

THE BLUE MOUNTAIN LAKE CLUB

Board of Directors – Meeting Minute **HIGHLIGHTS**

Date: February 13, 2016

Operations Office 8:30 AM

1. Call to Order – by Steve Melnick at 8:40 AM

- a. Attendance: Steve Melnick, Gary Smith, Vince Ricci, Lynn Ball, Penny Welliver, Mel Dennis. Absent: Michelle Pinnock-Harper.

Others: Laurie Gonzalez, Community Manager and Officer Kenny Palmer of the SARPD.

2. Minutes

- a. Motion made by Gary Smith and seconded by Lynn Ball to accept the minutes of January 9, 2016. (Vote of Steve Melnick, Gary Smith, Lynn Ball and Vince Ricci – all in favor).
- b. Motion made by Gary Smith and seconded by Steve Melnick to accept the minutes of the January 19, 2016 Special Meeting minutes. (Vote of Steve Melnick, Gary Smith, Lynn Ball and Vince Ricci – all in favor).
- c. Motion made by Gary Smith and seconded by Steve Melnick to accept the minutes of the January 26, 2016 Special Meeting minutes (Vote of Steve Melnick, Gary Smith, Lynn Ball and Vince Ricci – all in favor).
- d. Motion made by Steve Melnick and seconded by Gary Smith to accept the minutes of the February 3, 2016 Special Meeting minutes – all voted – all in favor.

3. Committee Reports

- a. Susan Macovsky joined the meeting at 9:00 am representing the Communications Committee. Susan provided the Board with a presentation of three (3) different types of newsletters. 1. Newsletter created in house and digital copy sent to printer for printing and mailing – estimated cost to Association \$1,800 per issue. 2. Newsletter created in house by the management team, printed and mailed – estimated cost to the Association \$1000.00 per issue. 3. Articles and other material provided to a third party newspaper publisher (Community Newspaper Publishers) who will provide layout and drop ship to all residents – estimated cost to the Association \$300 plus postage per issue (printing is free).
 - Motion made by Gary Smith and seconded by Penny Welliver to approve Community Newspaper Publishers to print and distribute 4 issues per year of the BMLC newsletter for the cost of \$300.00 plus mailing and postage costs. All in favor.

4. SARP Report – Officer Kenny Palmer

Officer Palmer reported two (2) incidents for the month of January 2016 within BMLC. Both incidents were service calls to assist other agencies. Officer Palmer also provided the Board of Directors with the January 2016 SARP Police Commission report. Officer Palmer advised the Board of the positive working relationship that has been established between himself (the SARP) and Laurie Gonzalez, Community Manager.

5. Management Report (Laurie Gonzalez)

Cornerstone:

- Received an update from Daryl Eppley (Stroud Township Supervisor) regarding the status of the paving approval in Cornerstone. Daryl advised that due to the potential litigation between Stroud Township and Popple there was not a lot of information he could share other than the holding pattern is reaching an end and they will be able to provide us with some more concrete answers shortly. Daryl did explain that their engineer, Chris McDermott, would be submitting his letter to the Supervisors shortly which would indicate where paving is satisfactory and where it is not (if any) on the main road through Cornerstone. Daryl also advised that the township is considering requesting a Road Maintenance Bond from Popple to ensure that should there be future issues (specific time frame) they will be covered. Laurie will follow up with Daryl at the end of February.

- Currently there is one bus stop location in Cornerstone. Laurie was asked to provide a headcount at this location in order to see if there is a need to add an additional bus stop location. The count was done over a three-day period. The results are as follows:
 - Morning:
 - 6:35 am – 1 special needs
 - 6:38 am – 5 children
 - 6:41 am – 9 children
 - 7:44 am – 14 children
 - 8:46 am - 7 children

 - Afternoon:
 - 2:38 pm – 1 special needs
 - 2:45 pm – 8 children
 - 2:56 pm – 5 children
 - 3:53 pm – 13 children
 - 4:17 pm – 8 children

Snow Removal:

January 23, 2016: 17.5” of snow fell across the community in less than a 24-hour period. Erb’s Landscaping did a great job during and after the storm ensuring all roads were cleared and treated. They also did a great job in ensuring that all Manorhome and Patio home driveways were cleared and treated much earlier than anticipated. I am happy to report that the Club saw a \$1,600 savings compared to last year (for a similar event).

