

Blue Mountain Property Owner Association Annual Meeting

August 16 2015

Officers and board members present: Jim McManaway, Carl Herz, Rob Linnenkohl, Mike Veasey, Jack Davis, Nynette Rourke, Tim Winfield, Jonathan Morrison

Officers excused: Jim Critcher

Minutes recorded by Carl Herz

Called to order: 12:42 PM

Jim McManaway: We have with us today everyone who is able to come who is running for office in Warren County. On everyone's table there is an envelope for a fundraiser towards the fireworks fund and a memorial brick at Samuels Public Library to honor Henry and Collette deLongfief, the founders of our subdivision. Envelopes will be collected following the meeting. 2014 Annual meeting minutes are on the internet and are considered final. Motion to approve and accept. Nynette Rourke: 2015 Annual meeting minutes will be reviewed prior to September monthly meeting minutes. At a request from the floor, the 2014 Annual meeting minutes are read aloud by Carl Herz.

Mike Veasey; Security: Copies of the annual budget and status are placed at each table for your review. I also want to bring a couple of items up for you today to prepare you to hear more about them in the future. You can see from the sheet in front of you, we carried over funds, added from newsletter, road impact fees, and received Sanitary District fees. Total spend of available funds was about \$203,000. Next item is county collection fees. Then is the section about spending the money, in bold are the different topic areas. Administration amounted to 13%. If you see the Maintenance topic, you see that 18% of the budget is for this and you can see we over spent this budget, the reason was the wall at the lodge. We spent the majority of funds on roads, 10% spent on snow removal, if you see on the other side. Remember our fiscal year starts in September so these numbers will be reset to current budget. For a total \$203,105 we have spent \$135,268 and \$67,837 remains in checking. In addition, two CDs from September and November, with a combined value of \$72.6k. Total resources available to us of \$140k. If anyone has any questions about any particular line items, checks, who for, what they went for, etc., this information is printed here and you may inspect these records as you'd like. After this month, at the end of the fiscal year the records will be sent to the auditor. Last year there were no problems and this year should be the same. Issues for future budget: when Mike Veasey assumed this role, there were 686 lots in BM. Now there are only 623 lots due to consolidations, etc. This amounts to \$4,000 in lost revenue. Approximately 3.5% of the budget. The other item was the county reassessment of property value lessened after assessment. All together, we will be short about \$5,000 and we are riding this out until next year and we'll think about this deficit in the meantime. There is also some major

work that will need to be done at the lake regarding overflow systems for the dam. This is the type of thing our CDs are set up for.

As far as the budget is concerned, are there any questions?

-From the floor: How is the funding disbursed for work that needs to be done at the community properties (lodge and surrounding areas, and the lake/dam)? Who makes the the decision on what is needed and is there a quote?

Mike Veasey: That depends. In the case of lodge maintenance, Jonathan Morrison takes care of that. Pete Plourd does the roads. Much maintenance is anticipated, mowing, etc., those things just get done and the bills are submitted.

-From the floor: I've been on the mountain 15 years, how is the lodge costing \$16k and the lake where everyone uses the space only costing \$6k? When you issue this money out, is there any conscientious effort given to selection of work or is it all just approved?

Mike Veasey: Good question and an astute observation. The lake and dam areas are driven by natural causes, and the lodge is real property.

Jonathan Morrison: It depends on what work is decided to be tackled during the year, some years more focus is given to the lodge, some years more is given to the lake.

Jim McManaway: I'd like to talk about the overall situation on the mountain, I think we're all presently surprised by the quality of our property.

Question from the floor: Is there anything to be done about some of the vacant lots that are and have been vacant for some time? Five or ten years back taxes, unpaid.

Jim McManaway: This issue came up when I was on the county board of supervisors. These lots that we have won't bring in enough money to pay the lawyers, and if the lawyers won't get enough they don't sell. The county attorney makes these decisions.

