

**Masthope Mountain Community
Board of Directors Meeting
April 24th, 2021**

Recorder: Kelli Myers
Transcriber: Kelli Myers
Property Owner's Lounge and Teleconference

8:30 AM Meeting called to order.

Roll Call: Present Gerhard Buhler, June Murphy Carrozza, Bruno de Vinck, Anthony Falcone, Jim Fox, Tom Garrity, Herman Maffes, Ed McClary, Foster McCoy, Chris Pisani, and Eugene Principe

Bruno asks for the approval of the agenda. June explains to the membership that the road bids were delivered, June is giving them to Randy and Tom to review for recommendation.

Bruno announced that there will be an Executive Session today to discuss legal matters and contracts.

Bruno asks for the approval of the March 20th, 2021 Board of Directors Meeting Minutes.

The Minutes were approved unanimously.

Treasurer's Report- for period ending March 31st, 2021, 2021-Gerhard Buhler-see attached. Gerhard thanks the membership for their effort for paying the dues in advance. He adds the amazing work that the food and beverage department has done to operate in the black. The office is operating on a new software system. With input from our external accountant, the board has decided to write-off some of the bad debt lots. This does not mean that Masthope cannot pursue the debt. It will be removed from the monthly financial report.

Anthony asked when will the membership see the difference. Gerhard answered with the next fiscal year.

Bruno agrees that the food and beverage departments have done a great job. June explained that she and Foster McCoy, and Kelli Myers are going to pursue the bad debt lots.

Treasurer's Report was approved unanimously.

Correspondence-June Carrozza-See attached.

President's Report- June Carrozza-see attached.

Management Report-Randy Schmalzle- See attached.

The new pool will not be open for Memorial Weekend due to a temporary concrete shortage. We are planning on a grand opening for July 4th weekend.

Randy reviews the road bids. The bids came from Wayco, Pioneer and Leeward (Linde). The recommendation goes to Leeward/Linde.

Anthony asked about the expansion of the liquor license. Randy explains the expansion area is in front of the ski rental building to the Thundercloud lift and it will cover the new pool and service bar.

Herman asked about the difference between concrete and shotcrete. Randy explains that shotcrete is poured under pressure. Randy continued to explain how much concrete is needed for the pool project.

Chris asked if there will be anything done with Masthope Plank Road. Randy answered that Ron Schmalzle was in Harrisburg and money has been delegated for roadways but there is no guarantee where it will be used. He believes that Route 590 and Westcolang Road will be worked on.

Foster commends the office for participating in the Caliber meetings. Randy commends June for sitting in the meetings also.

Bruno asked if the new bathrooms in the pool complex will be done. Randy answered yes that we did get the permits for the bathroom facility.

Bruno asked who is responsible for road repair when there a new water and sewer hookup completed. Randy responded that Aqua arranges for the final repair.

Committee Reports:

Appeals Committee-No report.

Audit Committee-JoAnn Ferentz-The committee is reviewing procedures for cash collections in the POC Office. They are looking to see if controls are in place. They are in the early stages of their review.

ECC Committee-Peter Torchio-See attached. He added that he has applied for the DMAP permit. There are 3 variance hearings scheduled for May 8th. The ECC committee will be out inspecting properties to ensure community compliance. Gerhard added that with the new office software, ECC will be able to have a mobile interface to log their findings.

Financial Committee-Gerhard Buhler-There is a meeting April 25th. New members are needed. A financial background is needed. They will be reviewing the final draft of the Investment Policy before presenting it to the board.

Document Review Committee-Tom Garrity-The committee has several projects in the works. They continue to move forward with separating the rules and regulations in the handbook. There was further clarification about the separation of the rules and regulations from the informative pieces of the handbook. The committee is looking for board approval to analyze the content of the two documents and make recommendations for change. It was explained that it is easier to analyze the content after the separation. June added that they will be reviewing the fine schedule also. Tom announced how Carol did most of the work in separating the document. Foster added that it was very thorough. The board approves the committee to move forward in their analysis and recommendations.

