

August 7, 2018 Meeting of Sunset Lake Association Board of Directors-APPROVED SEPTEMBER 4, 2018

I. Call to Order, meeting called to order by President Martin- 7:00pm

II. Pledge of Allegiance, led by VP Johnson

III. Roll Call by Secretary Walkenbach

Open position

Sue Muschong - absent

Mark Severns - present

Gary Wilken, Treasurer - present

Deb Martin, President - present

Thane Johnson, Vice President - present

Bill Urban - present

Amy Walkenbach, Secretary - present

Candy Culp - absent

IV. Message from the President- To start the meeting I'd like to make everyone aware that we have an injured/sick goose on the lake. IDNR has been notified, if the goose floats into your bay or you see it, do not touch or move it. Canada Geese are federally protected so unfortunately there is nothing we can do to help the goose.

That said I would now like to read a statement from the Executive BOD to the membership, I hope you will understand this is a statement and the Board will not be able to further discuss or take questions concerning the statement.

"This summer the Sunset Lake Association Board of Directors began an internal audit and external audit of our finances and assets. During the ongoing process, the Executive Board found several financial issues that could not be resolved. The Executive Board decided that in the best interest of the Sunset Lake Association we should turn our findings over to the Attorney General's Office for investigation. We felt a fair and independent investigation by the AG's office should resolve outstanding issues of the Association. Should the AG's office choose to move forward with criminal charges, there will not be any cost to the SLA members. While evaluating the options to the Executive Committee, we felt this was in the best interest of the membership of SLA. This Board continues to work diligently to use your money efficiently. We strive to do what is in the best interest of all of the SLA members. It is extremely important to understand, at this

time, no one is being accused of any wrong actions. We hope you understand and will be patient as we cannot discuss this any further until the conclusion of the investigation."

Lastly I need to announce that the Executive Board and Office Manager Kristy Barnes have agreed to a separation of employment. We wish Kristy nothing but the best. We will be holding interviews shortly to fill this vacancy.

IV. Old Business

- a) July 10th Board Meeting, approval of minutes

Treasurer Wilken moves to accept the minutes as presented, second VP Johnson. Motion passes

- b) Open Board Position - President Martin, a couple of members have been approached and asked to consider becoming a board member to fill the open position. Some are considering the offer, all have offered to help the Board in other ways as needed.

- c) Assessments, delinquencies, foreclosures - President Martin

Lot 215 is still in court proceedings and repairs have been halted due to excessive black mold. We are working with the attorney to insure proper handling of this lease. Next court date September 13, 2018.

Lot 53 is in the final stages of court action and will be auctioned September 13, 2018. Our attorney was able to secure the land lease after former office staff neglected to submit legal paperwork to the attorney to represent us in court. We were close to losing the rights to the land but during the internal audit process we were able to find that and save the lease rights. However, due to neglect on our employee's part we are no longer able to claim any delinquent assessment, fees, fines, or services rendered during the foreclosure process.

Lot 144 – We were advised by our attorney to move forward with maximum fines and penalties. Vice President and Grounds Chair Johnson and I worked together to come up with a fair fine schedule along with revoking lake privileges until paid, due to no attempt to bring the lot into compliance with the rules and regulation of SLA. If the fines are not paid prior to the September meeting, we reserve the right to remove the shed at the lease holder's expense. We also reserve the right to pull the lease in compliance with the Rules and Regulations, By-laws, and lease of SLA.

- e) Audit Update - Treasurer Wilken, On August 2nd we met with Sikich, the accounting firm doing the SLA audit. They came to the office and spent seven hours with Kristi, Deb and myself going over office procedures and protocols, asking questions and copying documents needed for the audit. They were extremely professional and plan to have a report ready for the Annual Meeting in October.

- f) Spillway Update - M Severns, Continue to work on finding the best contractor that can complete the job the most economically but still fix the problems as opposed to a band aid approach, we need to replacement work as there are too many patches already on the spillway. It looks like we are going to need an additional \$100,000 over the current \$18,000 set aside for this work.

g) Lot 144 penalties - President Martin, There have been no concessions or movement by Lot 144 regarding the rule infractions. The next step is to assess the fines, move the shed and work to pull the lease back.

h) Tractor Update - M Severns, Per the BOD direction last month the Association has purchased a new Kabota 3901 for \$12,000. We recieved \$10,000 in trade for the old tractor where other vendors were offering \$2,500 - \$3,500 trade). Recently is was noticed that there was some damage to the tractor, it is unknown if it was there upon delivery or something happened. Working with the business the tractor was purchased from and a replacement part has been order, that will cost about \$60.