Steve discussed the total cost (\$2,681.00) of snow / ice treatment for the October – December 2015 period vs. the non-refundable up-front retainer amount of \$22,500.00 requested by the previous management company. The Board discussed this request at a Special Meeting on September 25, 2015, and voted 4 to 3 to deny the request as it was not a contractual obligation of the BMLC. A total of \$19,819.00 would have been paid to the previous management company for no services received had this request passed the vote.

Legal Collections Update:

On January 21, 2016 Laurie attended five (5) collection hearings with Kevin Hardy at the Monroe County Court of Common Pleas in front of the Honorable Jennifer Harlacher Sibum.

Laurie is in the process of going through all delinquent accounts, judgements, etc. and hopes to provide a delinquent report, recommendations as well as a revised collection policy for the Board at the March meeting.

BMLC received one (1) notice of Sheriff’s Sale and two (2) notices of Judicial Tax Sale. Notices of outstanding six months of assessments to Blue Mountain Lake Club have been prepared. The Association is also asking for whatever additional monies that can be paid from the proceeds for each.

General

- Laurie met with Officer Kenny Palmer at the SARPD headquarters in East Stroudsburg and was introduced to many officers. Officer Palmer provided an extensive tour of the facility/facilities. This was a great experience as well as solidified how committed the SARPD is to the liaison program with Blue Mountain Lake.
- Attended a CAI Insurance Seminar at Emerald Lakes (as well as CAI Pocono-Del Val Council meeting).
- Gary, Lynn, Vince and Laurie met with Bob Brown (RGB Builders) regarding the purchase of Lot#369. The sale has been finalized and the illegal shed has been removed as well as all overgrown bushes lining the driveway are in the process of being removed.
- Created a copy/mail room. New copier has been installed.
- Laurie and Greg met with two contractors to receive estimates for bringing the entrance wall to a half wall as well as to address the section of carpeted floor in the front office (remove carpet, add subfloor and vinyl).
- A cleaning service has been secured for the Office, Clubhouse as well as the Guard House (including the seasonal daily cleaning of the pool bathrooms).

- The outside storage space (Extra Space Storage) has been emptied and files brought to Office. Savings to the Association of \$165.00 per month.
- Laurie met with Postmaster of East Stroudsburg regarding the possible removal of the cluster box in the parking lot of Office that was placed for the use of the previous management companies' other businesses. Requesting a dismount with in-office delivery of mail and packages as well as pick up of mail.
- Laurie met with Michelle-Pinnock Harper, Gary Smith and Lynn Ball to discuss future community event opportunities.
- Laurie met with delinquent owners to re-establish payment plan.
- Received calls from two Manorhome owners inquiring about driveway sealing. Laurie reviewed governing documents and cannot find where it states the Association is responsible for this. However, owners state it was done 5 years ago and was supposed to be done every 5 years. Not in the 2016 Capital Budget and no documents can be found in the office indicating this work took place.
- Received multiple calls from Popple Construction regarding past due invoice for the installation of the speed humps in Cornerstone (invoice from December 2014). Motion made by Gary Smith and seconded by Vince Ricci to pay the invoice from December 2014. All in favor.
- Entered all contact and vehicle information from 2016 registration forms that have been received into the accounting software.
- Manually entered 2015 and prior year owner account balances provided in PDF format by previous management company.
- Resident brought in a bag of driveway/walkway salt to the office that he removed from his driveway/walkway. Said he does not want his driveway/walkway salted. Discussion regarding a waiver to be signed by the homeowner as an option. Laurie was concerned about the possible liability to the Association should this area not be treated.

Security/Patrol Update and Violations:

- Laurie reported that she is pleased with the relationship that has been established between UAS Patrol Officers and Management. Reestablished monthly reporting a patrol logs with UAS (this reporting had been stopped by the previous management company sometime in September). Bus stop patrol occurs daily (both in the morning and afternoon).
- Letter mailed to property owner regarding a For Sale By Owner sign in front yard (at street edge). Followed by three phone calls to remove. Maintenance removed sign from yard and property was issued a violation letter and \$100.00 fine.
- A resident brought to management's attention a property that was renting their home on a nightly basis (Tourist Home) and advertising on a "vacation home for rent" website. I confirmed and issued letter to owner they were in violation of the Blue Mountain Lake Rules & Regulations #1 (each home shall be used only as a residence for a single family...) and \$300.00 fine issued. Zoning Officer of Stroud Township was contacted as well as the property is in violation of Township Zoning Ordinance #5.

