

**MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS ASSOCIATION
GENERAL MEMBERSHIP MEETING
NOVEMBER 14, 2015
PROPERTY OWNERS LODGE**

Transcriber: Kelli Myers

10:00AM Meeting called to order and Pledge of Allegiance said.
Bruno deVinck stated we have a quorum.

Bruno requested a motion to appoint Joe Meglio as the Chair of Tellers with 3 assistants.

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

MAKER: Ed McClary 1211FW

SECOND: Leatrice Langer 458MR

MOTION PASSES BY VISUAL INSPECTION.

10:05AM Treasurers Report – Foster McCoy, report from September, see attached.

10:06AM President's Report-Dan Clark, normal business for the Board, however the ATV's are controversial at this time. We are focused on safety and addressing the rules and regulations as they pertain to ATV's. There is another town hall meeting for property owners to discuss their concerns in regards to ATV's. Another issue being addressed are the boating rules and regulations. Safety is again the concern. A committee has been established to review the current rules and make suggestions to the Board for some changes. Back in July, Edna Stern was presented a plaque in Steve's memory. Steve was on the board from 1992-2015. Edna read the plaque aloud to the audience and thanked everyone for their kindness and support.

10:13AM Manager's Report-Randy Schmalzle-The culvert project is on schedule.
This summer we have had the least amount of rain.
Stables added a new trail.
Market and Summit are doing well. Joe and Lindsay work hard for the Community.
Maintenance is ready for winter.
Thanks to all of the volunteers.
Lukus and Carol did a great job decorating for Halloween.
Oktoberfest was a big success, thanks again to everyone who volunteered.
Ron Schmalzle-Ready for 2015-2016 ski season, upgraded some of the snow making equipment.
Ski hopes to be opening in December and run through Easter.
Lifts were upgraded.
Ski has new rental equipment.
Looks like ski will be able to start making snow after Thanksgiving according to weather reports.

10:18AM Bruno asks if there are any questions on the reports. No questions.

10:20AM Bruno asks Dan Clark to read the amendments that are setup in a PowerPoint Presentation. See attached. There will be an open discussion after each motion is read.

Joe Meglio, the Chair of Tellers and his 3 assistants Leatrice Langer, Rich Seidel and Skip Lavigna will count the votes.

Presentation of the Motions: Whereas the Document Committee of the Board of Directors has been charged with updating and revising the current set of Bylaws of the Masthope Mountain Community, and whereas; the committee has recommended modifications to Article III paragraph S and Article V of the Bylaws; and whereas the Board of Directors pursuant to Article VIII has approved a board motion to send the amended Articles to the community for approval;

Therefore, be it resolved that pursuant to Article VIII of the Masthope Mountain Community Bylaws, the following proposals for revision of the Bylaws be approved by the association membership. The revised articles are part of this mailing. (that was sent out prior to this meeting)

Motion 1: Amend Article III paragraph S and its' sub items as it appears in the current By-laws.

Rose Perotti 164RF-Asks does the community first vote on the operating budget, then if it does not pass will CPI go into effect? Dan responds yes, however if the operating budget increases less than CPI the community will not get to vote on the budget. The community does get a chance to voice their opinions at the Budget Town Hall Meeting that will take place Martin Luther King Weekend.

Maria Jackson 699FW-If their budget was not approved could Masthope stay with last year's budget? Dan responds that it would be last year's budget plus CPI. Maria asks can you amend a motion as it stands. Dan answers that you cannot amend a motion as it stands, it is either voted up or down.

Rose Perotti 164RF-States that any motion can be amended it just has to go out to the membership.

Alan Young responds that it is good practice to not tamper with the motion on the proxy that went out to the Community. He continued that there is a fall back provision that if budget is not approved it will use last year's budget plus CPI which we currently do not have.

Bill Owens comments that if you don't increase dues it is dangerous for communities and can cause the inability to operate. He has witnessed this in other communities.

Alan Young states that there is a special notice required for by-law changes.

Maria Jackson 699FW-States there is a big chunk of money going to road repair. Dan responds that we have 23 miles of road to maintain, about \$250,000 go to road maintenance. Masthope does not receive any money from the state to help maintain the roads. Discussion ended, this is not pertinent to the By-law changes that are on the floor.

Gerhard Buhler 836RF-Question for Foster, wants to know what CPI is used by Masthope. Foster responds the Bureau of Labor Statistics that come out every month. Alan Young responds the Board can choose which CPI to use and should consult their auditor and then publish what CPI is going to be adopted. It does not have anything to do with the By-laws.

Jerry Ferraiuolo 861FW-Wants to know which CPI regional/national? Can the Board make a decision? Dan responds yes.

