

**APPLE CANYON LAKE PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS MINUTES
OCTOBER 16, 2010**

APPROVED

2.0 Call to Order – President Charles Larsen called the regular monthly meeting of the Apple Canyon Lake Property Owners Association (ACLPOA) to order at 9:18 a.m. at the Apple Canyon Lake Clubhouse, Saturday, October 16, 2010.

Since the meeting was still in recess from the September 18, 2010 board meeting, Chair Larsen reconvened the meeting.

3.0 Pledge of Allegiance – After the Pledge of Allegiance, a quorum was present with the following, directors in attendance: Mr. Bob Ballenger, Mr. Josh Cocagne, Mr. Chuck Larsen, Ms. Debra McNamee, Mr. Rick Paulson, Mr. Ken Pickel, Mr. Bo Skoskiewicz and Mr. Duane Suits. Jim Rhodes was absent. General Manager Paula Lange and Recording Secretary Dottie Gricius were present.

4.0 Approve/Adopt August 21, 2010 Minutes – Debra McNamee moved, Duane Suits seconded, to “Adopt the September 16, 2010 Board Minutes as presented.” The motion carried unanimously.

5.0 Treasurer’s Report – Rick Paulson moved, Josh Cocagne seconded, to “Accept the Treasurer’s September 30, 2010 report as presented.” The motion carried unanimously.

6.0 Committee Reports – No old business was discussed.

7.0 President’s Report – President Larsen’s written report was available which summarized this summer’s fun-filled activity. The storm in July caused a myriad of problems but the staff and volunteers rose to the challenge of getting the lake clear of debris and open, including fixing the docks. President Larsen could only give a thousand thanks, but words were inadequate for the outstanding support shown. The Deer Reduction Committee has put in a lot of effort to operate safely and Chuck expected this year to be as successful, if not more successful, as last year. The Cove is open Wednesday through Sunday until November 1, after that only Friday, Saturday and Sunday. On December 20 they will close until April 1. He noted the campground closing at the end of October after Halloween for the kids.

8.0 General Manager’s Report – Paula Lange reported on the trail work, of which Randy Stowe reviewed the work done to date. At critical sites, erosion is threatening the structural integrity of the trail edge and resulting in drop-off areas that pose safety issues. The short-term repairs were explained and how those tie into the long-term repairs. An update was provided on the water rate increase appeal. ACLPOA and Lake Wildwood submitted an appeal and the Illinois Attorney General filed an application. Paula shared that several committees work on significant projects and have donated several major items to the Association.—Paula would like to see a flag system to notify members when the trails and/or lake are closed. Her message included the maintenance crew’s work and work of the Legal Committee’s rewriting the By-laws; the Dues/Fees Restructuring Committee which in the future will answer questions at Board meetings; a new Ad Hoc Committee - The Boat Dock Pathways Committee which is researching the 713 boat slip areas; the Lake Monitoring Committees importance for the 319 grant support; and the Appeals

Committee. Appreciation for fund-raising work was extended to the Recreation, Golf and Campground Committees. All the volunteers have made this a great place to live and play.

9.0 Property Owner Comments – Jim Craig, member of the Dues & Fees Restructuring Committee, quoted what the Board recommends when scheduling committee meetings. He asked whether Tuesday at 6:00 p.m. would “reasonably accommodate” members to meet; it is impossible for him; suggestions were offered. The meeting date and time was decided from a consensus of committee members. After much discussion, this will be addressed at the next meeting on October 26th.

- Henry Doden asked a question about the R&R budget, he was asked to wait for the agenda item. He expressed his concern about trail maintenance since the trails are made of clay and rock with gravel on top. ATV’s will move the rock and cause ruts.

- Kevin Kavanaugh, as a member of the unofficial Committee for Fair Taxes, explained where the issue stands and what it is being contemplated: using the high assessment year of 2007 instead of 2011. The committee believed this would be illegal. He stated he would keep members posted.

- Marge Clark found no mention of the Stewardship Program in the draft of the Lot Mowing Code. She would like to see protection of that program and restrictions for mowing native/natural planting areas.

- Henry Doden seconded Marge’s request and explained why.

- Ron Carpenter stated that at the Campground Committee meeting a motion was made to request to the Board to chip & seal the washed-out drive ways. The areas are continuously refilled after rain with gravel which takes time and is a drain on resources.

