

**LMOA BOARD OF DIRECTORS
Open Session Minutes**

DATE: Thursday, April 22, 2010

PLACE: Terrace Room, LMOA

DIRECTORS: **Present:**
Leighton Cumming, President John Platt, Vice President
Mike Harrison, Treasurer Ray Gott, Asst. Secretary
Benita Ellen

Absent:
Don Fickes Scott Meiss

STAFF: John Korhonen, General Manager
Peggy Alexander
Meg Gore
Linda Adams

1. CALLED TO ORDER

The meeting of the Lake Monticello Owner’s Association was called to order in Open Session by Pres. Cumming at 5:03 PM on April 22, 2010.

MOTION by VP Platt seconded by Treas. Harrison “that the Board of Directors go into Executive Session to discuss legal, contractual, and personnel issues.”

Motion carried 5-0-0

2. RECONVENE IN OPEN SESSION

The meeting reconvened at 7:08 PM.

3. PLEDGE OF ALLEGIANCE

4. EXECUTIVE SESSION REPORT

Director Gott reported that the Board of Directors met in Executive Session at 5:03 PM to discuss legal, contractual, and personnel matters. The Executive Session adjourned at 6:55 PM. No action was taken during the Executive Session.

5. MINUTES AND CONSENT AGENDA

MOTION by Director Ellen seconded by Treas. Harrison “that the Board of Directors approve minutes of the Executive Session, March 25, 2010, the Open Session, March 25, 2010 and the Special Open Session for Annual Meeting Certification April 1, 2010”

Motion carried 5-0-0

MOTION by Director Ellen seconded by Treas. Harrison “that the Board of Directors approve the record of Work Session for 4.02A Financial Management Policy, April 8, 2010 as revised.”

Motion carried 2-0-3 VP Platt, Directors Gott and Ellen abstaining

6. LMOA REPORTS

6.1 President’s Report (Pres. Cumming)

Pres. Cumming thanked Solicitation and Contracts Administrator Linda Adams and the Solicitation and Contract Review Committee for their hard work on the recent contracts, especially the solid waste and recycling contract. Stated that the dues increase is based on the Reserve Advisors, Inc. Report that LMOA will need to set aside \$8.5 million in reserves over the next five years. The Board proposal to increase the dues by \$108 for reserves is based on that Report. If the dues increase is not approved, the amount required in the future will only be higher.

6.2 Treasurer’s Report (Treas. Harrison)

Treas. Harrison reported on the account balances as of the end of March:

Net income	loss of \$64,083
ERA Investments	\$7,592,819
Road Reserve	\$172,850
STORFA	\$685,382
Lake Reserve	\$30,139

The following amenities incurred losses:

Golf	\$85,289
Tennis	\$260
Pool	\$8,350

The following amenity showed a gain:

Marina	\$43,257
--------	----------

Discussed an extensive list of unfunded Reserve Items from 2010, 2011 and 2012.

6.3 General Manager’s Report (GM Korhonen)

GM Korhonen reported that recycling has increased by 19.5%, which is good. The USDA spring wildlife damage inspection report was received stating that a number of domestic ducks were reported in Van Buren Cove and need to be removed and that 104 muskrats were trapped over the winter. The report recommends that there be a trapping event each year for a minimum of two weeks to maintain a lower muskrat population. The Bunker Ball Field tree disposal site will close on April 29.

6.4 James River Water Authority (Richard Schwarz, LMOA Representative on Citizens Water Committee)

Richard Schwarz was appointed to the Citizens Water Committee to represent LMOA. He reported on the upcoming activities of the Committee and suggested that residents keep up to date via the internet, the press and by attending meetings.

7. FLUVANNA COUNTY REPORTS (10 Minutes per Report)

7.1 Fluvanna County Board of Supervisors Report (Supervisor Chesser)

Supervisor Chesser reported that the Fluvanna County Board of Supervisors has approved a tax rate increase to \$0.54/\$100 of assessed value. The County budget has been reduced by 4.9% and the school budget by 8.7%. The Domino Plan will not be implemented. The Virginia Department of Transportation will hold a public hearing on April 28 on the proposed roundabout at the intersection of Routes 53 and 600.

