

**LMOA BOARD OF DIRECTORS
Open Session Minutes**

DATE: Thursday, July 23, 2009

PLACE: Terrace Room, LMOA

DIRECTORS: **Present:**
Leighton Cumming, President John Platt, Vice President
Don Fickes, Secretary Ray Gott
Benita Ellen Mike Harrison, Treasurer arrived 9:15 PM

Absent:
Scott Meiss

STAFF John Korhonen, General Manager
Marty DeCarlo
Peggy Alexander
Meg Gore

1. CALLED TO ORDER

The meeting of the Lake Monticello Owner's Association was called to order in Open Session by Pres. Cumming at 5:58 PM on July 23, 2009.

MOTION by Pres. Cumming seconded by Director Gott "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 7:00 PM.

3. PLEDGE OF ALLEGIANCE

4. EXECUTIVE SESSION REPORT

Secy. Fickes reported that the Board of Directors met in Executive Session at 5:59 PM to discuss legal, contractual, and personnel matters. Action was taken during the Executive Session: to confirm the contract extension for the General Manager.

MOTION by Secy. Fickes seconded by Director Gott "that the Board of Directors confirm the contract extension for the General Manager."

Motion carried 4-0-1 Director Ellen abstaining

The Executive Session adjourned at 6:45 PM.

5. MINUTES AND CONSENT AGENDA

MOTION by VP Platt seconded by Secy. Fickes “that the Board of Directors approve the minutes of the Executive Session, June 25, 2009 and the Open Session, June 25, 2009 and accept the minutes of the 37th Annual Meeting of Members.”

Motion carried 4-0-1 Director Ellen abstaining

MOTION by Secy. Fickes seconded by Director Gott “that the Board of Directors approve the minutes of the Special Executive Session, July 1, 2009 and the Special Open Session, July 1, 2009, approve the record of the Work Session on the Beach 2 Bulkhead, July 8, 2009, approve the record of the Work Session on the Eagles Nest, July 15, 2009.”

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors amend the record of the Work Session on the Beach 2 Bulkhead, July 8, 2009 by deleting the last sentence of TAB 5.6, Item 4 that reads ‘The questions asked were adequately answered’.”

Vote 4-0-1 Secy. Fickes abstaining

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors amend the minutes of the Special Open Session, July 1, 2009 by inserting the phrase ‘circumstances supporting disclosure of otherwise’ in TAB 6, second sentence between the words ‘including’ and ‘privileged’.”

Vote carried 5-0-0

Motion as amended carried 5-0-0

6. LMOA REPORTS

6.1 **President’s Report (Pres. Cumming)**

President Cumming described the differences between LMOA and Glenmore’s accounting procedures and safeguards. She also pointed out differences in the size and organizational structures of the two communities and differences in the two auditing practices and procedures.

6.2 **Treasurer’s Report (VP Platt)**

LMOA Administration’s decline in revenue is due to a lower investment income for June. Maintenance is holding close to the budget. Security is on track with the 2009 budget. The Golf Program posted a \$90,830 loss through June. The Eagles Nest is not doing well as it showed a YTD loss of \$36,201. The Marina income is ahead of Budget but revenue declined since most boat registrations are now purchased. Gasoline sales showed a profit margin of 4% through June. At the end of June the Pool had a net profit of \$8959. Pool labor costs should now stabilize since we are in full month operations for July and August. The Pool Snack Bar had a YTD \$3496 net loss.

6.3 General Manager's Report (GM Korhonen)

The General Manager reported that the spoils site now has many tons of leaves and some are showing significant decomposition. There is a problem with unauthorized trash. The dredging spoils deposited now are not appropriate for mixing with the leaves which takes additional space. LMOA does not have equipment or manpower to shred leaves to accelerate decomposition and to save space. He announced that the spoils site will be closed August 1 and at present the reopening is unscheduled. Using the site for leaves last year, saved LMOA \$40,000 in trash collection costs.

7. FLUVANNA COUNTY REPORTS (10 Minutes per Report)

7.1 Fluvanna County Board of Supervisors Report (Supervisor Ott)

Supervisor Ott announced that Supervisor Allbaugh is not running for reelection this year. He stated that 60% of the financing for Fluvanna schools comes from the state and both Fluvanna and Louisa Counties will not receive help from the Federal Stimulus Program. Tufton Gate exit visibility will be improved due to upcoming improvements for moving a power pole and excavating a view blocking embankment. He stated that plans are on the way to establish a 10 acre Fluvanna Planned Unit Development (PUD) which permits 45 foot high buildings. Presently Fluvanna assessment is 15% high and taxes are low. He stated that county tax increases are on the way.

