

**MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS ASSOCIATION
GENERAL MEMBERSHIP MEETING
July 9, 2016
PROPERTY OWNERS LOUNGE**

Transcriber: Kelli Myers

10:07AM Bruno deVinck called the meeting to order.
Dan Clark led the Pledge of Allegiance.

Bruno deVinck announced that we have a quorum. 159 ballots received by proxy and 41 in attendance.

Bruno deVinck requested to appoint Rose Perrotti as the Chair of Tellers.

Bruno deVinck requested a motion to waive the reading of the Minutes.

MAKER: Cynthia Wyatt 250MR

SECOND: Ed McClary 1211FW

MOTION PASSES BY VISUAL INSPECTION.

Bruno deVinck requested a motion to accept the Minutes.

MAKER: Carolyn De Simone 47FW

SECOND: Michele Torre 908MR

MOTION PASSES BY VISUAL INSPECTION.

10:10AM Treasurers Report – Foster McCoy

Treasurer’s Report---April 30, 2016

Unaudited

| <u>Collections</u> | <u>April-15</u> | <u>April-16</u> |
|---|--------------------------|------------------------|
| Total | 2062 | 2,056 |
| Billable | 1,763 | 1,757 |
| Paid in Full | 1,615-92% | 1594-91% |
| <u>Unrestricted Income and Expense-YTD</u> | | |
| | <u>April 2016</u> | |
| Revs. to Date | 4,159,262 | |
| Exp. to Date | 3,946,203 | |
| Net Surplus (Deficit) | 213,059 | |

The Summit

| | |
|-----------------------|-----------|
| Rev. to Date | 1,249,999 |
| Exp. To Date | 1,204,670 |
| Net Surplus (Deficit) | 45,329 |

The Market Place

| | |
|-----------------------|---------|
| Rev. to Date | 428,294 |
| Exp. To Date | 425,264 |
| Net Surplus (Deficit) | 3,030 |

Summit/Market Net Surplus (Deficit)

48,359

10:15 am Auditor's Report-Bill Owens-The audit report is still a draft so it is not ready for distribution to the membership. The final report will be put on the website when it is complete.

Carolyn De Simone 47FW-Asked why wasn't the auditor's report handed out? Bill responded that it is a draft at this time. It will be ready for general distribution after the Board reviews it and approves it. It will also be posted on the Masthope website.

Jerry Ferraiuolo 61FW-Expressed concern to the number of outstanding dues accounts. Foster stated that we do a strong job going after collections. In 2015, 148 accounts were outstanding, 2016, 163 accounts were outstanding. Bill Owens added that we have a very good collection rate compared to other communities. Masthope has a 91% collection rating. Some communities are in the 70-80%.

Paul Stanton 922MR-Are we meeting the required amount that we need to keep in a reserve account? Foster answered that yes we are in compliance with 10% of the budget in a reserve account.

10:26 Attorney John Klemeyer-In the past, there have been problems in other communities with voting fraud. Masthope is ahead of the curve. Masthope uses an independent accounting firm to accept and count our voting proxies. The firm noticed that there was an issue with the proxies. An emergency board meeting was held prior to this meeting including Bill Owens, Masthope's accountant and himself. (excluding the members running for re-election). He continues that there was a 3-page stapled ballot sent to property owners. On each page there was a space to initial each page. On the last page, there was a signature space. Most ballots were not initialed however all of the last pages were signed. The initialing was new this year and not explained to the property owners. The question addressed in the emergency meeting was to either create another ballot or to accept the ballots that were returned signed and still stapled. The vote was unanimous to accept the ballots as is.

10:30 am Election of Board Members. Bruno asks the candidates to come forward and give their final bio before the ballots are cast.

1. Gerhard Buhler
2. Dan Clark
3. Ed McClary
4. Michele Torre

Bruno deVinck asks for a motion to consolidate the votes since there are 4 vacancies and 4 candidates.

MAKER: Leatrice Langer 458MR

SECOND: Rich Seidel 578MR
MOTION PASSES BY VISUAL INSPECTION.

- I. Bruno deVinck asks for a motion to accept the slate of candidates.**
MAKER: Carolyn DeSimone 47FW
SECOND: Edwin Barker 9MR
MOTION PASSES BY VISUAL INSPECTION

Election Results-Bruno deVinck:

**Gerhard Buhler: 35 votes from the floor
130 proxy votes**
**Dan Clark: 35 votes from the floor
134 proxy votes**
**Ed McClary: 35 votes from the floor
128 proxy votes**
**Michele Torre: 35 votes from the floor
140 proxy votes**

Bruno welcomes the 3 incumbents and newly elected Gerhard Buhler to the Board of Directors.

Bruno asks for a motion to accept Bill Owens as the independent auditor.
MAKER: FOSTER MCCOY
SECOND: DAN CLARK
MOTION PASSES BY VISUAL INSPECTION.

II. Authorize the establishment of a Food and Beverage capital line as it pertains to capital replacement and major repair and maintenance items. The funding of this line will be:

- a. 25% of the previous year's food and beverage operations surplus shall be allocated annually to fund capital replacement and major repair and maintenance items for the food and beverage operation.**
- b. The computation proposed in #a shall, in addition be subject to an annual minimum of \$25,000 and a cap of \$50,000 allocated for this fund.**
- c. Unused monies shall remain in this fund from year-to-year until needed. However, the Board may, on its own authority, opt to return to the general fund all or a portion of any unused funds, should it deem it appropriate to do so.**
- d. Any expenditures from this fund must have Board approval.**

Dan Clark explains that 2 years ago there was a list of items that would need to be replaced. Understanding that these items would need to be replaced they put \$25,000 in reserve for those items. We allocated \$25,000 last year for replacement items without having a list. We assumed that some capital items would need to be replaced. The process for replacing items is the food and

beverage manager will give management a proposal and management goes to the Board for approval before a purchase is made. This motion would put in place a reoccurring line in the budget allowing these funds to be used for capital replacement items and it would be funded from the Summit's operational surplus. The Summit has been operating in the black for the last 4 years. This would eliminate the Board from having to do a motion annually to approve funds for the Summit's replacement items.