Mike Veasey: We will have to investigate this further. We calculate the budget each year and we have received every cent of what we should be getting.

-Another member spoke out on the back tax issue stating the taxes were so old, they were more than properties were worth. Lots are cheap and back taxes outweigh the cost of the lots, it's time for the county to step in and act.

-Another question from the floor: The shortfall on maintenance of \$6,500; is there any fallout on rebalancing to zero so that we're not short next year?

Mike Veasey: The report is a "snapshot in time" and the fiscal year ends in September. The counts will be zeroed and we'll have a new budget. Negative values don't carry over, they're only a measure of our performance.

-Another comment from the floor: Regarding more money spent on the lodge versus the lake: The lodge also brings in revenue, correct? Doesn't it make sense to maintain and upkeep the lodge since it brings in revenue?

Mike Veasey: The lodge revenue goes in the BMPOA budget not in the sanitary district.

Jim McManaway: The revenue helps to balance the expenses of running the lodge.

Pete Plourd adds: Most of the expense of this year is due to the wall for the lodge, this explains the big bump in lodge maintenance.

-Comment from the floor on the general good condition of lodge, has never been better.

Jack Davis: Kudos to Jon Morrison. Cheers.

Mike Veasey: On to security. The security guard is down there most of the time and is a retired Strasburg police officer. He has permission to stay late or come early at his discretion and can conduct night time checks as well. So far, the lake has been in great shape with people taking out trash, new sand on the beach, kids are having fun, etc. There have been many compliments to this. Any questions?

-Question from the floor: The break-in. I remember hearing Jim McManaway say that someone called him instead of the Sheriff. Has there been increased police presence?

Mike Veasey: Yes, they seem to be spending more time patrolling our area.

-Question from the floor: Annoying neighbor behavior has escalated to threatening behavior. What is the recommended action, I am unsure of what to do.

Mike Veasey: I will defer to covenants officer, Jack Davis, as this behavior is clearly conflicting with covenants.

Jack Davis: Certainly the Sheriff needs to be contacted. (This issue was addressed later, and discussed at lengths after the meeting.)

Jim McManaway: Now the roads report, with Pete Plourd. He has an interesting introduction to make for you all, for those of you that mentioned you've been here 20 years.

Pete Plourd distributes copies of the roads report: I thought I'd do something different this year. One thing we've done differently, is I came to the board in June after complaints of trees and brush in the roads in winter. This list has all the roads in BMPOA, we were authorized to move through and clear brush from every single road on the mountain, it took a tremendous effort to do this. All roads have been potholed several

times, and many roads have been fully graveled. Next, the ditches will be cleared starting next week or so, and we will re-gravel right afterwards. I hope you've noticed that the roads have been widened and most of the brush cleared. Again, this report lists all the roads, area numbers, status and condition. Any questions?

-Comment from the floor: I think you've done a great job! (applause)

-As Jim mentioned, I'm introducing the second occupant of the mountain who has been here 54 years, Mrs Roz Bono lives on Trillium Trail, we have been friends many years and I invited her here today. (applause)

Recreation Report, Jon Morrison: Not much to discuss this year, there has been so much maintenance over the last decade. The dock ladder has been replaced, and a few odds and ends at the lodge. The big item was the fence at the lodge. The fence was a good deal for us and the quality of its construction is good. As far as next year, there has been some discussion of possibly a playground with swings, slides, etc., at the recreation areas. We'd like to get some feedback from the community. We had equipment in the past that got destroyed. We are welcoming any input on this idea. Now Missy McManaway:

Missy McManaway: Five events were booked at the lodge this year. First, a fundraiser was held that was a good success. The remaining events were weddings but they have cancelled. Most of the deposits were returned, less a \$50 administrative cost. There could be two more upcoming events that could be finalized. Please be encouraged to help refer potential customers to the lodge, the lodge is featured on two websites specializing in venue locations. Just need everyone to continue to promote the property for any and all business. Season could be extended with the contracted heating/cooling with reasonable rates from AirPak. Any questions on the lodge?

