

Pinnacle Lake Board Meeting

Board Meeting Minutes: Saturday July 14, 2018
9:00 a.m. at Pinnacle Lake Administrative Office

Board Members:

Present: Dan Latham, Bob Menzel, Pam Manco, Barbara Baker, Jim Pavelec, Patrick Crites,
Jessica Deadmond

Absent: Mike Cross

Proceedings:

Meeting called to order at 9:00 a.m. by President, Dan Latham

Dan asks the board if there any additions to the minutes as emailed 2 weeks ago. Bob Menzel *makes motion to approve minutes with Patrick's objections. MOTION carried and Board agreed minutes will be recorded as read.*

Amendments to June meeting minutes: none

Administration: (Barbara Baker)

1. Barb request when selling PLE registered vehicles (boat, camper...), please remove old stickers.
2. Additional gate card request form has been updated.
3. Barb gave a status of the Bragging rights fishing tournament
4. Barb discussed holding effective meetings. Barb read parliamentary procedures

Treasurer: (Jessica Deadmond)

1. Main Account: \$105,627
2. Boat Dock Fund: \$28,998
3. Wayne Beagle Fund: \$3,698
4. \$32,637 in unpaid 2018 assessments and \$80,000 in past years unpaid assessments.
5. *80% of assessments for year have been paid*
6. *New QuickBooks file up and running.*
7. *2017 income taxes have not been filed. Taxes should be filed before next meeting.*

Roads: (Mike Cross)

1. Dan reads Mike Cross's road report: Contractor was authorized to get up to 22 loads of 1 inch minus and use up to 15 hours of tractor time to repair rain damaged roads. Contracted a company (Scott Industries) to apply calcium to roads. The charge is \$4300 and this will cover main roads, beach and both entrances.

Security: (Pam Manco)

1. Outsiders are dumping their trash into PLE containers.
2. There was a 4-wheeler accident 9-June.
3. There was a house broken into, person was arrested.

4. Code on door was changed immediately after Amy resigned.

Architecture: (Jim Pavelec)

1. No permit requested

Committee Reports:

1. Revision committee will reconvene in August. Work will be focused on covenants/restrictions

OLD/ONGOING Business:

1. Mailbox Project: Mike has not been able to work on this yet. Ongoing.
2. Arbors for Boat Docks – Check was cut for arbors to begin fabrication. 75% down payment
3. Lateral fire cabinet - - still looking.
4. PLE General Camping policy: Bob Menzel makes motion to adopt camping policy. MOTION seconded and carried by unanimous vote.
5. Audit – Jessica has been working with two different CPAs. Both CPAs recommend PLE needs a professional audit. Jessica is interviewing firms for the audit. A lot of discussion ensued regarding missing records, use of 2 QuickBooks files, questions of who will do the audit. Amy and Bob recounted the process to get to 2 QuickBooks. This all stemmed from the 2012 computer crash – everything was lost, Beth Fay was the Administrative Secretary – Beth setup the 2 QuickBooks solution. PLE has been operating this way since 2012. Jessica just wants to make the process easier to keep the books, provide accurate profit/loss statements
6. Lot Owner Information Checklist for Files – checklist for information required for every lot owner's file. Process is ongoing to get all of the lots filed according to the checklist.
7. Barb presented a new code of conduct. Tabled to next meeting.
8. Barb stated the a motion was made as a result of open forum to put a cap on spending. Barb explains that there is a cap already – the budget as voted on each year. PLE by-laws article 5 section 4: board of trustees by a vote of 2/3rds of trustees present at a **dually** called meeting shall have absolute power and authority to distribute and dispense any of the funds of the association in accordance with the by-laws and certificate of incorporation of the association. Barb moves to remove the vote on the cap on spending at the annual meeting. Bob explained that Bob made the motion to put the cap on the annual agenda. Motion carried and this was to be put on the annual meeting agenda. Bob stated after he had thought about the cap, he explained that PLE has docks that have a budget of \$30,000 dollars, if we use a cap like \$25,000, this caps would not have prevented PLE from doing or anything the board has done in the last 10 years. Patrick made the point that the members would like to be able to vote on large expenditures. Barb re-read the article 5 section 4. Jessica explained if we had a budget of \$25,000 for boat docks and we had to go over because some event, the board collectively would have to make the decision to stay within the budgetary constraint of the fiscal year.
9. PLE neighbors face book page is not controlled by the board – it is an unofficial page. The official page is Pinnacle Estates Association page on face book. Use the complaint forms if there is a question or comment.
10. Hunting on PLE property. From our covenants Item 17 states the use of fire arms whether for hunting target shooting or otherwise is prohibited on all lots within Pinnacle Lake Estates. Until this can be changed by a vote of the membership these covenants will stand as one of our 2 governing documents.

11. Big thankyou to Ron and Shirely Schaiffo for cutting down, chopping up and removing the dead tree in campground. This saved the lake a \$1000 dollars.