Ski Committee-Lisa Lawler-Inaudible-June asks if something that can be done with parking in the median during ski season. It is dangerous for people walking. Randy will look into this issue.

Strategic Planning Committee-Robin Hoose-There were 14 volunteers for Green-up Day. Partially inaudible. Matt Spalding is looking into signage for the trails. June asked about Turkey Circle. Robin clarified that the committee was looking at a lot on Turkey Circle for a possible egress for the Falling Waters side of the community. The cost of surveying for the egress was questioned. Randy answered the cost for surveying would be cheap. Building the road on the hand would be a couple hundred thousand dollars. Anthony added that he would like to know if there are any government grants for an emergency project. June added that the egress is for the exit of the community not for entrance for emergency vehicles. She continued that Randy is going to reach out to Kathy Hummel to see if members could use her property as an egress in case of an emergency. There has been no formal plan in place. Randy spoke with Kathy many years ago. She agreed to allow egress in case of an emergency. Randy continued that he could work on establishing a formal agreement with Kathy. He explained that this is not a new project. This has been investigated in the past. They looked at the sewage treatment area. There is a small path that may be viable. June stated that she is meeting with Matt Spalding tomorrow to walk the trails.

Fire-Jim Fox-Fire danger is high due to low humidity and high winds.

ID Committee-Gerhard Buhler- The township passed their short-term rental ordinance. Gerhard summarized the Masthope rental policy work so far. The board commissioned a committee to analyze the rental policy. The committee consisted of 6 members, three of them rental experience. The committee put a proposal together over a year ago. There was a townhall with question-and-answer session at that time. After the township vote, Gerhard submitted a revised version of the proposed policy to the board for review. The proposal was reviewed by our counsel. He continued that the board should be ready to vote on the proposal. Anthony looked at the ordinance, the old proposal and the current proposal and concluded that he would like to have a work session on the rental policy. June responded that we should post the documents for the membership and conduct a townhall. After the townhall, the board will conduct a work session. June suggested Saturday, May 8th for the townhall and work session. The goal is to have a policy together to vote at the next board meeting.

Technology Committee-Herman Matfes-Tom Brown resigned from the committee which leaves a vacancy. He explains the various technological improvements that are taking place in the community such as the POC Office software-Caliber, ski has implemented their RFID system, and we will be upgrading our community website. Herman expressed that if anyone is interested in joining the committee to please email the board, management or the office.

WLA-Gerhard Buhler-They had a meeting last week that was lightly attended. Two legal events took place for the dam: the inspection and emergency plan. Both were delayed. The dam is classified in the high risk category because of the flooding that could occur if the dam were to fail completely. The 3 communities need to publish the emergency plan. The bridge over the dam needs repair. That will take place late summer or early fall. Gerhard added that there was worry of an invasive animal growth in the area of the Hummel property. It seems to be contained but should continue to monitor the growth. June has some literature on the growth, and it is recommended to cut it and spray the ends. Gerhard explained about the

sediment bogs that pop up periodically on the lake. They can become islands in time.
Discussion continued.
Jim brought up the Spotted Lantern Fly that is invading our area.

Old Business: Topics have been covered earlier in the meeting.

New Business:

Bruno explained the medical coverage for staff needs board approval to cover 70% of the cost for a single individual.

Memorialize the motion to write-off bad debt lots. Anthony reads the motion.

ATV/UTV event-June explains that we have a lot of new homeowners and the board would like to have an informative but casual event that explains the community's rules and regulations that are in place. Randy stated that the ATV ride last year was a great event. He thinks it is a good idea and it gets people out to meet their neighbors while getting the message out as to what is in the rules and regulations. Bruno adds that the membership needs to be cautious while operating these vehicles because the community could be at risk of losing its insurance. Foster added that we need to include Dave Meyers in the planning since he had taken the training course to be able to certify ATV riders. June added that Jim Porter and Barry Darcy also completed the course.

Fee structure-Gerhard explained that Masthope's rental fees need to be restructured. It is clear that the amount due does not cover the costs of the amount of work done in the office. The proposed increases would be \$100 administrative fee from \$50. June added that there needs to be a fee imposed when someone goes to the compactor in off hours, renters have already been doing this on occasion at no cost. It is costing Masthope time and money when a staff member needs to stop what they are doing to go and open up the compactor Discussion ensued. The opening of the compactor would be \$10 for both property owners and renters and monitored.