Ed McClary 1211FW-Says just vote, if you like what is there vote yes, if not vote no. Calls a point of order to vote.

Jerry Jacobs 210FW-began to ask about CPI however a vote was already called for.

Ed calls for a vote to end debate.
In favor of ending this debate (Plate vote)
Yes 21 No 15

1. Approve the amendment to Article III paragraph S.

Motion Passes

Yes 138 No 28

Motion 2: Contributions to the Major Asset Replacement Fund (MAR), equal to 2% of the total previous year's operating budget, must be part of every budget.

Maria Jackson 699FW- Questions the 2% increase. Dan explains that the 2% is based on the operating budget.

Jerry Ferraiuolo 861RF-Questions the Major Asset Replacement Fund. Dan explains that the property owners control how those funds are spent by voting.

Jerry Jacobs 210FW-What is the Restricted Capital Account used for as compared to the Major Asset Replacement Fund? John Castellano answers the RCA is the money for Capital repairs and replacement and there is a 400,000 HUD mandated minimum reserve. That account is for major capital repairs such as a building as compared to replacing a generator.

2. Approve the addition of sub item to Article III paragraph S.

Motion Passes

Yes 142 No 23

Motion 3: Audit Committee motion would add a chairperson to the committee in addition to the members.

Maria Jackson 699FW asks if this is how the committee always was. Dan answers no that the committee has expanded and needed a chair because of its activity.

3. Approve the modification to Article V paragraph B-Audit Committee.

Motion Passes

Yes 154 No 10

Motion 4: The Board of Directors shall appoint a Budget Committee, consisting of a chairperson (Board Treasurer or Board Representative), a representative of management, plus a minimum of three (3), and a maximum of six (6) members (not Board members) in good standing.

Add as the first item in the timeline for the preparation and presentation of the annual budget:

1. By the 3rd week in January, the Budget committee holds a "Budget Town Hall Meeting' to get property owner input on the Budget Committee proposed budget.

Jerry Jacobs 210FW-States that it does not say when the proposed budget will be handed out to the community for review. Dan acknowledges the comment and will take that under advisement.

Maria Jackson 699FW-Has the committee always had the Board Treasurer or Board representative as the chair? Dan answers that yes it has.

Jerry Ferraiuolo 861RF - Getting the information on the website and handed out up front is helpful. Dan will get the communication out the community in a timely manner.

4. Approve the modification to Article V paragraph C- Budget Committee.

Motion Passes

Yes 149 No 13

Motion 5: The Board of Directors shall appoint a Document Review Committee consisting of a chairperson (who is preferably a Board Member, or former Board Member), a (non)-voting representative of

management, a representative of the ECC Committee, plus a minimum of two (2) and a maximum of four (4) members in good standing.

5. Approve the modification to Article V paragraph C-Budget Committee.

Motion Passes

Yes 151 No 11

Motion 6: The Board shall appoint an Elections Committee consisting of a chairperson, plus a minimum of three (3), and a maximum of six (6) members in good standing (not Board members)

6. Approve the modification to Article V paragraph E-Elections Committee.

Motion Passes

Yes 156 No 9

Motion 7: The Board of Directors shall appoint a Strategic & Facilities Planning Committee, consisting of a chairperson, a non-voting representative of management, plus a minimum of six (6) and a maximum of (10) members in good standing.

7. Approve the modification to Article V paragraph H – Strategic & Facility Planning Committee.

Motion Passes

Yes 152 No 13

Maria Jackson 699FW-She states that all Property Owners receive a proxy in the mail. She asks if Property Owners can see them after they have been counted. Alan Young responds that yes you can see them with a written request and reason why you would like to see them which would be submitted to the office.

Jerry Jacobs 210FW-Makes a motion to adjourn the meeting.

Rose Perotti 164RF-States that votes by proxy are private, however when you vote from the floor your vote is public. Alan Young states that you had the option to vote by proxy. It is a fair system.

Maria Porter 1246FW-There is a motion on the floor to adjourn meeting.

Ed McClary 1211FW Seconds motion to adjourn the meeting.

Meeting adjourned 11:45am.

