

**MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS ASSOCIATION
GENERAL MEMBERSHIP MEETING
July 13, 2019
In the Lodge.**

Chairman: Jerry Jacobs

Transcriber: Kelli Myers

10:05AM Jerry Jacobs called the meeting to order. He asked the candidates to take the floor. Jerry led the Pledge of Allegiance. There is a slight change to the agenda.

Jerry stated that we have our Slate of Tellers: John Schad, Rich Seidel, Nancy Robb and inaudible.

Jerry asked Bill Owens (accountant) if there is a quorum. Bill stated there is a quorum. There were 319 proxies and 65 in person.

Jerry requested for a motion to waive the reading of the Minutes of the March General Membership Meeting.

MAKER: Jim Fox 284FW

SECOND: Richard Hubert 246RM

MOTION PASSES BY VISUAL INSPECTION.

Jerry requested a motion to accept the Minutes.

MAKER: Marie Polega 799RM

SECOND: Rich Seidel 578MR

MOTION PASSES BY VISUAL INSPECTION.

Jerry requested a vote to approve William Owens as the Independent Auditor.

PROXY: 285 YES, 15 NO

FLOOR VOTES: 44 YES, 0 NO

MOTION PASSES

10:12AM Internal Audit Report-Maria Porter-The Committee made a lot of progress in 2018. They focused on the auditor's accountant management report. The committee reviewed and revised the reconciliation of the ATM machines. They reviewed the handling of cash receipts in the office. They worked on a collection program for overdue assessments. They inventoried Masthope's fixed assets that can be cross referenced to the reserve schedule. Some obsolete assets were removed from the list as well as some new assets were added. The committee is currently communicating with the food and beverage departments.

Treasurers Report/Reserves Report – Gerhard Buhler

Gerhard provided the unaudited year-end financials for the 2018-2019 Fiscal Year as of April 30, 2019.

Treasurer's Report- See attached

10:12AM

Auditor's Report-Bill Owens-The firm has completed their annual audit report and has distributed drafts to the Board of Directors. He addresses the one vote that will take place today, where the operational surplus should be placed-capital reserves or operational reserves. He explains that there are two ways that a homeowner's association can file its taxes. One is as a homeowner's association, which Masthope does not qualify for due to more than 10% of expenses incurred are non-member related. (i.e., food and beverage) Masthope will file an 1120 which is for a membership organization. It is a normal corporate tax return. The IRS requires the membership to vote on where the surplus will be placed to defer paying taxes on membership income. This vote is done annually. The wording going forward will state in "order to comply with the IRS".

Bill explains that the dues income is reported on a cash basis. It is a more conservative way of reporting.

Bill gives some highlights from the financial audit of 2018:

Operating Cash Funds-\$2,299,874

Reserve Funds-\$717,395

The reserve funds increased \$257,000 from 2018.

Full report will be posted online at a later date.

Questions on the Treasurer's and Auditor's reports:

Tom Brown 701CM-Regarding the projected spending in upcoming years, 2024 has a large amount being spent. Can the membership view what items are going to be purchased? Randy stated that yes, we can put it online. The capital reserve list does change. The estimated life spans for the community assets play a big role.

Jerry Jacobs asks for a vote to authorize the use of operational surpluses to fund either the Capital Reserves or Operational Reserves.

CAPITAL RESERVES 188 PROXY 47 PRESENT

OPERATIONAL RESERVES 112 PROXY 27 PRESENT

SURPLUSES WILL BE ALLOCATED TO CAPITAL RESERVES.