Drainage project-Randy Schmalzle-He spoke of the property that was purchased from the Hummels for the beach area that Masthope has been encroaching on for years. With the purchase, it was agreed upon that Masthope would pay to correct a drainage issue on the Hummel's other property that is due to building in Masthope.

Anthony and board members read the motions.

Property Owner's Time:

64RF Denise Kleinman-She explained that when they moved into Masthope there were less foreclosures and rentals. There is a rental on her block and the quality of life has dropped. She hears things from the rental unit that she should not. She walks her dog and needs to carry a bag to pick up the trash she sees on the roadways. She questions how much extra costs Masthope is incurring due to renters. She researched rentals on VRBO there are over 200 hundred listed. One house was advertised that it is 4 bedrooms and can sleep 20. She saw other houses listing that it can sleep up to 14 people. The septic system cannot support

that many people in one living space. Something needs to be done about short-term rentals. June responded that she is happy that the township has enacted their ordinance. This alleviates some of the pressure on Masthope. June encourages the membership to attend the townhall scheduled for Saturday, May 8th. Denise expressed concerns that she feels that rentals are driving the community. She has collected many signatures from homeowners that are concerned about short-term rentals. She believes that short-term rentals are affecting the quality of life in Masthope. June reiterates that the township's ordinance will address many of her concerns. June compliments Denise in reaching out to the homeowner who rents about her issues with the renters. Gerhard commented that the township ordinance adopted the occupancy maximum-total bedrooms times 2 plus 4. Anthony added that the ordinance added that you cannot market your property for more than the formula allows.

1088FW Loretta Fonesca- She stated that even though you have a friend or family member using your house you still need to pay the rental fees. June responded that is correct.

458MR Leatrice Langer-She is curious how the township's policy interfaces with our rental policy. She asks if the township will send out inspectors to the properties. Gerhard responded that the township will be sending out an officer to inspect and enforce their ordinance. The ordinance is approved however the properties have until the end of the year to be compliant. That is a discussion they will have to have to see when the Masthope short-term rental rules will take effect. June, Randy and Gerhard further clarified that the township will not issue a rental license until the community issues a statement that Masthope allows renters in the community.

659RF Mary Apuzzo-She asks if they should save all of their questions until May 8th. June answered to send them ahead of time. Mary asked where the membership could see the ordinance and proposed policy. Gerhard responded that you will be able to see it on the Masthope website. Randy added that they should contact the township to see the ordinance.

659RF Frank Hoffman-Asks about more mailboxes or getting a roof over the mailboxes. Randy explains that it is not budgeted at this time. If part-time residents were to get a mailbox, then Masthope needs to provide a mailbox for every property. Management did cost this out and it would be over a couple of hundred thousand dollars to do it.

Inaudible.

578MR Rich Seidel-He thinks that it is great that homeowners got certified to conduct the ATV/UTV certifications. He sees many underage drivers flying on the roadways. Randy explained that an ATV violation is zero tolerance.

849FW Frank Tavella-He feels that Masthope should limit the number of rental passes. June expresses that he should attend the townhall.

204MR Bill Chillianis-He feels that the townhall is a good idea. He feels that the compactor motion for \$10 should require more restrictions. He feels that it will become out of control. Herman agrees with Bill and that is why they are going to monitor the situation.

Inaudible-Addresses the fee to open up the compactor to rentals. He feels that it should be more due to the inconvenience to staff members. June expressed that they are concerned about littering.

22FW Carl Harrison-He reminds everyone that there is a motion that only rules and regulations can only be done 2 times a year.

341MR Vickie Graziano-She asked about the rules for the road behind the ski building. Randy answered that he did forget to follow up on this but will. It is used for the quasi-handicap spaces that are there for convenience. The handicap parking is in the front parking lot.