V. Reports

- Treasurer Wilken moves to approve through consent agenda all reports following the completion of all committee reports, second by VP Johnson. Motion passes.
 - a) Superintendent Jim Wilson - Approved tree removal on lots 30,220 and received a request for Lot 232 that will be approved. Have been and will be tomorrow, working on cleaning up roads for the upcoming oil and chipping, there is a lot of debris from the recent storm. Also working to trim back bushes that are encroaching on the roads.
 - b) Office Manager - President Martin and Treasurer Wilken have been working in the office to keep things moving.
 - c) Aquatic Control & Water Safety, Bill Urban - Four tickets, warnings and fines have gone out this month. A problem with a boat using the wrong stickers (green, nonmotorized for a pontoon). There was a complaint about a pontoon going too fast in a bay, once located the boat was not in use. Please, DO NOT run your docking lights at night, use them only for docking purposes. It is not only a hazard to other boaters but is illegal. Also, there is a boat that is for sale without stickers that will be on the lake for a short period of time next week for a test run, it has been approved.
 - d) Building and Construction, Sue Muschong - no report
 - e) Roads/Dam, Mark Severns - Oil and chipping of the roads has been pushed back a couple of days due to weather conditions. East and West Lake drives and all the spurs off will be oil and chipped and will be under the approved budget. Next year looking at Circle, Oak and Walnut drives.
 - f) Finance Committee, Treasurer Gary Wilken - Still haven't been able to fully rectify QuickBooks and bank statements but getting closer. SLA has a \$25,000 CD that is coming due in November.
 - g) Risk Management, open - President Martin announced the Carol Brand has offered to help with insurance as needed.
 - h) Special Events, Candi Culp - President Martin gave an update on upcoming events and reminded members to use our webpage and facebook page to keep up on the events.

i) Grounds & Sanitation, VP Thane Johnson - Concentrating on doing a better job of "weed eating". Summer help will be done the day next week along with Emmerson Airline Rd areas. The roads that have been identified for oil and chipping this week have a lot of storm debris, if you are able it would be greatly appreciated if you could blow off the road in front of your property. If you don't have time it will be done regardless. The locks to the Hanauer Hall have been changed and now have a security code locks on the office and maintenance shed. Have ordered new diesel and gas meters for the tanks. Please check your chlorine tables and keep your yards neat and clean. Thanks everyone for your cooperation. Also for those areas getting roads oiled make sure your vehicles are not parked near the road, we don't want your cars to get oil spatter. Do not cut down any trees, dead or alive without a permit, they must be marked by Jimmy prior to cutting them down.

j) Water Quality, Aquatics Conservation, Shorelines, Secretary Amy Walkenbach - Although the Committee hasn't met since the last meeting there is still work being accomplished or at least discussions about how to approach the different issues we are working on. We had a relatively long discussion on dredging at our last workshop...how should we move forward? Continue with the lake lowering and backhoe out sediment, look at a long arm hoe where dredging can happen from the lake without lowering, hydraulic dredging as was done in 1995. Each of these have pros and cons to them and none of them are cheap. I, nor the committee, have a recommendation to bring to the Board at this time, I would like to wait until we figure out exactly what is needed and costs that will be needed for dam and spillway repair which is likely a higher priority for the Association.

I've received questions about what we are going to do with the island after all the hard work that went into it last year. I thank Ellen Harlow, lot 225 who would like to help the committee discuss how the Association should use that space in the future, she will be joining us at our next Committee meeting. Briefly concerning the island, you can't get on the island in the spring or early summer to work on weed control, the geese are too aggressive and its illegal harm or kill them so we have to wait until the goslings have left the nest for good. If we continue to totally kill off the weeds on the island we will have a big erosion problem, the erosion control that's in place out there now is in bad disrepair. It's my opinion that we can remove some weeds if you use the site, like has been done this summer and all other weeds can be cut down to knee high, this will hold the soil in place, I know Jimmy has been asked to trim out there, I'm not sure if he has had time to do that yet or not. Hopefully the committee can come up with a plan that can be presented to the Board and we can work on moving forward.

A quick update on the water monitoring, we haven't yet been able to get someone from IEPA out here to train our volunteer but I am making sure that will happen soon.

Lastly, I've fielded a couple questions concerning lowering the lake this winter. Whether or not we continue on with dredging as we have the last several years I would like to recommend to the Board that the lake be drawn down approximately 5' during the first week of November and allowed to refill, close the gates, no later than the end of February 2019. This recommendation is made to allow members to work on docks and shorelines, it will also have the added benefit of consolidating sediments to some degree which will bind up phosphorus and will winter kill seed beds in the lake.

- VP Johnson moves to approve the recommendation presented to lower the lake this fall, B Urban seconds. Motion passes

k) President's Report, President Deb Martin - Thank you to the many volunteers who have donated items and services in the recent weeks. Members have come forward to help with painting,

cleaning, weeding the gardens, cleaning up and designing a garden around the main office sign as well as running electric to the sign and adding lighting to it. Info boards were donated by Mr and Mrs Richard Martin and Bill Walkenbach donated time to pick them up and building park like structures for them. These structures will hold information for emergencies, allow local real estate agencies to purchase space to advertise their homes for sale and to keep current activity info in them. They will be placed at the office, West Lake Dr at Emerson, North Lake Drive on common ground as it splits at Circle Drive across from the burn pile, and at the boat ramp. Bill Walkenbach recently built a counter for the office to assist in a place for people to conduct business. Volunteers have been manning the office and interviews will begin soon from the more than 40 resumes received for the part time temporary position to see if they would be interested in a more full time or permanent part time position.

