

**THE LAKES COMMUNITY ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS**

November 20th, 2019

CALL TO ORDER: Treasurer R. Rentschler called the November 20th, 2019 Regular Meeting of the Board of Directors to order at 7:00 pm.

BOARD MEMBERS PRESENT: Vice-President M. Rowley, Treasurer R. Rentschler, Secretary R. Miller and Directors S. Wong, A. Lahooti, J. Nelson, L. Policar, J. Williams

BOARD MEMBERS ABSENT: President M. Reddie

Motion #1: Motion to Approve the Agenda.

Motion by Director Nelson

Seconded by Director Lahooti

Motion Passed.

Motion #2: Motion to approve the Minutes of the October 23rd, 2019 Regular Meeting of the Board of Directors.

Motion by Director Nelson

Seconded by Director Policar

Motion Passed.

OFFICER'S REPORT

Treasurer Rentschler advised that President Reddie was in favor of all the RFA's submitted tonight. President Reddie has also been working on the entry way project. The Budget & Finance Committee thanks everyone that participated in working on the 2020 budget. In reviewing the budget, the main components that were increased in operations were wages, tree maintenance and replacement, lake chemicals, and fish. The reserve budget includes office technology upgrades, truck replacement, lake pumps and maintenance items, and the largest reserve item is the tennis courts. Assessments were discussed and suggested to be increased.

COMMUNITY MANAGER'S REPORT

Community Manager Baldanza advised that the rapids intake screen was on the schedule to be replaced this year at approximately \$11,000. It was cleaned and inspected, is in good shape and will last at least another year if not longer. The inspection for the footings for the new storage building took longer than expected because of a delay due to a shortage of city inspectors. Multiple homeowners have called regarding the midge flies. This issue has not been taken lightly and multiple resources have been consulted to address the midge flies. Some of the potential actions include lake chemicals, additional fish, and fogging. Nano aeration is being researched to add oxygen to the lake, possibly next year. A major issue is the organic matter being put into the lake. The vegetation and landscape debris that is blown into the lake adds nutrients to the lake and creates an environment for the midge flies to lay their eggs. Notices will be going out to homeowners found to be blowing debris into the lake. Additional factors include warmer nighttime temperatures in the Fall and a lower fish count. More fish have been added to help combat the midge fly issue. Everyone needs to do their part to help fight the midge fly issue. Next year, the lake will be treated when the weather starts to warm. Granada Lakes' new addition is slated to open in January, with rent between \$1200 - \$1500. The paint scheme for the new addition is available if anyone wants to look at it.

COMMITTEE REPORTS:

Activity:

Verbal Report. Boo Bash was a success, thank you to everyone that came.

Rick Rentschler

Architectural:

No Report.

Jim Ramsey

Ad-Hoc Landscape & Signage:

Rick Rentschler

Verbal Report: Mark Reddie and the committee have been working on the project and should have something to report in the upcoming meetings.

Budget & Finance:

Marty Garrett

Written Report.

Fishing & Boating:

Lee Dettling

No Report.

Lakes Log:

Gloria Hollingsworth

No Report.

Lakes Women's Club:

Launie Harlacher

No Report.

MEMBERS COMMENTS:

Member asked about the entry way money that was allotted to us by the City. The city is working with us on the funds for the entry project and the committee has been working on a new proposal.

BOARD OPEN DISCUSSION:

Director Williams asked about the status of the Infrastructure & Maintenance Committee and if it were still chartered. If people were interested, could they join. The Committee has not been active for the last 5 years and there is no one currently serving on the committee. The I&M Committee previously worked on the pump project, bridge repairs, boardwalk repairs and the pool project. Director Williams would like to see it reactivated to work on big ticket items. He mentioned that regarding old trees, the life span of the Aleppo pine is 140 years. Discussion ensued regarding the budget increase for tree maintenance.

NEW BUSINESS:

Motion #3: The Budget & Finance Committee recommends that the Board of Directors roll over the maturing Republic Bank CD into a new \$250,000 12-month CD at a rate of 1.95 APY.

Motion by Director Rowley

Seconded by Director Nelson

Motion Passed.

Motion #4: Contract election services with Vialfotheringham Law, not to exceed \$5,000.

Motion by Director Nelson

Seconded by Director Rowley

Motion Passed.

Motion #5: The Budget & Finance Committee recommends that the Board of Directors approve the 2020 Operating Budget of \$1,592,180.

Motion by Director Rowley

Seconded by Director Lahooti

Motion Passed.

