-Have we checked to make sure all policies have been paid and have not lapsed.

Board answer-Yes except for the Cincinnati policy which was already canceled due to claims

Member question-Have we had that many claims?

Board answer-Yes, but not for employee dishonesty. We were cancelled for Worker Compensation claims and had to move the whole package to secure the workers compensation insurance.

Member question-So what is the process for filling the empty Board position?

Board Answer-We are discussing within the Board to decide who to appoint to fill the vacancy. If you know someone who is interested in filling the spot please have them submit a letter stating so.

Member question-What position did Cory take?

Board answer-Jim Johnson's position because we were unclear on if Renee resigned from her employee and Board positions.

Member question-Is it official that she did resign from both positions?

Board answer-The ruling that President Coan received was that as long as she delivered it to two individuals on the Board, it would be considered for both positions.

Member Question-When is Renee's term up?

Board answer-Her term will expire one year from our upcoming election.

Committee Reports

Membership chaired

Conservation

Bill Schamberger – The budget of \$39,000 for 2013 has been cut to \$2,800 unless they have to go to outside sources to treat the lake for algae and milfoil and then it would be \$5,800. A breakdown of the budget is as follows:

In house treatment for algae and milfoil \$ 450

If we need to train and lic someone else in house and treat \$ 950

Out of house contract \$3,000

If you sign a contract for out of house treatment and don't need to use them they will still charge you 20% of contract.

Fish Stocking \$1,300

Mowing of the dam \$1,000

If we have someone in house spray we would need to hire them for that day as an employee.

Environmental Control

On the back entrance, Kenton St, there is bulk garbage on the road side. A member stated that it is gone now.

Member stated that there is a home at 5 Raleigh that has standing water in the basement. Can we do anything about it. Board answer-No. It is private

property. Member statement-This same property and adjacent lot have not been mowed. Is there anything we can do about it? Board answer-There are too many properties overgrown and if we want one maintained, we need to require all to maintain.

Road Repair

Jason would like to change the locks on all maintenance buildings due to the fact that many people who are no longer associated with Heritage Lake Association have keys and access to our equipment.

Response to questions from prior Board meeting regarding someone borrowing our pool pump and compactor. It wasn't the pool pump, it was a trash pump.

Pat Mountjoy, who is an employee of ours, had flooding that he needed to remove. We gave him permission to use for personal use due to the fact that he loans us his personal trailer for brush cutting, taking the tractor to be repaired, plus many of his personal tools. Jason explained the situation to him and asked him not to borrow our equipment and we won't borrow his things. The road compactor was left at Andy Clark's house after we were finished with the road project on Greenbriar. Andy was the contractor we hired to do the work and we forgot and left it at his house.

Gas for the mowers and trucks. Due to our current financial situation we cannot afford to fill our bulk fuel tank for diesel fuel. Director Magarity has been bringing diesel in 5 gallon cans as needed from his personal supply and keeping track of it. He would like to make sure that he will be reimbursed when all of this is resolved.

The Sally tank on the back of the pickup truck is almost empty and needs to be filled. How should he go about this now that we no longer have a charge account?

People have been dumping junk and furniture on the burn pile at the boat parking lot at the dam. If you see someone doing this please get their license number so we can turn them over to security.

Board **Chaired**

Office Organization

Putting together a list of volunteers to man the hours of operation of the office. We are going to try to have the office open on our regularly scheduled office hours.

Building and Zoning

No report

Finance

No report

Pool

Pool has been running smoothly for the most part.

Lodge

Lodge is rented for most Saturdays over the summer.

Maintenance

No report

Administrative and Human Resources

No report

Outdoor Amenities

Beach area is going fine and well maintained. We need to spray weeds at the beach area as it is starting to choke out the grass. Member comment-Swim raft is floating away again. Board response-Kids are untying it and moving it.

Unfinished Business

None

New Business

Lots the Association are selling-Secretary Weir wanted a motion to change the current policies and procedures on selling lots that are donated back to us. The current office policy states that it would be a minimum bid of \$750. He doesn't feel that we would sell any of the lots at \$750, due to the fact that most of them are under high tension electrical wires or ravines. He recommends selling them for \$100 instead to get rid of the tax liability and to generate more income through assessments, funds and use of the amenities.

Motion by Vice-President Strickrod

Seconded by Director Bukowski

Vote tally as follows: 5 in favor, 0 against and Secretary Weir abstained

Heritage Lake Association deeded an incorrect lot to Jason Magarity which he doesn't want. He is going to deed it back to us and Secretary Weir recommends that we accept it.

Secretary Weir has a lot on Berkshire, under high lines, Lot 252 Unit 1 that he would like Board approval to sell to Brad and Racheal Glassey.

Secretary Weir wanted to make sure that whenever we sell any of the lots that were donated back to us, we send out the rights of first refusal according to our bylaws.

There is a lodge rental that would like the pool closed during normal business hours. We have a member that is renting the lodge for 3 consecutive days for a wedding . They have asked if we would be willing to close the pool at 5 o'clock on the Saturday of the ceremony. I have told them that the lodge rental is independent of the pool, but I was willing to make an exception this time since they have rented it for three days.

Motion for board's approval by Vice –President Strickrod

Seconded by Director Bukowski

Passed unanimously

Lodge rental by member that will not be present – The current lease requires that a member be present anytime the lodge is rented. Is it ok to rent the lodge to a member who will not be present at the event? Board response is as long as the member is in good standing, signs the contract and agrees to be liable for any damage done.

Office lease expires in 2016-We would like to form a committee to explore our options for an office and costs. If anyone would like to be on this committee, please email our office.

Member would like to offer free dance lessons to four year old at the lodge and wants free use of the lodge to do this. Board opinion- That is fine as long as the member is responsible damages and cleaning.

Executive session

Motion to move to executive session by Secretary Weir

Seconded by Director Bukowski

Passed unanimously

Board moved to executive session at 8:24PM

Board returns from executive session at 9:09PM

Motion to adjourn by Secretary Weir

Seconded by Vice-President Strickrod

Passed unanimously

Meeting adjourned at 9:13PM