8. MEMBER COMMENTS #1 AGENDA ITEMS (5 minutes per member – Total 30 minute maximum)

Wayne Schmidt	370/3	TABS 5.4, 10.1, 15.1 Agenda Items
Adrian Miller	156/5	Citizens Water Committee
Carol Brown	300/1	PM 4.02A and Committees
Ted Makranczy	9/12	Community Fishing Pier

9. UNFINISHED BUSINESS

9.1 Board Goals 2009-2010 (Pres. Cumming)

Resolutions from the Ad Hoc Committee on Legislative Review (Treas. Harrison)

The work is progressing

Committees and the Strategic Plan (Director Ellen)

No report.

Improvements to the Golf Course (Director Gott)

Holes 6 and 10 Gold and Red tee boxes have been rebuilt and Green 5 is scheduled to be rebuilt in the fall.

Strategic approach to fund major expenditures (Director Meiss)

No report.

Deer Management (Secy. Fickes)

No report.

Survey on need for capital improvements (VP Platt)

No report.

9.2 Strategic Plan (Pres. Cumming)

Deferred until May 27, 2010 Board meeting.

9.3 Lake Reserve Account (Treas. Harrison and Director Ellen)

Deferred until May 27, 2010 Board meeting.

The Board recessed from 8:30 PM to 8:45 PM.

10. BYLAW AND POLICY CHANGES – SECOND READING

10.1 Amend PM 4.02A Financial Management: Financial Management Policy as recommended by the Ad Hoc Committee for Legislative Review (Treas. Harrison)

MOTION by Treas. Harrison seconded by Director Ellen “that the Board of Directors approve changes to PM 4.02A Financial Management: Financial Management Policy recommended by the Ad Hoc Committee for Legislative Review and the April 8 Work Session as presented in the April 22, 2010 Board packet accepting the administrative changes.”

MOTION to amend the motion by Director Ellen seconded by Treas. Harrison “to remove the phrase ‘storm recovery’ from II. Application, C. Improved Property Fee and from II. Application, H. Reserve Accounts, 3. Restricted Funds Account, a. Improved Property Fee.”

Motion carried 4-0-1 Director Gott abstaining

MOTION to amend the motion by Treas. Harrison seconded by Director Ellen “to remove from II. Application, J. Short-Term Operating and Restricted Funds Account the text [4.02Q Investment income is then used for operations, reserves and capital needs. VP PLATT].”

Motion withdrawn

MOTION to amend the motion by Director Ellen seconded by Treas. Harrison “to replace in II. Application, J. Short-Term Operating and Restricted Funds Account the text from ‘Investment income from STORFA’ to the end of the paragraph with ‘Investment income from STORFA is available as defined in PM 4.02Q’.”

Motion carried 5-0-0

MOTION to amend the motion by Director Ellen seconded by Treas. Harrison “by shifting the priorities ‘Existing operations’ for ‘Reserves, including road and lake infrastructure’ in proposed Section 4.02A, II (entitled Application), M (entitled Annual Budget Process), 2 (entitled Priorities), paragraphs a and b.”

Motion failed 2-3-0 Pres. Cumming, VP Platt and Director Gott dissenting

MOTION to amend the motion by Treas. Harrison seconded by Director Ellen “to replace in III. Responsibilities ‘The Treasurer, General Manager and Director of Business Management’ with ‘The Treasurer and the General Manager’.”

Motion carried 5-0-0

MOTION to amend the motion by Director Ellen seconded by Treas. Harrison “to replace in proposed Section 4.02, II (entitled Application), N (entitled Other) 2. ‘The LMOA Audit Committee’ with ‘The LMOA Finance and Audit Committees’ and add the word ‘respectively’ at the end of the sentence.”

