

February 5, 2019 Meeting of Sunset Lake Association Board of Directors

I. Call to Order, President Wilken- 7:00pm

II. Pledge of Allegiance, VP Johnson

III. Roll Call (Sec. Walkenbach)

Joyce Munie, present

Sue Muschong, present via telephone

Mark Severns, present

Gary Wilken, President, present

Deb Martin, Treasurer, present

Thane Johnson, Vice President, present

Dennis Denney, present

Amy Walkenbach, Secretary, present

Randy Smith, present

IV. Membership and Guest Recognition

None

V. Old Business

a) Legal update- August Appleton a partner attorney with the firm Stratton, Moran, Giganti, Reichert, Sronce and Appleton Law Firm provided an update on the legal items he has been looking into for SLA. Mr. Appleton explained that he has been and will continue to look at our By-laws concerning the multiple lease assessments and will be rendering an opinion document to the BOD in about 60 days. It is his thought that this opinion will help the BOD determine whether or not SLA should look at arbitration for some of or all of the members with multiple lots in question. Mr. Appleton then discussed the audit issues, that we are dealing with the "messy books" from many many years and some actions may be purposeful, some may not be purposeful and it may be that we are somewhere in between. Mr. Appleton recommended that at this point legal action would be premature until he has completed a complete review of the audit and back up documentation. Per the Firehouse lease issue he reported that he has been in contact with Girard Fire Protection District's attorney and that they are working out the details to correct the lease that was originally entered into. Mr.

Appleton discussed that a lease is a contract and contracts cannot force a donation of something legally and that will be fixed as he is drafting a new lease for execution with the GFPD. Mr. Appleton finished his presentation talking about timing and that SLA has five years from the time they have reasonable and good knowledge of potential wrong doing to make a determination of moving forward with legal action. It is his expectation that he will be completing the Firehouse lease in the next 30-60 days, get back to us with an opinion on the multiple lease lots in the next 60 days and continue working on the audit findings and next steps, including a cost benefit analysis of potential options.

b) ACTION: Clarification of Arbitrator/Mediator procedure for unpaid lease holds, including who is responsible for that expense. This was discussed at a meeting with affected leaseholders and by Mr. Appleton during his presentation. This action item was not addressed further. Treasurer Martin moved to table this item. R Smith second, motion passes.

c) ACTION: Vote on whether to authorize President to take legal action necessary to recover past unpaid lease holds from applicable multi lot leaseholders; determine whether to charge for multiple lot leases going forward. Treasurer Martin moves to change President to Board and table. J Munie sections, motion passes.

- Motion by Deb Martin, Treasurer- No previous assessments will attempt to be collected prior to 2019 for multiple leaseholders currently under question. Second by Joyce Munie. Motion passes.

d) ACTION: Vote on whether to authorize President to take legal action to resolve lease/ownership issue of firehouse building with the GFPD.

- Motion by Thane Johnson, Vice President on above action item and second by Mark Severns

Discussion followed concerning giving all authorization to the President. Deb Martin, Treasurer expressed concern that if we give the President all the authority and he doesn't do something can membership sue him and/or the BOD for breach of fiduciary responsibility? Mr. Appleton expressed that it should not be able to rise to that level as the BOD would be protected by our By-laws.

- Motion changed to "authorize the BOD to take legal action to resolve lease/ownership issue of the firehouse building with the GFPD." Motion passes with one nay.

e) ACTION: Vote on whether to authorize President to take legal action to identify and recover possible misappropriated funds from SLA and to address legal violations, if any.

- Deb Martin, Treasurer motions the above action item, second by Randy Smith.

Discussion: Randy Smith, since I have only been on the BOD since November I would like a chance to see the audit findings and backup paperwork documenting issues. Since we haven't received the final findings by the attorney perhaps this action is premature.

- Deb Martin, Treasurer motions to table, second by Randy Smith. Motion passes.

f) January 8, 2019 Board Meeting, approval of minutes

- Thane Johnson, Vice President moves to approve as presented. Second by Randy Smith, motion passes.

g) Assessments, delinquencies, foreclosures - Treasure Martin, see attachment 1

h) Lake lowering, 2018 and future efforts - Gary Wilken, President and Amy Walkenbach, Secretary, brief discussion on lake lowering, no updates at this time on future efforts but are considering how to move forward.

i) Spillway work and tower restoration - Gary Wilken, President and Mark Severns, SLA has hired Greene and Bradford to provide bid documents and a Request for Proposals based on their 2017 report of the spillway, dam and tower. Looking to open bids in mid-March and approve a contract at the April meeting with work completed in mid-May. During the work activities the lake will be lowered one to two feet. Completing the spillway will likely take all the funds currently in the spillway/dam/tower/dredging account, but we will consider whether to hold back the \$16,000 that was scheduled to be used for dredging in this latest drawdown where no dredging was able to be completed. A suggestion was made by John Earley, that if the BOD is considering lowering the lake again next fall perhaps that is when the spillway work should be completed so we aren't fighting spring rains and getting everything done at the same time.