- B Urban moves to approve all committee reports, second by Treasurer Wilken. Motion passes.

VI. New Business

a) Different Lake Special Assessments (escrow) - See attachment 1

- M Severns moves that the Board accept the recommendation from Treasurer Wilken to seek approval from the membership to combine the Dam/Spillway, Tower and Lake Maintenance accounts into one account to be used specifically for those purposes, VP Johnson seconds. Motion passes. This will be brought up to the membership at the annual meeting.
- Secretary Walkenbach moves to accept the recommendation from Treasurer Wilken to present to the membership at the annual meeting, as part of the budget an increase in assessments of \$34 per lot that will go to this new account, if passed for at least five years, M Severns second. Motion passes. This will be brought up to the membership at the annual meeting.

b) Lake lowering - already presented and motion passed during committee reports

c) Proposed rule changes /clarifications - will be done at the September meeting

d) Proposed By-Laws changes to be voted on at Annual Meeting - Thanks to Dan Roseberry and Eileen Jones for their work on getting clarifications together. The following By-Laws were discussed and voted on to move forward for membership consideration at the annual meeting.

Proxy voting change to align with state and federal law

- Treasurer Wilken moves to move this forward, VP Johnson second. Motion passes

Section 7, to be table for later discussion

Section 10, Committees- language to be changed to allow committees to begin work prior to being ratified by BOD.

- Secretary Walkenbach moves to move this forward, B Urban second. Motion passes.

Article 5, Section 1- clarification on officers

- Treasurer Wilken moves to move this forward, VP Johnson second. Motion passes.

Section 2- clarification of election of officers

- Secretary Walkenbach moves to move this forward, Treasurer Wilken second. Motion passes.

Executive Board- clarification

- VP Johnson moves to move this forward, M Severns second. Motion passes.

Article 7 Section 2- clarification of who can be a leaseholder

- Treasurer Wilken moves to move this forward, Secretary Walkenbach second. Motion passes.

Lots not on the Lake- clarification that lots not on the lake cannot be sold, but transferred.

- B Urban moves to move the forward, VP Johnson second. Motion passes.

VII. Transfers

Lot 22 Jess & Jessica Gilpin to David & Sonjai Vinlove

VIII. Board Comments - Continued thanks to all the volunteers that helped with sprucing up Hanauer Hall, all those helping with the Poker Run and the previous Board Members for their guidance and historical information.

IX. Membership and Guest Recognition

Lot 138\139 Valerie Jagiela: I am the person that wrote the formal compliant on Lot 144. Since that time false statements were made at the July 10 BOD meeting. I was accused of renting out my homes, only family and friends have stayed at our homes. I was accused of peaking in the windows of a neighbors shed, I have not done that, I have witnessed furniture being unloaded and taken into the shed. Everyone agreed to abide by the rules of the association when we moved here, I ask that everyone follow the rules, speak the truth and be respectful.

Lot 240 Annette Scharfenbert: I attended the last workshop where there was a discussion on dredging and that it might cost up to \$1,000,000 how would that work? increased assessments? loans? all at once? (A Walkenbach) I am not recommending we discuss dredging until we figure out the dam and spillway repairs and what that will cost the Association. Also discussed was getting federal 501(c)(3) status will the BOD be following up on that? (D Martin) We will work with our auditors and get some questions answered before bring that topic back up for consideration. I would like some clarification on the directed proxy voting and confused why there are different years for directors being voted onto the Board (D Martin) the different years is because we must elect eight new board members due to the resignations this previous year, next year there will only be three board members voted on unless there are resignations of board

members during 2019, bios will be included for all members running for a board position. Also, all members will vote on only what is included in the directed proxy that is mailed to the membership, no nominations from the floor will be excepted. Lastly, has the engineering firm from Decatur that has experience in fixing the spillway looked at it? (M Severns) yes, they have been to the spillway to look at it.

Lot 60 Edith Luddeke: thank you for the newsletter it looks nice as does the building. Spoke up for Junitta Stieren, Lot 144 stating she had permission from previous BOD to build a shed. Contends the issue is about occupancy. Also questions whether Lot 138/139 had permission to put in a floating dock (yes, and it isn't floating, it's anchored). Added later, does not agree with the septic escrow requirement when selling a home.

Lot 137 (?): What's the big deal? Lot 144 has never looked so good. Why are we arguing over "residence"?

Lot 78 Marty Crews: What chemicals is the Association putting into the lake? (A Walkenbach) we haven't sprayed the lake this year so nothing has gone into it. When we spray we send out post cards letting everyone know not to use the lake water to water lawns and gardens. We can look at putting the name of the chemicals on the post cards next time the lake is sprayed. Does New Wave cable have an agreement w/SLA? New Wave is refusing to hook up two or three houses based on what seems to be convenience.

Audience: someone is concerned about canoes out after dark with or without lights. Call B Urban if you see one and get a lot number.

X. Adjourn

- Treasurer Wilken moves to adjourn, M Severns second. Motion passes. Adjourned at 8:30pm

Respectfully Submitted,

Amy Walkenbach