

**Masthope Mountain Community
Board of Directors Meeting
July 26, 2014**

Property Owners Lounge
Transcription: Donna O'Grady

- 8:33AM Call to order and Pledge of Allegiance
- 8:34AM Roll Call: Steve Stern, Dan Clark, Ed McClary, Michele Torre, Foster McCoy, Joe Kosiba, Paul Bakos, Peter Torchio, Fred Suljic, Bruno deVinck, Cynthia Wyatt.
- Steve Stern congratulated Bruno and Cindy on their election and Peter on his re-election.
- Additions to the Agenda: Under New Business: Item a. Status of Ski Agreement.
- Approval of Agenda as amended – approved
- 8:35AM Approval of the Minutes – Minutes approved as amended.
- 8:38AM Treasurers Report – Foster McCoy

Treasurers Report – June 2014 – Unaudited - Foster McCoy

<u>Collections</u>	<u>June – 13</u>		<u>June – 14</u>	
Total Lots	2,083		2,076	
Billable	1,784		1,779	
P.I.F.	1,327	74%	1,349	76%

Unrestricted Income &
Expense Year to Date

	<u>May – y-t-d*</u>	<u>June – y-t-d</u>
Revenues to date	\$1,867,341	\$2,130,807
Expenses to date	588,320**	888,064
Net Profit (Deficit)	1,309,021	\$1,242,743

The Summit

Revenues to date	64,948	142,385
Expenses to date	93,432	183,301
Net Surplus (Deficit)	(28,484)	(40,916)

The Market Place

Revenues to date	39,112	76,028
Expenses to date	49,633	87,972
Net Surplus (Deficit)	(10,521)	(11,944)
<u>Summit/Market Net Surplus (Loss)</u>	(39,005)	(52,860)

*First Month of Fiscal Year

**Includes Paving Expense

Report Accepted.

Correspondence Report – Dan Clark

Dan Clark stated he received an e-mail from Ralph Silvestri regarding the Ski Agreement which will be discussed under New Business.

Steve Stern explained why the agenda was not on the website 10 days before the meeting.

The board discussed the 10 day ruling and decided that if the information was not given in time, Steve would post a tentative agenda. Peter Torchio asked if there was any correspondence that the Board did not answer. Dan Clark stated yes and was working on a response.

Steve Stern called for Committee Reports.

Ski & ATV – Sheldon Langer

Sheldon Langer stated the ski mountain looks good.

S. Langer said the list for the ATV training class keeps growing. Peter Torchio stated that there was a gentleman that set-up cones in the mailbox parking lot where two young children were practicing. Sheldon Langer stated he knew nothing about that.

Paul Bakos questioned the training class and what it entails. Paul Bakos stated he did some research and it's a national organization, all over the country, that runs these courses. Sheldon Langer said he is certified through PA DCNR. Paul Bakos stated that the website for this organization took him to the PA DCNR website. Sheldon Langer said that is for Pennsylvania. Paul Bakos asked if the class given is opened to the public. S. Langer responded yes. Paul Bakos said he has a problem with our liability being it is opened to the public. P. Bakos said the thing he

has a problem with is the ATV's riding on our roads. P. Bakos stated that some of the ATV's travel on our roads going approximately 40 to 50 miles per hour. So we are putting a 13 year old on an ATV and we are not training them for paved roads. Michele Torre agreed with Paul Bakos' concerns regarding road training. Cindy Wyatt said the course given is a combination of trail and street. The board discussed the liability issues and the youths driving these ATV's. Michele Torre questioned what liability the community has regarding this. Fred Suljic stated that we will not know until something happens. The board and management discussed this issue. Randy Schmalzle stated our insurance carrier is very aware we allow ATV's in the community. Fred Suljic stated our insurance carrier can say anytime that they will not insure us if we continue to allow ATV's. Ed McClary stated the liability goes back to the parents.

Real Estate – The Real Estate Committee meetings are posted and are open to the property owners.

Audit Committee – Mary Apuzzo

Mary Apuzzo stated the committee will be going over the receipt books again and will check to see if their recommendations are being followed. Mary Apuzzo also said she would like to have a consultant come in, just one or two times, and give the committee some instructions.