Treasurer's Report for Period Ending September 30, 2015

<u>Collections</u>	<u>Unaudited</u>	
	<u>Sep 14</u>	<u>Sep 15</u>
Total	2072	2059
Billable	1772	1760
Paid in Full	1431 – 81%	1441 – 82%
Outstanding	341	319
Total Bad Debt Lots		48

Unrestricted Income and Expense – YTD

	Aug 15 YTD	Sep 15 YTD	Sep 14 YTD
Revenues to date	\$2,936,412	\$3,094,970	\$2,987,521
Expenses to date	\$1,567,735	\$1,855,194	\$2,069,236
Net Surplus (deficit)	1,368,677	1,239,776	918,285

The Summit

Rev. to date	\$ 513,012	\$ 588,221	\$ 543,680
Exp. to date	\$ 495,140	\$ 567,417	\$ 563,015
Net Surplus (deficit)	17,872	20,804	(19,335)

The Market Place

Rev. to date	\$ 183,623	\$ 217,692	\$ 243,522
Exp. to date	\$ 170,743	\$ 197,523	\$ 220,928
Net Surplus (deficit)	12,880	20,169	22,594

Summit/Market Net Surplus (deficit)

30,752	40,973	3,259
--------	--------	-------

Masthope



Mountain Community

November 14, 2015

**General Membership
Meeting**



Motion 1

Article III Paragraph S

Amend Article III Paragraph S and it's sub items as it appears in the current Bylaws.

S. The Annual Budget – Actions Requiring Prior Membership Vote. The Board shall have authority to exercise certain powers only after obtaining approval of the majority of those Association Members voting at a general or special membership meeting either in person or by Directed Proxy. The matters requiring membership approval are as follows:

1. To adopt an annual budget in which the increase in the amount of the property owner's dues funding operating expenses exceeds the previous year amount by the previous annual (12 months) Consumer Price Index (CPI). Should the members vote to reject the operation increase in the new operating budget, then the previous year's operating budget plus the previous annual (12 months) CPI will take effect for the new fiscal year. The Board must either revise the proposed budget so it is below this threshold or may call a special membership meeting to present a revised meeting to present a revised operating budget, if a membership vote is required.

Motion 1

Article III Paragraph S

Amend Article III Paragraph S and it's sub items as it appears in the current Bylaws.

2. The annual assessments required by the Bylaw rules for maintaining the Restricted Capital Account (RCA) and Major Asset Replacement (MAR) funds are not subject to modification.
3. All new capital projects and/or debt that are presented as part of the budget must be approved by the voting members.



UPCA

Section 5303 (b)

(b) Limitation on authority.—The executive board may not act on behalf of the association to amend the declaration under section 5219 (relating to amendment of declaration), to terminate the planned community under section 5220 (relating to termination of planned community) or to elect members of the executive board or determine the qualifications, powers and duties or terms of office of executive board members under subsection (e), but the executive board may fill vacancies in its membership for the unexpired portion of any term. The executive board shall deliver to all unit owners copies of each budget approved by the executive board and notice of any capital expenditure approved by the executive board promptly after such approval. In addition to other rights conferred by the declaration, bylaws or this subpart, the unit owners, by majority or any larger vote specified in the declaration, may reject any budget or capital expenditure approved by the executive board within 30 days after approval.

Motion 3

Article V Paragraph B

Add the bold italicized text to the first sentence in Article V paragraph B. Audit Committee.

The Board of Directors shall appoint a standing Audit Committee consisting ***of a chairperson, plus*** a minimum of three (3) and a maximum of seven (7) members in good standing.

Motion 4

Article V Paragraph C

Add the bold italicized text to the first sentence in Article V paragraph C. Budget Committee.

The Board of Directors shall appoint a Budget Committee, consisting of a chairperson (***Board Treasurer or Board representative***), a representative of management, plus a minimum of three (3), ***and a maximum of six (6)*** members (not Board members) in good standing.

Add as the first item in the timeline for the preparation and presentation of the annual budget:

1. ***By the 3rd week in January; the Budget Committee holds a 'Budget Town Hall Meeting' to get property owner input on the Budget Committee proposed budget.***

Motion 5

Article V Paragraph D

Add the bold italicized text to the first sentence in Article V paragraph D.
Document Review Committee.

The Board of Directors shall appoint a Document Review Committee consisting of a chairperson (who is ***preferably*** a Board member, or former Board member), a ***(non-voting)*** representative of management, a representative of the ECC Committee, plus a minimum of two (2) and a maximum of four (4) members in good standing.

Motion 6

Article V Paragraph E

Add the bold italicized text to the first sentence in Article V paragraph E. Elections Committee.

The Board of Directors shall appoint an Elections Committee consisting of a chairperson, ***plus a minimum of three (3), and a maximum of six (6)*** members in good standing (not Board members).

Motion 7

Article V Paragraph H

Add the bold italicized text to the first sentence in Article V paragraph H. Strategic & Facility Planning Committee.

The Board of Directors shall appoint a Strategic & Facilities Planning Committee, consisting of a chairperson, ***a non-voting representative of management***, plus a minimum of six (6) and a maximum of ten (10) members in good standing.