861RF Jerry Ferraiuolo-He would like to see different hours for the compactor on Fridays. He feels that Friday morning makes more sense since the compactor is closed on Thursdays. He addresses how serious operating ATVS are. People lose lives. Everyone should be trained on the operation of ATVS.

174MR Candice Serviss-She would like to know what type of restrictions will be done for amenity usage this summer. Randy responded that we do not know at this time. Next meeting we should know more.

121FW Robin Hoose-Do we know when the farmer's market will start up again. Randy stated that the office will reach out to Lukus and see when it can get started.

6CM John Grandy-He stated that Robin Hoose did a great job with the clean-up. He stated that behind the Summit is a wall of empty cans and cups. He would like to see a garbage can placed behind the lodge. His other concern is the pond. People throw pavers into the pond. He would like to see a different walkway put in place. June thanks John for taking care of pond.

Bruno thanks John and Judy for running the potluck dinners and looks forward to when it can begin again.

849FW Jessica Tavella-She would like to make an owner only parking lot. June explained that you need to enforce it and staff it. It is a difficult task.

Motion 01:04:24:21

Whereas there is a need to address the disposal of garbage by the community members and renters at the compactor after compactor hours and during office hours and the requirement of maintenance staff to be present

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves a fee of \$10 to be paid by a member who chooses to dispose of garbage at the compactor after posted hours. All other fees related to garbage disposal remain in effect.

First: June Carrozza

Second: Herman Mattes

11 For, 0 Against
Motion passes.

Motion 02:04:24:21

Whereas there is a need to increase the current administration fee applied to a member that chooses to rent their property

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves that the new administration fee applied to a rental property be increased to \$100.00 effective June 1, 2021.

First: Gerhard Buhler
Second: Foster McCoy

11 For, 0 Against
Motion passes.

Motion 03:04:24:21

Whereas a motion dated February 6, 2020 approved the purchase of a property near the Masthope beach area, and whereas an obligation to correct a drainage issue still exists

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the corrective action to be taken utilizing contractor M.E. Soden at a cost not to exceed \$33,000. Funds to be paid from the beach and river park loan surplus.

First: June Carrozza
Second: Foster McCoy

11 For, 0 Against
Motion passes.

Motion 04:04:24:21

Whereas, the Technology Committee is an ad-hoc committee created on September 21, 2019 and whereas this committee has two Chairs (Herman Matfes and Thomas Brown) and whereas Thomas Brown has recently resigned.

Therefore be it resolved that the Masthope Mountain Community Board of Directors appoints Herman Matfes as the sole chairperson of the Technology Committee.

First: Foster McCoy
Second: Jim Fox

11 For, 0 Against
Motion passes.

Motion 05:04:24:21

Whereas there is a need to replace the bar cooler in the Summit restaurant

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the purchase of a new bar cooler for the Summit restaurant at a cost not to exceed \$4,000 from the vendor Singer Equipment Company. The funds are to be paid from the Capital Reserve.

First: Gerhard Buhler

Second: Chris Pisani

11 For, 0 Against

Motion passes.

Motion 06:04:24:21

Whereas, there is a need to approve the employee health insurance plan for the coming fiscal year

Therefore be it resolved that the Masthope Mountain Community Board of Directors the renewal of the employee health insurance plan with Masthope covering 70% of the premium for eligible employees.

First: June Carrozza

Second: Bruno deVinck

11 For, 0 Against

Motion passes.

Motion 07:04:24:21

Whereas, bids have been received for the 2021-2022 Masthope Road Maintenance.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the road bid for \$188,195.00 submitted by E.R. Linde Corp. This bid is to be used for road repair not to exceed the budget allowance of \$250,000. The lists of roads in need of paving maintenance will be modified based on priority. \$35,000 will be paid in combination with Aqua for the repair of Eagle Rock Road.

First: Bruno deVinck

Second: Gerhard Buhler

11 For, 0 Against

Motion passes.

Motion 08:04:24:21

Whereas, there is a need to update the original motion for the Masthope Financial and Community Management System and Website Platform an Portal and
Whereas there is a need to update the original motion, to adjust the website vendor and correct the portal values

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves Frontsteps Software, a subsidiary of Community Investors, Inc dba Frontsteps, to provide the new website software in lieu of HOA Sites. The new website will be provided at a cost of \$1,500 per year, and a \$250 implementation fee.