Maintenance

- Laurie and Greg (Facilities Maintenance Manager) reviewed the 2016 Capital Projects. There are no files that can be found at this time with estimates that were used to establish the approved 2016 Capital Projects budget.
- The office painting is almost complete.
- The interior left entrance wall has been repaired and painted.
- Inspection of all road signs has been completed. There are a total of 9 signs on wood posts that will need to be replaced with metal posts. This will be done in the spring. Metal posts in basement of Office.
- New locking dumpster for Clubhouse area was installed which has stopped the illegal dumping in this area.
- A new water pump for the basement has been ordered (this is the pump that is hooked up to the dehumidifier).
- Garbage cleanup along Pocahontas Rd.(a township road) multiple times.
- Inspected all roads, driveways, etc. after winter events and provided Erbs with areas that needed attention (if any).
- The covered porch roof of the Operations Office is leaking. Recommend having an inspection by a roofer completed in the spring.
- The foundation of the basement is wet/moist. Recommend installing gutters and downspouts to the perimeter of Operations Office.
- Lightbulbs in all facilities were replaced as needed.
- Keys for all facilities/areas locks (i.e. gazebo, pool, etc.) found and locks winterized (to further prevent rusting shut).

6. Financial Reporting (provided by Amy Janiszewski)

Previous Management company reporting ~

Attached for your review are the following financial statements as provided to us from the previous management company.

- 2015 Balance Sheet at 12/31/15
- 2015 Profit/Loss Statement at 12/31/15

I cannot comment on their contents; however, I am providing them to you to retain for your records. The information within these reports will be audited for the year-end 2015 and further comment will be provided by your auditor.

Preferred Management Reporting ~

Attached is a *working draft* of your January 31, 2016 Financial Statements.

The following Reports will be part of your standard monthly financial packet ~

1. Balance Sheet
2. Income/Expense Statement
3. Owner Balance Summary
4. Cash Receipts Summary
5. Aged Accounts Payable
6. Check Register

Following is a brief description of each of these reports ~

Balance Sheet

Your balance sheet will be structured as so:

Assets, which consists of:

- *Cash Accounts* will all be listed in the top section of your balance sheet. They will have the ending balance for the month.
- *Accounts Receivables* – the outstanding dues, violations, interest, permit fees, etc. that are owed to the Community.

Now you will have a **TOTAL** – this is your TOTAL Assets -Your Money

Liabilities, is what you owe:

- *Accounts payables*- which are your outstanding bills that may have been entered in one month but not paid until a later date.
- *Prepaid Balances*- this is money your homeowners have paid in advanced to cover their dues.

Profit & Loss Statement

The other side of your assets and liabilities are the income and expenses, or what some people call the P&L or Profit Loss Statement. We also include the year's budget to determine if there are any variances.

On your income and expense statement, the first section will be your income accounts. In accrual accounting this is not the funds you have taken in for the month - the income accounts are your billings, period. Again this only pertains to accrual accounting. The bottom line figure, current net/year, and income/loss on this report should match your balance sheet.

The second part of the report is the income and expense statements listing your expenses and that is exactly what that means, your expenses.

Owner Balances Report

The third report that you are going to need is an Aged Owner Balance Report. The total on the last page should consist of all your receivable accounts and your prepaid accounts.

Homeowner Deposits Summary

The final report that is a homeowners' deposit report (or cash receipts report) for the month. This report gives a breakdown of the homeowners' real cash deposits. The bottom line on this report will show the board member the actual cash income they have received for the month.

Aged Payables Report

This aged report will consist of all the outstanding bills that your community owes up to a specific time frame. At the end of the report you should find a total, the total should match your balance sheet and the liabilities section under the specific GL account labeled accounts payable.

Checkbook Register

The next report you will receive is the Accounts Payable Check Register report. This report lists all checks that were written within the month, and all information applicable to each invoice and its payment from the community's funds.

In closing...

We are very happy with all that has been accomplished over the last month and anticipate having finalized January 31, 2016 financials in the next couple of weeks, which we will provide to the Board.

As I have discussed with Gary, I would be happy to meet with the Finance Committee to review the financial reports as well as answer any questions they may have.