Motion 1:

Amend the following Article III paragraph S and its' sub items as it appears in the current Bylaws. The bylaws in effect at this time do not allow for any contingency if the operational budget fails to receive a positive vote from the community. This would mean operationally the community would shut down. All services would stop until the Chair at the annual budget meeting can establish the will of the voting membership as to the Board's requirement to or restriction from bringing forth a new budget proposal within the fiscal year. A vote by the community on the operational budget will be predicated on the previous year's annual CPI. A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically. This will generally mean the community will be voting on the operational budget as well as any capital assessments.

S. **The Budget Recommended by the Board of Directors.** The Board shall adopt an annual budget only after obtaining approval of the majority of those Voting Members voting at a membership meeting either in person or by Directed Proxy as provided for in this section.

1. Line item amounts associated with contractual obligations related to debt service, insurance, utility bill, taxes and judgements are not subject to a vote by the voting members of the Association. This does not prevent the voting membership from questioning or discussing these items at the annual budget meeting. It does not prevent the voting membership from giving the Board direction on these items for future budgets.

2. The annual assessments required by the Bylaw rules for maintaining the RCA and MAR funds are not subject to modification.

3. All new capital projects and/or debt that are presented as part of the budget must be approved by the voting members.

4. The remaining line items and amounts are subject to review, modification or removal by the voting membership but only on an item-by-item basis. Should the voting members reject this portion of the budget in its entirety then the budget for these items is set at the previous year's level less newly added items and less no longer applicable items.

5. Should the amendable items of the budget be rejected in their entirety then the Chair at the annual budget meeting shall establish the will of the voting membership as to the Board's requirement to or restriction from bringing forth a new budget proposal within the fiscal year.

Proposed change to Article III Paragraph S:

S. **The Annual Budget – Actions Requiring Prior Membership Vote.** The Board shall have authority to exercise certain powers only after obtaining approval of the majority of those Association Members voting at a general or special membership meeting either in person or by Directed Proxy. The matters requiring membership approval are as follows:

1. To adopt an annual budget in which the increase in the amount of the property owner's dues funding operating expenses exceeds the previous year amount by the previous annual (12 months) Consumer Price Index (CPI). Should the members vote to reject the operation increase in the new operating budget, then the previous year's operating budget plus the previous annual (12 months) CPI will take effect for the new fiscal year. The Board must either revise the proposed budget so it is below this threshold or may call a special membership meeting to present a revised operating budget, if a membership vote is required.
2. The annual assessments required by the Bylaw rules for maintaining the Restricted Capital Account (RCA) and Major Asset Replacement (MAR) funds are not subject to modification.
3. All new capital projects and/or debt that are presented as part of the budget must be approved by the voting members.

Motion 2:

Add the following sub item to Article III Paragraph S:

4. Contributions to the Major Asset Replacement fund (MAR), equal to 2% of the total previous year's operating budget, must be part of every budget.

Motion 3:

Add the bold italicized text to the first sentence in Article V paragraph B. **Audit Committee.**

The Board of Directors shall appoint a standing Audit Committee consisting ***of a chairperson, plus*** a minimum of three (3) and a maximum of seven (7) members in good standing.

Motion 4:

Add the bold italicized text to the first sentence in Article V paragraph C. **Budget Committee.** The Board of Directors shall appoint a Budget Committee, consisting of a chairperson (***Board Treasurer or Board representative***), a representative of management, plus a minimum of three (3), ***and a maximum of six (6)*** members (not Board members) in good standing.

Add as the first item in the timeline for the preparation and presentation of the annual budget:

1. ***By the 3rd week in January; the Budget Committee holds a 'Budget Town Hall Meeting' to get property owner input on the Budget Committee proposed budget.***

Motion 5:

Add the bold italicized text to the first sentence in Article V paragraph D. **Document Review Committee.** The Board of Directors shall appoint a Document Review Committee consisting of a

chairperson (who is ***preferably*** a Board member, or former Board member), a ***(non-voting)*** representative of management, a representative of the ECC Committee, plus a minimum of two (2) and a maximum of four (4) members in good standing.

Motion 6:

Add the bold italicized text to the first sentence in Article V paragraph E. **Elections Committee**. The Board shall appoint an Elections Committee consisting of a chairperson, ***plus a minimum of three (3), and a maximum of six (6)*** members in good standing (not Board members).

Motion 7:

Add the bold italicized text to the first sentence in Article V paragraph H. **Strategic & Facility Planning Committee**. The Board of Directors shall appoint a Strategic & Facilities Planning Committee, consisting of a chairperson, ***a non-voting representative of management***, plus a minimum of six (6) and a maximum of ten (10) members in good standing.