Strategic Plan – Paul Bakos stated the Strategic Plan Committee has been working on the pool area and the top of the mountain. The committee has handed it off to Randy for costing. The first project recommended is relocating the pumps in the pump house. We would like to turn the pump house into a bathroom/changing area. We would like to move the Tiki Bar out of the corner and it will become a free standing bar with a larger area for seating. The pool would go down behind the diving board and will have water features. Of course, this all has to go before the membership.

Dan Clark asked if the entire project was going to be presented as one project or in stages. Dan Clark stated that we already had a pool voted down once before. The Tiki Bar area does need work; that may get approved by itself. Paul Bakos stated we don't know what the cost will be for any of these projects.

Randy Schmalzle stated he is putting the project together in phases. The committee designed a good project and we can break it out in phases, but it will have to be in order. Phase 1 could be the conversion of the pump room into a bath house and the Tiki Bar, Phase 2 could be the pool, and Phase 3 could be the splash pad. It could be put out to the community in consecutive pieces. Paul Bakos stated the committee listened to the rumble of the community. Foster McCoy said during the summer the Tiki Bar develops approximately 30% of the revenues. Paul Bakos said communications will be next to explore. Also the shale pit will be reviewed. P. Bakos stated that a yearly review of what was accomplished and what has to be done will be given to the Board of Directors.

S. Stern said these projects have to be done with community approval.

P. Bakos stated this will all be presented to the community before spending a dollar.

ECC – Peter Torchio said the committee is going around checking properties for illegal fire pits. Where needed ECC are putting notices on the door with specific information regarding the fire pits. Paul Bakos thanked the ECC committee and suggested we start marketing the rules and regulations. We have a lot of homes that ignore their landscaping; tall grass, etc. which drives the price of homes down. We do have the authority to go after people for that. Paul Bakos suggested that the committee communicate with the homeowners. P. Torchio stated we do go around and then send notices. Some people just come up to ski and nothing else. Paul Bakos said maybe there is a way to better inform our homeowners about this and why they should be taking care of their landscaping. Peter Torchio said sometimes we call the property owner and they still do nothing. Bruno deVinck stated maybe we should send the notice with landscaping vendors. Randy Schmalzle stated we do not promote any one vendor. Randy explained how the ECC works regarding this issue. We send them a citation with x amount of days to take care of it and if they do it we take the fine back. Randy Schmalzle stated the board needs to make a decision on how they would like the ECC committee to move forward with this. Paul Bakos said maybe we could include something in the next mailing.

Westcolang Lake Assoc. – Dan Clark stated the meeting is tomorrow, July 27th, and he is still waiting for the report on the lake. Dan Clark stated he was told we now have invasive grasses in the lake.

Peter Torchio stated the pond is doing great. Paul Bakos stated it is becoming healthier and healthier.

Michele Torre stated the kayaks are so popular at the lake.

Documents Committee – Carl Harrison – nothing to report at this time. Dan Clark said the Board SOP's were going on this Agenda, but Ralph Silvestri had some concerns that have to be addressed. The Board SOP's should be on the Agenda for next month.

9:23AM

Fire Protection – Jim Fox stated his report should be completed in two weeks. Smokey the Bear sign is slow coming, but will be on property soon. Jim Dowling would like to present his program to the community at the next General Membership Meeting. Jim said it would take about 15 minutes.

Steve Stern said he would put it on the Agenda.

Presidents Report – Dan Clark stated there is nothing much to report. We will discuss ski under New Business. At the last Document Committee meeting one of the things we emphasized was any time we make a change we must consider, does it set us up for litigation.

Managers' Report – Randy Schmalzle

- Otteson Property – No contact
- Sewer Laterals – Aqua will be starting a new project in the Lower Independence area. Laterals will be replaced on approximately 20 homes; there will be minor traffic problems.
- Water Main Replacement – A water main will be replaced this fall. Constitution from Karl Hope to Upper Independence and approximately 1000 feet on Upper Independence will be replaced in the fall.