Motion #6: The Budget & Finance Committee recommends that the Board of Directors approve the 2020 Reserve Budget of \$508,155.

Motion by Director Rowley

Seconded by Director Policar

Discussion was held regarding the amount being twice as much as last year due to the potential tennis court repair or replacement. Director Williams asked how the tennis courts and related repairs came to the attention of the Budget & Finance Committee and why the numbers are on the reserve budget without board approval. The Reserve budget is to allocate funds should the board decide to approve repairs or replacement in 2020. Director Williams wanted to clarify that there is a tie between the assessment increase and the potential tennis court repair or replacement.

Director Williams motioned to amend the Reserve Budget proposal to remove component 640946, the tennis court replaced.

No Second. Motion to amend failed.

Discussion continued regarding the budget proposal. Director Williams asked if the Budget & Finance Committee was given the authority to make decisions or approve purchases. Clarification was made that the Budget & Finance Committee does not make the decision to approve projects. The budget approval is a placeholder for the money that will be needed to repair or replace the tennis court. No decision has been made about the tennis courts. The board discussed the proposed assessment increase in relation to the proposed reserve budget items and the current inflation rate of 2.25%.

Director Williams motioned to amend the Reserve Budget proposal to remove component 925120, the new Lakes operating program.

No Second. Motion to amend failed.

Director Williams motioned to amend the Reserve Budget proposal to remove component 925100, replace office computers.

No Second. Motion to amend failed.

Discussion was held regarding the age of the computers and operating system on the computers.

Question was asked to clarify that for the Board to spend money throughout the year, the funds must be allocated in the approved budget for that year. The Board still has to approve the projects to be performed. The Reserve Study outlines the timeline of when things need to be addressed. Some items can be pushed longer than their anticipated life, some items need to be addressed sooner.

Director Williams motioned to amend the Reserve Budget proposal to remove component 925550, telephone system replacement.

No Second. Motion to amend failed.

Director Williams motioned to amend the Reserve Budget proposal to remove component 925250, server computer replacement.

No Second. Motion to amend failed.

Director Williams motioned to amend the Reserve Budget proposal to remove component 945760, monument tile replacement.

Discussion was held to specify that this is for smaller entry way signs that are in poor condition due to age, weather and damage. Signage is close to 50 years old. Discussion continued regarding the need to maintain and improve our property.

No Second. Motion to amend failed.

Motion Passed.

Motion #7: The Budget & Finance Committee recommends that the Board of Directors budget \$25,000 for the Capital Budget.

Motion by Director Rowley

Seconded by Director Lahooti

Motion Passed.

Motion #8: The Budget & Finance Committee recommends that the Board of Directors approve an assessment increase for 2020 for approximately 1.59%, with a new quarterly assessment of \$315.

Motion by Director Rowley

Seconded by Director Policar

Director Nelson discussed the necessity of the assessment increases over the past few years. Director Lahooti noted that the increases over the past years are justified due to inflation, as well as repairs and improvements required. Director Rentschler noted that the economic atmosphere during years where there were no assessment increases was drastically different than it is today. In general, assessments should increase to correspond with inflation.

Director Williams motioned to amend the assessment increase to raise 0%.

Director Nelson seconded the motion to amend.

Board discussion was held regarding the increase. Concern was voiced stating that the increase is not necessarily needed if all the reserve items are not completed and that not everyone uses or cares about the amenities. When people see our community, it justifies the money we spend versus maintaining a low assessment amount. The budget was already approved with the increase in mind, it is irresponsible to not approve it. Increases should be more conscientious. If big projects aren't planned for, you risk the possibility for special assessments. Reviewing the assessment history, this is the smallest increase that has even been proposed.

Members stated that people buying homes always comment on how cheap assessments are when you factor in everything you get. Investing in The Lakes is priority to maintain our community aesthetic and appeal to keep property values up. Other communities are constantly investing in and improving their properties to increase their appeal and property values. Member stated this community is 50 years old and we need to make sure that we are prepared for when aged items start to fail. Failure to make small assessment increases over the years will lead to an eventual large assessment increase or special assessments. When there were no assessment increases, upkeep of the community went downhill in previous years. Assessment increases over the past 10 years have been small when they were necessary. People are usually surprised when they see how much they receive for the small amount of the assessments. Money is not spent without thought and necessity.

Motion to amend failed.

Motion passed.

Motion #9: Motion to adjourn.

Motion by Director Rowley

Seconded by Director Policar

Motion Passed.

Meeting adjourned at 8:15 pm.