Election of the Board Members. Jerry asks the candidates to come forward and give their final bio before the ballots are cast. (speakers spoke in reverse numerical order)

1. Herman Matfes
2. Gerry Lennon
3. Anthony Falcone
4. Maria Porter
5. Ian Syversen

6. Tom Garrity
7. June Murphy Carrozza
8. Gerhard Buhler
9. Eugene Principe

10:35AM President's Report-Ed McClary-He thanks Jerry Jacobs for chairing the meeting. The community's reserves are up. The board has been doing good things. Everyone is doing their job well. He explains that he has been a board member for 9 years. The community has not had this much detail in the operation of this mountain as we have today. That treasurer's report that is given to the membership did not exist five years ago. He expressed that he would like to see more members get involved and volunteer. He continued that there are approximately 1600 property owners and only 300 proxies were sent in and there are approximately 65 members in attendance today. 78% of the membership are not involved. There are 9 members running for the board with 5 positions available. He stated that if you are happy with the direction the community is going in then vote accordingly. If you are unhappy, vote accordingly. He continued that the community is in a better place today than it has been in a long time. There have been some recent changes on the mountain. Joe Gattuso has moved on to a new career opportunity. He was been with us for many years. Management reorganized the food and beverage management structure. Change is inevitable. He encourages the membership to express their ideas and concerns with management and the board. He thanks the membership.

10:40AM Manager's Report-Randy Schmalzle-He thanks the candidates that are running for the board. He thanks all the volunteers, from Jerry chairing the meeting to our volunteer cooks at all the picnics and our wonderful volunteers that help with every mailing that goes out to the membership. It's a community and we all need to work together. He continued that he has had the opportunity to work with several of the committees. One of the most important committees is the Document Review Committee. Over the next year, the community will be seeing the work of the DRC. They will be putting a proposed revision of the covenants before the membership for a vote. The committee meets once a month. They give their proposal to the board for feedback, to legal counsel for feedback and meet again for any further revisions. They are looking for a couple new members. The Beautification Committee does a great job. They go around the community and point out what needs to be done. Leatrice and the committee look at the community as a whole from front entrance, beach, plantings, lodge, etc. He continued that the staff deserves a thank you. The community hired approximately 40 additional seasonal staff members. A lot of the new staff are young. Food and beverage staff do a great job all year. He acknowledged all the years of Joe Gattuso's hard work. We wish him well and are very proud of him and his accomplishments. Staff has been moved around in the Summit. Nick is the hidden success story of the Summit. He came to us when he was kid. After the 5th chef was let go, Nick took over and is doing a great job. There was a lot of strife on the ski contract. He encourages everyone to ask questions. He continued that he will talk to anyone. His door is always open.

Property Owner's Time:

Yelena Belousova 629FW-She asked for clarification of the number of board members, how many openings are on the board and how many are running. Randy answered that there are 11 board members, 5 openings, 9 are running and there are 3 incumbents. You will be voting on 5 of the 9.

Nick Cetta 483MR-He asked if they could meet the current board members. Jerry Jacobs asks for all current board members to stand.

John Grandy 6CM-This is directed toward Ron Schmalzle. He would like to know what could be done for seniors in the community. Ron stated that he would meet with John personally and see what type of ideas he has in mind. Then management will see what the community is capable of doing. This region has a high population of seniors and granting discount could have a financial impact on the community.

Salvatore Strazzeri 846MR-He also owns a home in a Florida Community. That community has Constant Contact to communicate. Randy answered that we do have Constant Contact and suggests that he gives the office his email. He added that in the previous mailing to all property owners, an updated contact form was included. Only approximately 300 were returned.

Matthew Ferris 684FW-Asks for information on the DMAP (Deer Management Program). Randy explains that we conducted the program last year during hunting season. It is a modest program. They gave out 50 tags. Hemlock Farms does a deer cull. They remove hundreds of deer. Masthope is getting to this point. You can look at the trees. There is no green toward the bottom of the trees due to the deer. The deer harvested from the cull are donated to food banks. Once a cull is conducted and maintained, you will see a difference in the overall health of the deer, other wildlife will come back and vegetation will begin to grow. Most don't even know that a cull takes place. The DMAP is archery only and the potential hunters do need to qualify. Peter Torchio is the head of this program. We will be having this program again this year. Jerry clarified that is a board decision to run the program.

Ron Parks 136FW-He is a fairly new property owner, however his parents have been property owners for years. He and his family are currently part time residents. He would love to see these meetings live streamed for times when he can't make it to the meeting. Would the board consider doing this? Jerry Jacobs added that he feels that this should be explored.