Motion carried 5-0-0

MOTION to amend by Treas. Harrison seconded by Director Ellen “to insert in the Glossary, Reserve Study the words ‘required to be’ after ‘Reserve study is a study’.”

Motion carried 5-0-0

MOTION restated by Treas. Harrison “to accept the administrative changes and amendments.”

Motion carried 5-0-0

10.2 Amend Bylaws Section 4.11, Voting, related to non-Association proxies (Peggy Alexander, Communications Manager)

MOTION by VP Platt seconded by Director Gott “that the Board of Directors amend LMOA Bylaws Section 4.11, Voting, to delete wording related to non-association solicited proxies, as included in the April 22, 2010 Board packet.”

Motion carried 4-1-0 Director Ellen dissenting

11. NEW BUSINESS

11.1 Solid Waste Collection Disposal & Recycling Contract (Linda Adams, Solicitations and Contracts Administrator)

MOTION by Director Gott seconded by Director Ellen “that the Board of Directors approve, and authorize the President and General Manager to sign, an exclusive Firm Fixed Price Contract with SDI / Kerkim LLC for the collection, recycling and disposal of Lake Monticello solid waste with the terms and conditions specified in the contract. The contract shall be in effect from June 1, 2010 to May 31, 2013 with additional options to May 31, 2014 and to May 31, 2015, to be exercised at the discretion of LMOA. This approval is given subject to review by LMOA’s attorney and insurance underwriter as revised to be funded from the Improved Property Fee.”

Motion carried 4-1-0 Director Ellen dissenting

11.2 Ashlawn Tennis Courts Resurfacing Contract (Linda Adams, Solicitations and Contracts Administrator)

MOTION by VP Platt seconded by Director Ellen “that the Board of Directors authorize the President and General Manager to award a contract to Tennis Courts, Inc. in the amount of \$13,290.00 for resurfacing of the Ashlawn Tennis Courts to be funded from the Reserve Item 23 of the 2010 Budget.”

Motion carried 5-0-0

11.3 Proposed Audits for 2010 (Bud Mauldin, Chair Audit Committee)

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors approve the list of proposed audits for 2010 from the Audit Committee as presented in the April 22, 2010 Board packet.”

Motion carried 5-0-0

11.4 Committee Appointments

MOTION by Director Ellen seconded by VP Platt “that the Board of Directors appoint Burt Marks to the Storm Water Management Committee for a term beginning immediately and ending December 31, 2012, Carol Brown to the Finance Committee for a term beginning immediately and ending December 31, 2012, and Cam White to the Finance Committee for a term beginning immediately and ending December 31, 2010.”

Motion carried 5-0-0

12. MEMBER COMMENTS #2 ANY LMOA TOPIC (5 minutes per member)

None

13. STATUS REPORTS

None

14. REMARKS FROM THE BOARD

Director Ellen expressed her disappointment on the failure to put Reserves ahead of Operations.

Treas. Harrison introduced the opportunity for LMOA to purchase the Gunnell property which borders Bunker Blvd. GM Korhonen is checking into it. Thanked those involved in revising PM 4.02A.

VP Platt stated that LMVF&R bingo has moved to Thursday nights. If this fails, LMVF&R will lose a great source of funds. Encouraged all to attend.

15. **BYLAW AND POLICY CHANGES – FIRST READING**

- 15.1 **Amend PM 13.03 LMOA Environmental Controls: Construction and Property Maintenance Requirements for Fence Policy and Animal Barrier Guide (Treas. Harrison)**
- 15.2 **Amend PM 16.17 Committee Charters: Solicitation and Contract Review Committee Charter to clarify committee membership of staff contracts administrator (Dick van Nierop, Chair Solicitation and Contracts Review Committee)**

16. **ADJOURNMENT**

Pres. Cumming adjourned the meeting at 9:50 PM.

by: _____
Ray Gott, Assistant Secretary