10.0 Old Business – No old business was discussed.

11.0 New Business

11.1 Committee Changes via Motion of Consent

President Larsen read the narrative. Rick Paulson moved, Bo Skoskiewicz seconded, to “Approve the committee changes as listed:

To Appoint:

1. Don Cisek to the Deer Reduction Archery Committee; and
2. Rich Miranda to the Appeals Committee.”

The motion carried unanimously.

11.2 Approve Foreclosure of Liens on Eleven (11) Association Lots

President Larsen noted that lots 7-170 and 7-171 were taken off of the list. Ken Pickel moved, Bo Skoskiewicz seconded, to “Approve foreclosure of the liens on ACL lots: 01-069, 03-040, 03-185, 04-076, 04-077, 08-061, 08-062, 09-026 and 09-138.” The motion carried unanimously.

Josh Cocagne left the meeting briefly at 9:49 a.m.

11.3 Greenway Project

President Larsen read the narrative. Bo Skoskiewicz moved, Ken Pickel seconded, to “Approve the greenway project as submitted by property owner Ruth Rossi and approved by the ACC Committee.”

The motion carried unanimously 6 ayes to 0 nay and 0 abstention votes. Josh Cocagne rejoined the meeting after the vote. No motion was made on cost sharing.

11.4 Golf Committees Request for 2011 Fundraisers

President Larsen read the narrative. Deb McNamee moved, Rick Paulson seconded, to “Approve the two fundraising events for the Golf Committee with profits going in their Designated Funds.” With no discussion, the motion carried unanimously.

11.5 Lot Mowing Code

President Larsen read the narrative. Debra McNamee moved, Rick Paulson seconded, to “Accept the Lot Mowing Code and add to it language that exempts native or natural planting as stipulated in the Stewardship Program.” Ali Schneider indicated that her ornamental and native gardens exceed the 12 inch height but to some could look like weeds and she did not want those gardens cut. GM Lange asked for the wording to include “Association Approved” Stewardship Program. There are several abandoned or vacant properties that have grasses/weeds which could affect other residential properties nearby and become a depository for weed seeds. Rick Paulson explained the Crystal Lake ordinance stating that everyone is looking into this farther than necessary and Duane Suits noted a vacant improved property with an abandoned boat on it which does create blight and affects property values. It was asked why this could not fall under the nuisance rule where the General Manager could send a letter addressing the issue. Debra McNamee rescinded the motion. She made another motion to “Send this issue back to ACC to rewrite the language,” which was seconded by Duane Suits. The motion carried 6-0-1, abstention by Josh Cocagne.

As a point of order, Ron Beckel, Chair of the Appeals Committee, stated the committee is mandated to five members. With Rich Miranda appointed to the Appeals Committee the membership would be up to six. Ron stated Brian Cook’s resignation should have been included in 11.1.

11.1.1 Bob Ballenger moved, Ken Pickel seconded, to “Accept the resignation of Brian Cook from the Appeals Committee.” The motion carried unanimously.

11.6 Approve 2011 ACLPOA Fee Schedule

President Larsen read the narrative. Ken Pickel moved, Josh Cocagne seconded, to “Approve the Fee Schedule.” GM Lange explained why it was necessary to change the Delinquent Dues Fee – about 1,700 members did not pay their dues on time last year. After discussing what the process for notification was, Rick Paulson moved, Deb McNamee seconded to “Amend the motion to “Change the Delinquent Dues Fee from \$50 to \$125 for late payment.” The amendment carried 5 ayes to 2 nay votes by Bogdan Skoskiewicz and Josh Cocagne.

In further discussion of the Fee Schedule, the Campground Registration Fee recommendation was explained by Megan Shamp, Admin Assistant. The current schedule charged more for a property owner to camp than a guest. At the staff’s recommendation, Debra McNamee moved, Rick Paulson seconded, to “Amend the amended motion by eliminating the \$53 camper registration fee and replace that by adding \$1 to member fees and \$3 to guest fees under the Campground Fees items.” The motion carried 5 ayes to 1 nay votes by Bogdan Skoskiewicz and 1 abstention by Josh Cocagne. The motion to “Approve the Fee Schedule as amended” carried unanimously.

11.7 Approve 2011 ACLPOA Operating Budget

President Larsen read the narrative. Rick Paulson moved, Bob Ballenger seconded, to “Approve the Operating Budget.” The Board reviewed Revenue first, by line items of interest, and then reviewed Expenses line items.