This will replace the originally approved annual \$625 portal fee and \$400 implementation fee.

First: Herman Matfes

Second: Gerhard Buhler

11 For, 0 Against

Motion passes.

Motion 09:04:24:21

Whereas it is a legal requirement under PA laws to have back flow protection devices installed for all commercial water supplies.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves to spend up to \$13,000 for the back flow protection device project located at the front entrance and compactor bathrooms (\$8690.00 to Beach Lake Sprinkler Company, and the balance for installation of vault and excavation by a vendor to be determined). Project is to be funded from the board's operational contingency fund for non-capital portions of the project, and from the board's capital contingency fund for the capital portion.

First: Foster McCoy

Second: Ed McClary

11 For, 0 Against

Motion passes.

Meeting adjourned 11:07am

Executive Session began 11:17am

Executive Session ended 11:55am

Meeting reopened 11:56am.

Meeting adjourned 11:58am

Treasurer's Report for Period Ending March 31, 2021
Unaudited

Collections - YTD

	Mar 20	Feb 21	Mar 21
Total	2034	2033	2032
Billable	1714	1713	1713
Paid in Full	1620	1627	1649
Percent	94.5%	95.0%	96.3%
Outstanding - Lots	94	86	64
Outstanding - Dues	\$169,975	\$160,810	\$138,675
Total Bad Debt Lots	31	31	31

Unrestricted Income and Expense - YTD

	Mar 20 YTD	Feb 21 YTD	Mar 21 YTD
Revenues to date	\$2,915,186	\$2,901,926	\$2,943,330
Expenses to date	\$2,659,504	\$2,428,929	\$2,578,052
Net Surplus (deficit)	\$255,682	\$472,997	\$365,278
Margin (Net/Revenue)	8.8%	16.3%	12.4%

The Summit - YTD

Revenues to date	\$1,719,776	\$1,358,291	\$1,460,772
Expenses to date	\$1,614,337	\$1,228,725	\$1,341,786
Net Surplus (deficit)	\$105,439	\$129,566	\$118,986
Inventory	\$40,928	\$41,144	\$31,436

The Market Place - YTD

Revenues to date	\$489,569	\$503,330	\$541,550
Expenses to date	\$512,856	\$495,721	\$535,869
Net Surplus (deficit)	(\$23,287)	\$7,610	\$5,680
Inventory	\$14,052	\$19,041	\$18,760

Summit/Market Net Surplus (Deficit)

\$82,152	\$137,175	\$124,667
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Correspondences

There have been 12 correspondences this month. Question on when the weight restriction was lifted, payment plans, rentals, 3 properties requesting relief due to Aqua. All property owners are required to pay dues as per the Covenants. The final request was to purchase a Masthope property to build on. We only sell Masthope property to the adjacent lot owner to merge.

President

The Rental Policy and Aqua update will be addressed at today's Board meeting. I would like to give you some history on both topics.

Karl Hope, who built our community, had a vision. In the Covenants, our most senior document, he describes what Masthope would become. In that Covenant he laid out how the community was going to run. On page 24, paragraph 8, he specified the land to be "sold, leased, conveyed, and rented". When we purchase our property, we agree to abide by this document. This community has grown and now we fast forward ahead on rentals. The PA Supreme Court passed down to the Municipalities to decide whether or not to allow short term rentals. Over several months, the Township created a rental ordinance. I, Gerhard, Tom Garrity, Randy, along with several other property owners attended the public hearing on the rental ordinance presented by the Lackawaxen Township Supervisors. Prior to the public hearing, the document was made available to the public and people could voice their opinions on the proposed rental ordinance. At that meeting, only six members of the audience spoke up, with voices from Tinkwig, Fawn Lake, Woodloch, and others speaking up including a Masthope owner who rents. As did ALL the other speakers, Randy thanked the township for their hard work and allowing the communities to make their own decision on having short term rentals. He as well as other business owners expressed the benefit of having renters for local businesses, referring to our Summit Restaurant and Ski Big Bear. Unlike us, Fawn Lake expressed they did not want short-term rentals, and since it was only in their rules and regulations, they could easily remove it. All said, there was no opposition heard from anyone in the audience. The ordinance was approved by the Township Supervisors.