VI. Reports

a) President Report, President Gary Wilken, no report, will let the Committees speak for themselves.

b) Water Safety, Vice President Thane Johnson, we received the 2019 boat stickers recently and we are looking for someone that can help out with watching the ramp for activity. A couple of suggestions were made on who could help.

c) Building & Construction, Sue Muschong (Dennis Denney), via email presented by Secretary Walkenbach, due to weather, January was a very quiet month as far as permits go.

Not sure how many Dock permits were affected by the Lake raising faster than anticipated. I will be back February 18 and will have more information for the March 5th BOD. Doug Held's new home was ready for rough inspection. Since we were out of town he sent us many pictures and Pete was able to give him the go ahead with insulating and installing drywall. His house is really looking great, he has a lot to be proud of. Dennis received a Boat Dock Permit from Lot 208 and sent me a copy. We'll touch base when I return.

d) Dam, Roads & Grounds, Mark Severns, continues to work with Mike Bigley, our temporary maintenance help on pushing snow, doing brush clean up, patching roads and when weather is bad Mike is changing oil in vehicles, washing and waxing them as well.

e) Finance & Insurance Committee, Treasurer Deb Martin, see attachments 2 and 3. Question by President Wilken as to whether or not the septic escrow are in the budget? DM, No, it's not kept separately, it is part of the Money Market account and we still have four left to pay out at approximately \$26,000.

f) ByLaws, Rules & Regulations, Joyce Munie, we need committee members, also looking for an electronic copy of our current rules. Will be setting up a meeting soon.

g) Sanitation, Randy Smith, it is my opinion that SLA needs to get out of the inspection business. Maybe we need to consider getting all lots on an annual maintenance contract program, such as is done by Lake Springfield. GW, 1) aeration units must be under a current contract. 2) During lease transfers systems do undergo an inspection generally and 3) for this Committee we have only asked that chlorine tablets be looked at to see if they are in place. RS, feels that he is assuming liability by checking chlorine tablets. GW, we are just wanting to help members remember to keep chlorine tablets in their systems.

h) Lake Management, Secretary Amy Walkenbach, have discussed all issues under old business. GW, how many buoys do we have and what are their condition? MS, has been working the buoy replacement issue, we will be looking at replacing all or some of the buoys and specific placement this spring.

i) Special Events, Dennis Denney, this upcoming Saturday is our Murder Mystery dinner, a few seats are still available. Looking for help with set up or tear down. February 17th is our Paint Day, reservations prior to February 12th are \$25 and after that date, \$30. We are having a 50/50 drawing at every monthly meeting, along with a raffle for the crappie fishing pole donated by Harold Bly. As of today our special events fund stands at \$7,642.45. We have asked for a contract by the selected fireworks vendor that can be approved at the March meeting. February 21st at 7:00 at Hanauer Hall will be our next Committee meeting.

- Motion by Treasurer Martin to accept all Committee reports by Consent Agenda, second by Vice President Johnson, motion passes.

VII. New Business

a) Recycling, Secretary Walkenbach, there has been interest around the lake to get recycling made available to members. In a quick show of hands it looked like easily 20 or so members would be interested if free of charge, that dropped about half if we would have to pay for the service. Will contact Flowers Sanitation for information on the possibility.

b) ACTION: Lot 41A, cancel lease agreement and move to allow an easement to Lot 41. Lot 41A is on a dam and construction on this lot cannot occur.

No action taken.

VIII. Transfers- None

IX. Membership and Guest Recognition

None

X. Board Comments

Dennis Denney, we had a low turnout for the 50/50 because of the multiple leaseholder meeting prior to the BOD meeting. Unless there are objections I will roll what we sold into next month's 50/50

Treasurer Martin, please remember that our employees work for the BOD, if you have problems that need solved come to a Board Member, be respectful of our employees and no name calling please.

Mark Severns, we will be stopping the practice of allowing tree removal companies to store equipment on SLA common ground.

Vice President Johnson, it seems like we need to consider the recommendation to lower the lake next fall to include spillway work in the fall and not during spring rains.

XI. Adjourn

- Treasurer Martin moves to adjourn, second by Mark Severns. Motion passes, 8:19pm.

Respectfully Submitted,

Secretary Amy Walkenbach

DRAFT