Jim McManaway: Jack Davis runs the Architectural Review Committees and Firewise committees:

Jack Davis: Carl's reading of 2014 minutes will shorten my presentation as mostly carry-over business. I want to address the question from the lady regarding the nuisance neighbor and the threatening behavior: You should seek a protective order from the Sherriff.

-Response from the specific member: Other people have complained to the Sheriff and this escalated the situation as the neighbor wrongly suspected me as the one reporting the issue.

Jack Davis: I have to state that we have no police power; we are not extensions of county government. We can't deal with this, it will have to be the courts, attorneys, etc. I will point out that covenants state that offensive behavior or trade not be conducted on any lot that is or may become a nuisance. The only way to act on this is to seek a civil trial, I encourage you to continue to engage the Sheriff on this matter. Everything in summary

that Carl read from 2014 is continued, same issues with people putting auxiliary buildings that don't match primary structure or are unapproved, etc. People often buy sheds and place them without matching the primary structure. 333 improved lots, some have trash piled up, unlicensed vehicles, etc. In the last month, 5 teams on the ARC committee surveyed all improved lots that can be seen from the road. Of those, there are 75 true violations of covenants, about half a dozen will be pursued as they are considered serious issues; the most egregious will be pursued. The older cabins that have been here a long time are really showing their age: staining, trim falling off, etc. Some people still own these lots but don't come visit or maintain them regularly. Members have to be part of the covenants enforcements. We can't be going through often enough to catch things that we need to be finding. A paper has been put out on the tables for you with my information, please contact me regarding any issues you observe. They're confidential and we will respond. Any questions?

-Comment from the floor: I was unaware there were even covenants. Where can I find them?

Jack Davis: BMPOA.org, the covenants are linked within the page. As well as current bylaws, etc.

-Question from the floor: Following up on that, you mentioned sheds, etc.? I need a shed, how do I go about it?

Jack Davis: Check the county ordinances/covenants, and send your request to me with specifics: setbacks, size, etc.

Jack Davis: Architectural review: Our business is to review and approve new constructions, exteriors, etc. Activity has increased. Two more housing starts this month, and neither contacted the board. Fortunately, members notified the board by witnessed activity: bulldozers, etc. The board responded quickly and we were able to enact necessary changes to the plan to be in accord with our requirements. I have been doing this kind of work for a decade or more and I know of no situation ever that one contractor/developer has ever come to the board for approval. They have gotten away from this for a long time, so please assist by reporting these activities. There is a positive: The county can't notify builders of protective covenants in BMPOA, but an arrangement is made that the county will notify us when a new construction is planned in BMPOA. Thanks to Mike Veasey for setting this up.

Mike Veasey: Though not in effect, this should be active for the next building start and there are several cc's on the email thread. Questions?

-Question from the floor: How can new residents not be aware that there are deed restrictions?

Jack Davis: Financiers, realtors, etc., aren't diligent about providing this information. The requirements actually fall on the seller, not the buyer, to notify one that there are protected covenants.

-Comment from the floor: We might want to put a sign up when entering the area, "deed restricted, etc."

Jack Davis: Any questions?

-Question from the floor: How come there is no sign anywhere to help us get around, i.e. directions to the lodge?

Jack Davis: There is a color map available on the web page.

Nynette Rourke: The real reason there are no signs are due to vandalism, theft, etc.

Jack Davis: Please visit the web site.