Cindy Brown 615FW-She stated that she loves the community. She is concerned about the Lackawaxen Post Office. She feels that it is an awful ride. She does not understand why she cannot have a mailbox even though she is a part time resident. Randy answered that Masthope does not give the mailboxes. It is handled by the post office. He reiterates that the Postal Service regulates the mailboxes and who can have one. Gerhard added that when he inquired about a mailbox, he was told that this would have to be your permanent residence. Anthony agreed and explained that he was told that this would have to be his primary residence. Ron Schmalzle stated that he would look into the mailbox/postal regulations. He explained that he is a county commissioner for Pike County. He sits on every road taskforce. He states that at every meeting, he addresses that Masthope Plank Road is the worst road in the county. It is going to be totally redone

within a year. Jerry added that if the mail is not picked up every three weeks, the post office will close down the mailbox.

Jay Lawrence 16MR-He has been in the area for forty years and this year is the worst the roadways have ever been. He feels that the community needs to be more proactive to get Masthope Plank Road paved. The roadway conditions affect homeowners and businesses. He feels that an Action Committee should be developed with other communities. Then the committee should put pressure on the commissioners and state representatives to get the job done sooner rather than later. Ron agrees with Jay. He reiterates that he complains at every road taskforce meeting.

Joe Kosiba 213FW-He asks why do we wait for the trees to fall down on Westcolang Road. Some are hanging already. Why can't we be proactive before the next storm knocks them down? Randy answered that Masthope owns little to none of the properties on Westcolang Road. It is mainly private properties. Masthope's maintenance department did go down to cleanup some of the downed trees from the prior storm. Randy continued that we have had some crazy storms that took down trees that you wouldn't have expected to come down. He explained that they will be replacing culvert pipes down that roadway before the paving will be done.

Cory McKibbin 334MR-She asks about the cull and about it not being up for a membership vote. She does not agree with hunting in the community. Ed explains that a cull would be a community vote due to the high cost. The DMAP is a state-run program. The community has to apply to be a part of it and then the state needs to approve the application. There are only 50 permits allowed. Discussion continued.

Salvatore Strazzeri 846MR-He would like an update on the passes and the proposal from the pass committee. Ed explains the three committees that were formed and their purposes. (The ID Pass Policy Committee, The Amenity Committee and the Ski RFP/RFI Committee) He continued that the ID Pass Policy Committee gave a report with their recommendations. Nothing was voted on by the board. Salvatore said it was a good report and he feels that we need to have more control on the passes. Ed answered that research is being done to upgrade our scanning system and overall technology used in the community.

Ivy Chait-Skow 651RF-She feels that renters get more passes and don't follow the rules. A lengthy discussion continued regarding property owners vs. renters, following rules and being respectful. She asked what the ATV operating hours are? Dawn to dusk was the answer. She asked if the hours could be changed. Randy answered that would need to go before the board.

Tom Brown 701CM-He was a part of the ID Pass Policy Committee. Scanner Reports were run on the 2 busiest days of the summer. The Saturday of July 4th weekend, approximately 900 passes were scanned at the pool and 1000 at the lake. The spread of the passes at the pool were: 540 owners, 180 guests and 120 renters. There could be overcrowding but not due to renters. There was also a report done to see how many passes were scanned more than one time in the day. It was discovered that out of 1800 passes, only 14 passes were scanned more than one time. He encourages property owners, their children and guest to follow the rules. Owners should clean up after themselves as well.

Jerry Jacobs reads the results of the election:

9th place Gerry Lennon 131
8th place Ian Syversen 150
7th place Tom Garrity 159
6th place Maria Porter 169
5th place Eugene Principe 208-elected
4th place Herman Matfes 224-elected
3rd place Anthony Falcone 231-elected
2nd place Gerhard Buhler 235-elected
1st place June Murphy Carrozza 248-elected

Old Business-Nothing

New Business-Nothing

Jerry asks for a motion to adjourn the meeting.

FIRST: PETER TORCHIO

SECOND: JIM FOX

Meeting Adjourned: 11:51am