7. New Business

- a. Office Hours: Motion made by Steve Melnick and seconded by Gary Smith to approve the following office hours: Monday, Tuesday, Wednesday and Friday 8:30 am – 12:00 pm and 12:30 pm to 5:00 pm. Thursday from 11 am to 7 pm and Saturday 8:30 am to 12:00 pm.
- b. Proposal from Better Homes & Gardens – Quarterly luncheon and Market Report. The Board of Directors were not in favor of this type of event being hosted by BMLC. Laurie will send a correspondence to Better Homes & Gardens thanking them for their interest and advising them that BMLC is not interested in moving forward at this time.
- c. Committees: Manorhome (update and discussion); Committee Recommendations. Steve Melnick provided the Board of Directors with an update of the first Manorhome Committee meeting and issues of concern that were addressed at the meeting. Laurie provided the Board a list of committee recommendations for the

Board to review. Possible new committees include a Scholarship Committee, Election Committee and an Event Committee.

- d. The Board ratified the email approval to increase the hours of security coverage on Saturdays. New Saturday patrol hours are 8:00 am to 1:00 am. All in favor.
- e. The Board ratified the email approval of the Operations Office upgrades and renovations (which included painting and wall repairs throughout office, purchase and installation of new blinds, purchase of area rugs and runners, timers for outside lighting, programmable thermostats). All in favor.
 - i. Motion made by Gary Smith and seconded by Steve Melnick to approve the lowest priced estimate for the wall renovation in the front area of the Operations Office as well as the repair and installation of the front area floor and to move forward with this renovation project. All in favor.
- f. Pool Schedule and Lifeguards were discussed.
 - i. Pool opens Memorial Day weekend 11 am – 7 pm through Labor Day.
 - ii. Motion made by Lynn Ball and seconded by Gary Smith for Preferred Management to hire lifeguards for the Association based on the estimates provided in November 2015. The Association will pay for certification, uniforms, supplies, etc.. All in favor.
- g. Board Meeting Dates & Membership Meeting Dates. Motion made by Steve Melnick and seconded Gary Smith to accept the Board Meeting Dates & Membership Meeting Dates as presented (see attached). All in favor.
- h. Capital Improvement Fee – Transfer Fee. Motion made by Gary Smith and seconded by Vince Ricci to approve the Association collecting Capital Improvement Fees on the resale or transfer of units as per the Uniformed Planned Community Act (68 Pa. C.S.A. 5353 (a) (12) for the amounts as follows: for an Estate Lot \$1,140.00, for a Manorhome \$1596, for a Patio Home \$1,716, for an undeveloped lot \$427.50. No other fees, such as a Transfer Fee, will be collected as it pertains to the resale or transfer of units. All in favor.
- i. Removal of Security Deposits for new construction permits. Laurie indicated that there was a new construction security deposit accepted by the previous management company in December 2015 by a contractor in the amount of \$800.00 that would be returned as soon as possible. Preferred Management strictly adheres to the requirements of the Uniformed Planned Community Act, which strictly prohibits Associations from accepting or requiring security deposits or surety bonds from contractors. The Board of Directors were under the impression that security deposits were no longer being accepted or required and were unanimously in favor of returning the \$800.00 to the contractor as soon as possible.
- j. 3 Bay Pole Barn. The Board of Directors unanimously agreed to utilize the 3 bay pole barn located in the Maintenance area off Brushy Mountain Road to store pool furniture, etc. The Board of Directors also approved the repair to the one bay door.
- k. Child Clearances for any volunteer who works with children. Discussion held on the procedures for providing child clearances for any volunteer or staff that will be working directly with children. Officer Palmer also discussed the mandatory

reporting to Child Line of any person whose clearance report shows a violation. Officer Palmer will provide management with all necessary information as well as the reporting procedures.

- l. Garden Club Expansion. A discussion was held regarding the expansion of the Community Garden located on the corner of Southshore and Blue Mountain Crossing as well as the planting of trees. Management will look into the cost of additional fencing.
- m. Field Plan Phase 2. Steve Melnick will review the proposed field projects (i.e. permanent soccer goals and volley ball posts, additional basketball court, gazebo, etc.) with Greg.
- n. 2016 Board priority list. The Board of Directors reviewed a priority list provided by Steve Melnick. This list is a starting point to keep the Board on track with Management, Maintenance as well as Board projects.

8. Adjournment: Steve called for an adjournment of meeting at 1:30 PM.