

LFA Special Meeting Minutes - 5/15/17

Location: Expand Church

Board Members Attending: Jack Chambers, Russ Cole, Evan Erickson, Angela Hill, Ellen Stolzman, Clark Troy, John Watkin

Members Attending signed in at entry.

Jack opened the meeting and thanked John and Clark for their management of the lowering of the lake and the dredging of the forebay.

-John reported that the dredging went very well. He thanked neighbors who dredged in front of their property at their expense.

-He is negotiating to get the dewatered material removed for free.

-Lake Ellen drained completely over night, due to a pipe rupture. It is still empty many months later. They are getting an estimate.

Jac introduced the board members attending.

Finances-Review:

-There is a \$568k balance

-The experts recommended that a dredging be conducted every 4 yrs going forward. This will make the forebay more effective and it will cost less money because there will be less material to remove.

-It cost \$39k for this dredging.

-John and Clark checked the depth of the lake when it was lowered, searching for any problem areas.

-It cost \$800k to dredge the whole lake in 2001. A total of \$1.2mm was spent for all the work. This included the creation of the forebays.

-The Finance Committee has been formed. Russ Cole, LFA Treasurer will chair the committee. Members are-Russ, Clark Troy, Jeanette Bench, Rich Guerin, and Chris Barker.

Jac turned the meeting over to Emily Moseley, an LFA member, attorney and former board member to handle the proposed bylaws changes discussion and vote.

-The LFA covenants are not the same for all properties and are out of date.

-The board added a provision to the the bylaws at the time of the 2001 dredging that assessments and dues convey with the property.

-In 2015, the board consulted attorneys, Dickson Philips and Henry Jones and were advised that the bylaws needed to change based on new court decisions that stated dues and assessments can not convey with the property.

-Emily then reviewed each change, there were questions and discussion, sometimes revisions proposed, and then a vote on the individual change was taken.

-In some HOA's, members opt in as dues paying members. The first change stated that by paying their dues, LFA members agree to a continuing financial obligation to pay dues and assessments.

-This creates an implied contract- if you pay you are agreeing to pay going forward. If you resign or stop paying dues, we could, in theory, go into small claims court to collect.

This was approved as revised.

-A member asked for an addition to the wording regarding notice of meetings sent out- to add an agenda. Approved.

- LFA is set up as a non profit and is subject to the laws governing nonprofits. Henry Jones confirmed we have the right to impose dues, assessments and initiation fee's. The bylaws already give this right and he recommended no change to the current wording.
- There was discussion about what to do during the period between undoing the conveyance policy and when any new fee structure that would include a initiation fee would be put in place.
- We are on par for May for people paying dues for this season. Some people forget to pay until reminded or are slow payers but these dues are expected to be received. The standard reminder letter is going out, as is normal procedure.
- There was discussion about the wording and it was agreed it has to be simple, not arbitrary and that Emily would revise the wording to this effect.
- the options were discussed:
 - create a formal policy to be presented at the next annual meeting.
 - have the board put in place an interim policy at the next board meeting (in 9 days)
 - The policy in place will be presented at the next annual meeting for discussion. Approved.
- Members have a requirement to communicate to prospective buyers any past unmet financial obligations in addition to the expectations of members by ownership of the property.
- The board will continue to inform realtors and put on listings and web sites that there is an initiation fee and new purchasers should ask about it.
- It was agreed that Emily will draft an associate member policy and financial policy to incorporate into the dues policy.

Article 2 Section II:

There was discussion about the word "advocate" and it was explained that board members would be encouraged to stay on board for 3 years or longer. This can not be a requirement but 3 or more years is encouraged.

- Section 9-there was a question regarding expenses authorized by the board upon approval of by the board. It was explained that every board member has a fiduciary responsibility and that the financial policies are being reviewed but policies do not go in bylaws.
- There was a motion and a second to adopt the by-laws revisions as written and as amended at the meeting. Approved unanimously.
- Emily will write up the revised language for the approved bylaws. It will be posted on the website and emailed as well to those who signed up.
- Emily moved that the board, at its next meeting, set initiation fees and when they may be waived. Approved.

The meeting was adjourned.