Jack Davis: Nomination Committee: It's not an election year and there have been no resignations. We have a problem that members need to help solve, not once in the last twelve years has any association member nominated another to serve on the board. The bylaws call for members to do this service. The system is broken unless members are participating. I anticipate one or more vacancies soon. Some of us have been on the board for too long and are seeking to be replaced. The executive board also has a responsibility to ensure candidates are screened and qualified. We need to begin this process immediately. I urge you all to help nominate people who you believe have the right stuff to serve on this board. I need to hear from you by September, as it will take a little time to screen and qualify. I want to hear from you, please, nominate a spouse, co-owner, etc. It is important and needs to be taken seriously. This board has spent a million dollars in a decade so this is important business. Any questions? Thank you. (applause)

Jack Davis: Firewise: The last bulletin went out stating that we received a \$4,900 grant. The state budget is drying up and there may not be funds available for much longer. It is contingent upon response and reporting of efforts to clear the brush. We really need folks to continue to report on clearing efforts, number of piles, time invested, whether using power tools, etc.

-Question from the floor: Do the road-side brush clearing efforts count towards this?

Jack Davis: Yes. I want to add to the discussion that the trucks can't spread gravel down the roads with overhanging brush, and the county fire chief has expressed concern for ability of fire equipment to access the areas. There were many complaints received that people have come to the idea that property lines go to edge of the road. They don't, BMPOA has a 40' title around each road, and an additional easement beyond that even, although we do not want to ever have to manage that far back.

-Question from the floor: What size limbs can be collected?

Jack Davis: From what I've been told, 6" is the maximum. No logs, stumps or lumber.

-Question from the floor: When will the chipper be coming?

Jack Davis: End of October. If no other questions, I yield the floor.

Jim McManaway: First of all, I'd like to introduce Tom Sayre, Tom is the republican contender for Shenandoah District Board of Supervisors, opposite Dee Schools. Those of you who are in Warren County can stay after adjournment to speak with and ask questions of any of the candidates. Now, you asked about budget. Budget is in percentages of overall monies that we receive going to different activities. That can be changed, so that sets your priorities on what changes and when. About the wall, we received three bids and we accepted what the board felt was the best, which was the middle one. We have a professional engineer that we assign to the dam, he is very good and we have accepted his advice in the past and will likely continue to do so. We might not get bids on the overflow system, depending on what he says about it. It is best to do it now because we have a 50 year old drainage system that is in need of replacement. Blue Mountain Road: They will start work on it this spring, but only on water abatement. This is ditch improvement, but this spring is over. Much of it has to do with budget issues. Tomahawk Road has been approved for paving and has been proposed to be a state road. The paved portion is already, so I don't anticipate much controversy for the rest of the road. We have about \$15k left from that project so we will be putting it into CD for future use on road work, improvements, etc. The by-laws: we are going to have to re-do them, I've been talking about it for a few years, and if I hadn't had health issues last year it would be done by now. The sky is the limit on these bylaws and they need to be fixed. You are going to get a say on them next meeting, and if we can agree on the revision it will be distributed to the population in advance of the annual meeting. I believe we're finished, let me remind you of the envelopes on the tables for donations to the fireworks and for Samuels Public Library.

Jim McManaway: Motion to approve 2014 annual meeting minutes as read. Seconded and approved, no objections.

Missy McManaway: Please feel encouraged to stay behind to help clean up tables and chairs, etc.

Jack Davis: One more item: I promised Sean Graber from the County of Warren, that they have a CERT (Community Emergency Response Training) program that is very good and I have some information on it in front for you. Pat Smith is here and you can speak to her afterwards as well.

Jim McManaway: Any more business?

-Gentleman from the floor: I've heard there will be a park and ride and school bus turn around installed across from the winery. Do you have any information on this?

Jim McManaway: No.

-Gentleman from the floor: Andrew Rothman introduces himself as a new member, and is a wildlife biologist: I have noticed abundance of cats on the mountain, cats are coming into your yards and killing our birds. This is my only complaint so far.

-Lady from the floor: Would the board be interested in another Halloween party for the kids this year?

Jim McManaway: We would certainly be amenable to having you at the next meeting to tell us what to do. (laughter) Next board meeting is 6pm on the second Monday of September.

-Gentleman from the floor: I'd like to thank each and every one of you who do serve, it's very much appreciated. (applause)

Jim McManaway: This meeting is adjourned at 2:07PM.