- Aqua – Falling Waters project is near completion, a final walk-thru will be done next week; details of restoration will be discussed at that time.
- Snowmaking Upgrades – Equipment is being delivered; installation will begin next week. The pump house remodel is underway.
- ATV Training Area – Sheldon Langer and I met with the Township Supervisor three weeks ago, the project was presented. They do not believe this project requires their involvement and suggested we work with the Zoning Officer to develop a permit. We are waiting to hear from him.

Public Safety

- The summer has been relatively quiet.
- Comments have been received that Public Safety should not sit “hidden” in locations where they are conducting speed enforcement or stop sign violations. It should not matter if they are seen or not, if everyone just obeys the rules.
- The new vehicle is scheduled to be built and should be delivered mid-August.
- Beach activity has been good, members have been cooperative and working with staff to keep it safe.
- Fishing – There are still members who leave Masthope Property to fish on the private property next to the beach. On several occasions when approached they argued that we had no authority to ask them to move back to Masthope property. This situation will not help with any future potential for purchase of that property.

Maintenance

- Pool – Equipment is working well, automated chlorinator will go on line today. This equipment will constantly monitor the chlorine level and adjust as needed throughout the day. There were concerns of varying chlorine levels, this system should result in a cost savings and better quality water. Differing chlorine levels are in part due to situations at the pool and weather.
- Pool Incidents – Unfortunately the pool had to be closed on several occasions due to human contamination; it is not believed to be intentional. Staff is working to help prevent future situations.
- Beach House – We are dealing with a ventilation issue in the mechanical room; it will hopefully be taken care of this week.

Summit

- Summer is going well.
- Events – Unfortunately the Lobster Bake and Cruise Ship Night had to be canceled due to lack of registrations. Please sign up in advance for events, it is impossible to plan without reservations.

Administration

- ATV use on Westcolang Road – Westcolang Road is not part of Masthope and it is patrolled by the Pennsylvania State Police.
- Handbook Update – Michele Torre and John Castellano will soon have the handbook ready for Board to review.

- Missing Person Drill - With the help of a property owner the Lifeguard Staff will conduct a missing person drill at the lake next Tuesday evening.
- Fireworks – It was probably the best display and the largest crowd for the event we have ever had.
- Gypsy Moth – The Pike County Conservation District was contacted and reported that there is minimal population and no spraying is recommended this year.

Activities

- Activities continue to be well received.
- The Activities Center is in full swing and well attended.
- Upcoming events are posted on the website and are available in the Weekly Messages.
- As earlier stated the kayaks are very popular and enjoyed by many.

Beach House

- Things are going well, there have been several comments about the menu and service items and they have been addressed.
- The entertainment during 4th of July was very successful and will be scheduled again next year.

Steve Stern asked if the audience had any questions.

Joe Kosiba asked Randy Schmalzle if we had any inquiries regarding additions to the cell tower. Randy said we have not heard from additional vendors yet.

10:04AM

Old Business: a. Webcam at the pool.

Bruno deVinck asked if there could be a webcam at the pool. Michele Torre stated she is very much against it. Bruno DeVinck stated that what he is talking about is an inexpensive system that would just let you see how crowded the pool was from your home. The people at the pool would be so small they would look like ants. It would just be for volume.

10:11AM

New Business: a. Abuse of Guest Passes

The use of our amenities are our property owners – 84% Property Owners and their Guests, 16% are Renters and on holidays the renters drop to approximately 8%. Operationally there are people who have figured out how to abuse the system; even with the wristbands. Fred Suljic asked Dan to explain abuse. Dan Clark explained the abuse to the Board.

Ed McClary stated there is nothing that stops that; it would have to be in the Rules and Regulations.

The Board of Directors discussed how a few property owners are abusing the system and what can be done about it.

The real issue is the wearing of the wristbands. We can make an exception of wristband wearing with a doctor's note, etc. The wristband is an operational issue and management should have control.

Michele Torre read the motion into the record:

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves and supports the concept of Management utilizing reasonable discretion in the implementation of methods and procedures which Management deems necessary for the efficient running of the Community. The Board, however, directs that such implementation be reported to the Board or Board President prior to implementation.