Vito DeSimone 254MR- He is comfortable with the \$25,000 however not with the \$50,000. Dan explains that \$25,000 is not a lot of money when it comes to purchasing restaurant equipment. The equipment is expensive to purchase. He used the example of the ice/blender machines for the Tiki Bar can run up to \$9,000 each. The building was built in 2005. So the life of the current equipment is coming to an end. DeSimone stated that if you make money easy to spend; it will be spent.

Vote: 123 YES PROXY, 33 IN PERSON
23 NO PROXY

- I. Approve the modification to the ski slope enhancement where a lot reconfiguration will occur. Lot 342 and Lot 343 will be reconfigured so that area adjacent to the ski slope from both lots will be adjoined to the property identified as ski slopes. Area from each lot fronting on Powderhorn Drive will be adjoined and sold with proceeds going to the owner of lot 342 and Masthope Mountain Community. Any amount exceeding \$125,000 will go to Masthope Mountain Community Capital Reserves.**

Dan explains that reconfiguring the 2 lots would be most beneficial to the Community. Appraisals have been done ranging from 180,000-200,000.

Rose Perrotti 164RF-We spent \$250,000 to purchase the lot. She wants to know how much this project has cost up to this point. Randy explains that only \$250,000 has been spent. With the reconfiguration, the community should receive \$50,000 back from the sale. Recreation Management does own that lot and it is the best ski lot on the mountain. They have had offers of \$125,000 for the lot. Rose asks on an ongoing basis what will MMC see. Randy explains it will be a better ski area which would bring more skiers which will bring more revenue to the Summit. Rose asks if Masthope could pay attention and spend some money for the equipment at the beach. She wants shuffleboard sticks at the beach.

John Grandy 6CM-Does Lackawaxen Township have any issues with the project. Randy explains that they have not had any issues with the project and don't foresee one. John asks if we will be losing any property line? Randy stated that no there will not be a separation. No tree area has to be put up unless designated by the Township.

Vito DeSimone 254MR-Asks when did Recreation Management purchase the lot. Randy explained it was purchased in 2004 and the Community bought the other lot in 2014.

Carolyn DeSimone 47FW-Asks if Ski has any numbers of how many people use the beginner slopes. Randy stated no. As a skier on this mountain, you see that it is the most congested area of the mountain. He further explained that they do many lessons with new skiers and snow boarders.

Vote: 116 Yes by Proxy, 34 In person
30 No by Proxy, 1 In person

President's Report- Dan Clark begins by explaining the Tiki Bar expansion is a 2 phase project. The first phase is completed. The second phase should be completed next year. The Perrier equipment is now in place near the sport courts. He acknowledges that along with our staff, we operate with a lot of volunteers' time. Years ago, The Hank Brinkworth volunteer award was created. Dan recognizes 2 individuals for their years of volunteerism. Carl Harrison was on the Appeals Committee since 1999 and acted as the Chair. He is also the Chair of the Documents Committee. Carol Gladis was on the Appeals Committee for 16 years. He thanks both of them for their many years of service. This community counts on its volunteers to keep this community running in a positive direction.

Manager's Report-Randy Schmalzle

The Community counts on volunteer participation. We can always use more volunteers and we welcome any new ideas that property owners may have.

The Tiki project was a great project completed by our maintenance department. They did a great job with the first phase.

Paving project came in under budget. There will be some shoulder work and minor repairs that will continue to be done.

Rules and regulations for ATV's and boats were reviewed and revised this year. Some feel that our rules are too strict and others feel that they are not strict enough. The committees try to listen to both sides of an argument and try to make the best proposal for the community.

Masthope managers do a great job for the community. They meet 2 times a month to address issues and bring new ideas to the table.

Ski season was crazy this past year. It was the first time in 40 years that Ski was not open for Christmas. The Community was tremendous in seeing the importance of snow making and having the right snow making equipment in place. The new top of the mountain project will open up the top of the mountain. Snow tubing will be expanded, a new Magic Carpet will be installed and there will be a designated area for the little guys.

We are running activities 6 days a week this summer with our new activities staff.

There was a roast beef dinner at the Beach House that had approximately 30 people in attendance.

Jerry Ferraiuolo 861RF-Feels that Masthope should have a contingency plan to occupy property owners if ski cannot open during Christmas week. Some type of activities should be in place to entertain the property owners. i.e. Bocce tournament, etc. Bruno agrees that this is a good idea.

Elena Beliakova 577FW-Is there lighting at the courts? So property owners could play in the evening when it is not so hot outside. Randy answered that yes, it is setup for lighting. He will discuss options with the Board. He does not know when the job could be completed.

Gail Eisenfeld 179FW-How is the Board along with the township going to repair Masthope Plank Road? Randy explains that Masthope Plank Road is a state road and the state is difficult to deal with in regards to repairing roadways. The township is looking to do work on Westcolang Road. The township asked the state to come out and look at the condition of the roadway. Randy recommends property owners to contact local politicians, Penn DOT and ask the township to address these roads at the Road Task Force Meeting. Funding can be difficult for certain roadways. These roadways are considered low traffic roadways.

Old Business-nothing to report.

New Business-nothing to report.

Bruno asks for motion to adjourn the meeting.

MAKER: ED BARKER 9MR

SECOND: RICH SEIDEL 578MR

MOTION PASSES BY VISUAL INSPECTION.

11:31am Meeting adjourned.