5 minute recess

New Business:

1. There were three requests for additional gate cards. Motions made to approve both, each seconded and carried by unanimous vote.
2. Teresa Johnson has a pontoon boat she would like to use. The boat uses an electric trolling motor. There is no electrical access to charge the battery. Please install a tower or two for added access. Suggestion was made that she may be able to switch with another dock.
3. Damage to bath house and hiring a cleaner. A lot of work has been done to the bath house. People have torn up the bath house. Someone took the mixing valves apart. Door hinges have been bent. Doors are less than 2 years old. What are you going to do to minimize the damage? Move to executive session.
4. Approval of newsletter. Jessica would like lot owner update forms added. Barb stated that all proxies will be mailed to office. Proxies brought to the meeting will not be honored. Pat stated that he does not trust Barb or Dan, how does he know that Dan/Barb will not bring all the mailed proxies to the meeting? A lot of discussions ensued. Patrick objects to forcing the proxies to be mailed. Barb makes motion the newsletter be approved as written. Motion seconded. Dan/Jim/Bob/Pam/Barb were in favor. Patrick/Jessica were not. Motion carries. Heated discussion regarding this vote. Dan gavelled the members to be quiet. Patrick took the gavel from Dan, took it outside and threw it in the woods. Barb moved that the meeting is over. Members stated that they had come to listen to the board meeting. A whole bunch of back and forth tit for tat (see 31 minutes into 2nd half audio). Barb states she spent hundreds of hours in the office. Patrick cursed a little. Bob stated he will come to one more meeting and that will be it. Barb stated if she does not get the boards backing to stop the meeting she will leave. Patrick asked if Barb is resigning. Barb said she is leaving the meeting due to constant disruptions. Dan implores the members that we move to open forum and that everyone agrees that it will not be a free for all.
- 5.

Open Forum:

1. Kurt Crosser fishing tournament: 30 people signed up. Charlie LePaige is doing major part of the work.
2. Carley Lewis boat dock repair. Are there any plans to fix the boat docks? Carley stepped on a board and board failed. Jessica states there is liability insurance on the docks. Dam needs to be sprayed for vegetation. North gate is very dusty. North gate air-conditioning broke in guard shack. Bob Schuler states that the under carriage has to be replaced before the top boards are replaced.
3. Bobby Arnold leans and subdividing. Bobby wants to know the rules for subdividing lots. Subdividing is limited to 3 acres. To subdivide you have to end up with each lot to be 3 acres or more. So a 7 acre lot could be subdivided into 3 and 4 acres. Patrick states the covenant and by-laws say you cannot subdivide into less than 3 acres. This is no language that allows the board to choose to not follow the 3 acre minimum. Bobby asked why did Mrs Erzinger get the board's approval to subdivide to a 1 acre lot. You need more than 3 acres to subdivide requests subdividing rules. Lots under 3 acres cannot be subdivided. Discussion ensued regarding history of the lots, multiple combining and subdividing over the years. Amy asked – can we subdivide into a bunch of ¼ acre lots? Ron Schaiffo stated the minimum is 3 acres. Member asked why the board agreed to allow Mrs Erzinger to subdivide. Bob explained that the board understood that Mrs Erzinger need this to happen to help sell her residence. Bob also explained that Phil

Erzinger sacrificed a great deal maintain the lake and the board sympathized with her position/request. This is why board signed off on the re-subdivision.

4. Bobby asked if a lien was put on the property of the owner who rammed the gate. Amy states liens are simply filed with the county. There were back assessments due on the property. For more discussion regarding (see 51 minutes into 2nd half audio)
5. Dredging: Bob explained there has there has to be a 10 ft high 6 acre levy built down below the dam. This is the first thing that has to happen before any dredging can start. The quoted cost is \$140,000, can we build it cheaper? Possibly. \$260,000 to move 64,000 cubic yards of mud, \$150,000 to get the equipment stationed. If PLE decides to do it themselves – PLE would have to buy the equipment, build the levy and hire someone to do the work. We are still at the \$500,000 dollar range. PLE needs money to solve the problem. Either \$1100 a year assessments for 2 years. There is no financial planning in place. Jessica states there needs to be a presentation at the annual meeting detailing the costs. (see 1h 5 m into 2nd half audio)
6. Amy asked if the board was going to invite Shawn McCorkell and Sharon Bosworth back to the board. The board issued an apology to Shawn/Sharon. They will not be re-instead. There are 3 board positions to be filled at the annual meeting.
7. Ron Schaiffo: Stated it is up to the lot owners to report their change of address.
8. Patrick asked Bob if he was copied on every rock ticket. Bob answered yes. Patrick asked Dan if he was copied on every rock ticket – Dan answered yes. Jessica states that it is good practice to have a physical copy of the ticket. Dan asked Amy to help. Bob stated that the roads budget should have been increased to \$65,000 because that is the real cost. Jessica states that is where the QuickBooks will help. Patrick states that is not the issue. Somewhere out there a rumor that there are missing records and hundreds of thousands of dollars was missing from the lake. Jessica explained right away that is just a rumor. Amy explained there is every transaction in the back room. Dan asked Amy if she would please help us find the records and squelch the rumors.

Meeting adjourned. Minutes submitted by Bob Menzel