The Board discussed the motion and amended it. Steve Stern read the amended Motion into the record:

Whereas it is necessary for Management to implement certain methods and or procedures for the efficient running of the Community, and Whereas, these methods and procedures may not be specified in the written rules and regulation due to the immediate requirements of the specific situation involved and Whereas any implementation by Management of any method or procedure directly involving the members of the Association would require Board notification.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves and supports the concept of Management utilizing reasonable discretion in the implementation of methods and procedures which Management deems necessary for the efficient running of the Community. The Board, however, directs that such implementation be reported to the Board or Board President prior to implementation. *Any change in methods and procedures implemented by Management, with the exception of safety and security issues, must be prominently posted in the Weekly Messages and website for two consecutive weeks with the effective date to begin on the 15th day after the first posting date.*

MOTION: 07:26:14:1

Maker: Dan Clark

Second: Ed McClary

Motion passed unanimously

10:38AM

Dan Clark addressed Article I of the By-Laws. Four changes were presented and Article 1 failed by 2 votes. The issue with Article I was the definition of Directed Proxy. The changes made to Directed Proxy are highlighted and will be mailed out to the membership. The change is: *Directed Proxy – a form given to Members in good standing when they cannot attend a Meeting in person. The form shall reflect the vote of the absent Member on a specific issue(s) for use at a specific membership meeting.*

Michele Torre read the motion into the record:

Whereas modifications to the Masthope Mountain Community POC Bylaws approved by the membership in March 2014 included Article II, III, and VIII and did not include Article I and whereas Article I included definitions introduced in Article III, Article I has been revised to include the new definitions as proposed in March 2014 but retaining the current definition of Directed Proxy.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the changes to Article I and approves the mailing of the revised Article I to the Masthope Mountain Community Membership for their consideration and vote at the November 1, 2014 General Membership Meeting.

MOTION: 07:26:14:02

Maker: Dan Clark

Second: Peter Torchio

Motion passed unanimously

10:43AM

Dan Clark addressed the status of the Ski Agreement. Fred Suljic said going through his notes he thought the ski renewal was supposed to be addressed the end of 2013 or early 2014. Dan Clark said he keeps all his emails and received a letter from Randy Schmalzle in April of 2013 renewing the contract for an additional five years. Recreation Management has to give a one year notice advising us if they are taking the option. In this contract Masthope cannot lose. The base amount of the contract was \$150,000.00 to increase by 5%. We do have a spread sheet in the office covering a five year span. Fred Suljic said this is not the issue; the issue is why wasn't the board notified that you received the letter renewing the contract.

Dan Clark said another question he received from Ralph Silvestri was who audits the books. Dan Clark stated he audited the books and some of the documentation cannot be given out. Randy Schmalzle said the profit sharing was put in place when the original contract was put in place ten years ago. The numbers were very different then; skier's number was different, so it made sense at that point. We decided to do the \$150,000.00 minimum with the 5% increases as we go forward the profit sharing number becomes negligible so it will never exceed the 5%. Foster McCoy said a year without snow doesn't hurt us at all. Steve Stern informed the Board of Directors the Property Owners Time will be listed on the Agendas as *beginning immediately after the Board of Directors Meeting*.

11:00AM

Property Owners Time:

Mary Apuzzo – 919CF – questioned where the sandwich sign with the rules at the pool is. Randy Schmalzle responded the sign is being repaired and will be put up. Mary Apuzzo stated Jay and Bill are doing a great job checking people in at the pool area.

Nancy Mawhinney – 328FW – stated there is an error in the election results in the Weekly Messages.

Joe Vaccarella – 41MR – Maybe we could use a Guest Log-in sheet at the pool. Dan Clark responded that the number of people at the pool on July 4th were 798 picture passes, 344 guest passes and 1269 picture passes and 356 guest passes at the lake; the number is just too large for a sign-in sheet.

Deborah Butterworth – 693FW – questioned if the cross country trails were being turned into an ATV course, with ramps and jumps. Randy Schmalzle responded we are not preparing an ATV course with ramps, jumps, etc. We are looking into an ATV training area only.

Leatrice Langer – 458MR – stated she had lunch at the beach house and it was wonderful. While at the beach Leatrice said there were dogs on the beach. There is a sign that states no dogs beyond this point, but maybe we need more signage and in different languages.

11:58AM Board of Directors went into Executive Session.