Continuing with the covenant's section IV. Central Sewage System, Karl Hope specified how the sewage system would work under approval from the Pennsylvania Public Utility Commission. Throughout page 32, he discusses the use of all amenities and recreational facilities subject to payment of dues, including the mention that ski will be open to the public. The board must follow this document. Only 2/3 of the property owners can change it.

This past year has been unique, ever changing, and challenging. Despite all the turbulence that was handed our way, the board with management working together has kept our amenities open, financials stable, and most important our property owners, staff and guests safe. But despite all the hard work, we are berated by a few, using Facebook as their forum. Shame on all of you who sit behind a keyboard and complain. Meetings are monthly, and the information is available to everyone. You attack our management team and our board members, and this is unacceptable. I have known Ron and Randy for many years, we don't always agree but in my role as President these past 2 years, I commend their knowledge, skills and commitment to Masthope. Their job is to advise, and with their years of experience we would be foolish not to listen. The board and management work as a team. I hope the new homeowners listening today realize those same people complaining, are not building this community up. Do not go to Facebook for the answers they are on our website, in our documents and can be answered at our meetings.

We have great property owners who continue to volunteer endless hours to make this place a premiere community. Just last weekend, almost 40 property owner volunteers came together for our annual community clean up event. Thank you to all our volunteers and thank you Ron, Randy and Tom and your management team. All, do not listen to the minority, instead listen to the majority.

Managers Report

April 23, 2021

Updates

1. Aqua WWTP

- a. Potential other area in community for soil based systems.
 - i. Existing property surrounding plant
 - ii. McCasky Properties
 - iii. Twin Rivers Property
 - iv. Ski area property

2. Pool Project – We have run into a set back in the pool schedule.

Explained below:

- a. Concrete has become a major issue. The pool requires 325 yards of shotcrete concrete to complete the interior of the pool.
- b. We have been ready for concrete for the last 5 weeks but are unable to get a commitment from the concrete suppliers to deliver over a 3 day pour schedule.
- c. Some ground has been made in getting concrete, but it is over 6 day shoot and the shotcrete contractor can not commit to that.

Pool Slides – The old slide has been moved to another section of the pool to allow for younger kids use. The large slide installation is underway and should be completed early next week.

Pool Mechanical equipment – Old pool is ready to go, cover will come off next week. New pool room is prepped, equipment to be delivered next week.

Splash pad – Wall built, tank installed, rough plumbing installed. Concrete should be poured next week.

Pool deck expansion – Concrete has been poured, fence installed and prepared for shade sales.

Service Bar/bathrooms/tiki area– Framing is done, electrical done, new siding installed, Equipment has been ordered. Furniture has been ordered.

While we anticipated the new pool to open on Memorial Day weekend, at this time I think we should plan for a July 4th grand opening.

2. Road bids – Bids will be opened today and roads to be paved prioritized. For this year we will be doing a combined project with Aqua to complete the Pebble Rock project. We will be budgeting \$35,000 for our portion.

Department reports – Most departments have struggled with closures due to Covid. Please continue to social distance and wear a mask.

Public Safety – New truck to be delivered in next two weeks.

Food and Beverage – Staff limitations have been difficult, I am proud to say they continue to push through.

Summit Staff have worked to put together equipment for the service bar as well as creating a new menu for this summer.

POC office

1. Caliber is installed and staff is getting up to speed. We continue to learn more about the capacities of the software.
2. Application has been made for the expanded liquor license.

Maintenance

1. Grounds – landscape upgrades will continue throughout the community.
2. Beach – Dock repairs are nearly complete, installation will begin next week.
3. Staff are working to reset pavers and block walls.
4. Storage loft in area 14 nearly complete.

Fitness - We are advertising for a manager for the facility.

Stables – Horses are being brought in for the new season.