Bogdan Skoskiewicz questioned Interest/Delinquent Dues, to which Marge Clark explained the major date changes from when dues previously were charged and interest would begin. Bob Ballenger questioned Golf Fees which GM Lange explained were split with Golf Season Passes so she could track daily fees to justify advertising costs. Josh Cocagne asked about Special Projects and GM Lange explained that she represented ACL’s involvement in the Tri County Economic Develop Alliance (TCEDA) and the Illinois Association of Lake Communities (IALC).

Debra McNamee questioned wages and understood that our wages are low. She asked for a salary study and a local job wage analysis. Kevin Kavanaugh stated why increases are so valuable for our dedicated workers. Debra was amenable to 5% raises but GM Lange explained that normally this is on merit. Bogdan Skoskiewicz asked that our employees receive comparable wages to what a position/job in the area is worth. To a question, Paula explained what the Office Management team does in place of an Office Manager. Debra McNamee explained the worth of job grades and salaries. She proposed a 5% increase across the board and then reserve 10% to adjust job-grade wages at a later date if appropriate. This would not be applied on merit. As a guideline, Henry Doden suggested to look at what percentage of budget salaries are at other lake associations.

Debra McNamee moved, Bob Ballenger seconded, to “Amend Administrative and Department wages by increasing every level of wages by five (5%) percent on January 1, 2011; additionally a 10% reserve for job grade adjustments after review of job descriptions.” The motion carried unanimously.

Bogdan Skoskiewicz moved, Rick Paulson seconded, to “Amend Line Item 79 Special Projects to include \$1,200 for Grants and \$1,000 for IALC.” The motion carried unanimously.

Josh Cocagne moved, Bob Ballenger seconded, to “Approve the Operating Budget as Amended.” The motion carried unanimously.

11.8 Approve 2011 ACLPOA Renovation & Replacement Budget

Debra McNamee moved, Bogdan Skoskiewicz seconded, to “Approve the R&R Budget.”

GM Lange explained the opinions about what to do: repair or fill in holes on the tennis courts. She was not prepared to spend \$12,000 on the courts unless she had a professional evaluate their condition. If the tennis courts need to be replaced or resurfaced we could add a basketball hoop and other activities. The chip-and-seal of the overflow parking lot (at firehouse) was discussed. GM Lange recommended the Association not spend the \$28,000+ on repairing the lot until we knew what the future of the firehouse will be. This location was part of the study for the new pool in ACL’s future. ACL needs to start thinking about the building and parcel of land. The land was donated to the Fire District and the Fire District is working on acquiring an appraisal of the building. Possible uses were discussed.

Debra McNamee moved, Bogdan Skoskiewicz seconded, to “Amend the R&R Budget to change from \$12,000 to \$65,000 to the tennis court (line item 21) for a multi-purpose court and not chip-and-seal the overflow lot for \$28,835 and postpone the \$25,465 chip-and-seal at Nixon Beach.” The motion carried unanimously.

Ron Carpenter asked if the campground driveways could be chip-and-sealed for approximately \$6,000 but it was recommended to hot patch a few of the driveways using regular maintenance funds to see if it works out.

Bogdan Skoskiewicz moved, Bob Ballenger seconded, to “Approve the R&R Budget as Amended.” The motion carried unanimously.

11.9 Approve the 2010 Designated Funds

President Larsen read the summary. Bob Ballenger moved, Bogdan Skoskiewicz seconded, to “Approve the Designated Funds as presented in the summary.” With no discussion, the motion carried.

Rick Paulson left the meeting at 11:35 a.m.

12.0 Other (Agenda order changed)

12.2 Replacement of the Furnaces at the Clubhouse and Other

President Larsen read the narrative (summary). Bob Ballenger moved, Bogdan Skoskiewicz seconded, to “Approve \$12,000 for the replacement of the furnaces at the clubhouse and office.” Bob Ballenger asked for the efficiency rating expecting the new SER rates (14). The cost would come from the R&R. The motion carried unanimously.

12.1 Campground Wood

GM Lange explained that the Campground Committee requested leaving wood at the campground. It was requested not to move the wood across county lines in order to prevent the spread of the Emerald Ash Borer. Tim O’Connor had no problem with leaving wood except for leaving it where maintenance mows. This deviates from the policy.

Debra McNamee moved, Bogdan Skoskiewicz seconded, to “Allow the campers to leave their wood at the campground.” The motion carried unanimously.

13.0 Adjourn – Duane Suits moved to Adjourn at 11:51 a.m.

Dottie Gricius, Recording Secretary

President Chuck Larsen

Date

General Manager Paula Lange