Out of sequence from the agenda:

6.4 2010 Budget Preparation (Cole Hunter, Chair Finance Committee)

Cole Hunter Finance Committee Chairman reported that the 2010 planned use of the \$130 dues increase is to allot \$88 to Operations (\$60 for operations and \$28 to replace investment income that has been used in the past to fund depreciation that is then applied to reserves), \$25 to Roads and \$17 to General Reserves. There are no New Initiatives planned for 2010. Some cuts made in 2009 are planned to be restored. Examples are staffing, social programs and mowing.

6.5 Beach 2 Bulkhead (Joy Bauserman, Lake Health Manager)

Joy Bauserman Lake Health Manager reported that she is opposed to building a dredging offload bulkhead at the Beach 2 location. She stated that recent evaluations of the main dam and the Tufton Pond dam indicated seepages that will worsen. Geotechnical surveys are recommended. Also, she reported that muskrats have been sighted at the main dam. Tufton dam needs work for its next inspection that is required for the year 2011. She announced that a work session on the dams is scheduled for August 13 at 7:00 pm in the Terrace Room.

8. MEMBER COMMENTS #1 (5 minutes per member, total of 20 minutes maximum)

Bill Wilson	411/3	Beach 2 Bulkhead
David Hordyke	91/1	Main Gate Safety
John Mahaffey	408/3	Beach 2 Bulkhead
Denny Avers	63/1	Lake Health

9. UNFINISHED BUSINESS

None

10. BYLAW AND POLICY CHANGES – SECOND READING

10.1 Amend PM 6.08 Facilities Rules and Regulations: Tennis and Basketball Courts to update rules for playing tennis (Meg Gore, Asst. Sec. for Policy Review)

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors postpone until the August Board meeting the amendment of PM 6.08 Facilities Rules and Regulations: Tennis and Basketball Courts.”

Motion carried 5-0-0

The Board recessed from 8:24 PM to 8:39 PM.

11. NEW BUSINESS

11.1 Beach 2 Bulkhead Contract Option (Marty DeCarlo, Director of Contracts)

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors not authorize the President and the General Manager to exercise the Beach 2 Option for the construction of a sediment transfer station bulkhead.”

Motion carried 5-0-0

11.2 Board Goals for 2009-2010 (Pres. Cumming)

No motion was made. President Cumming stated that she would note the recommendations discussed for reference in future 2009 – 2010 planning sessions.

Treas. Harrison arrives.

11.3 Community Fishing Pier (Ted Makranczy, Chair Working Group)

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors grant permission to the working group to investigate options for the collection of funds in connection with a community fishing pier. Upon approval of that option by the Board, fundraising activities may begin.”

Motion failed 1-5-0 Pres. Cumming, VP Platt, Secy. Fickes, Treas. Harrison, Director Gott dissenting

MOTION by Treas. Harrison seconded by Director Ellen “that the Board of Directors approve the location of a Fishing Pier on Tufton Lake for construction of the pier. The Board grants permission to the Working Group to determine options for collecting the funds. Upon approval of these options by the Board, fund raising activities may begin.”

Motion carried 5-1-0 VP Platt dissenting

11.4 Golf Course Improvement Account (Steve Wachenfeld, Chair Golf Committee)

MOTION by Director Gott seconded by VP Platt “that the Board of Directors approve the establishment of a Golf Course Enhancement Fund, independent of LMOA accounts, to finance projects that will enhance the golf program, where each project must be approved by the Board of Directors.”

Discussion focused on the need for more definitive policies providing direction for this and other types of fund raising.

Motion withdrawn by Director Gott

11.5 Eagles Nest Deficit (Pres. Cumming)

MOTION by Pres. Cumming seconded by Secy. Fickes “that the Board of Directors authorize the General Manager to downsize the Eagles Nest operation within the next 30 days as a short term solution to reduce the projected year end deficit and develop a proposal or proposals for a long range plan to provide snack bar services, primarily for golf course users, for Board consideration to be effective no later than January 2010.”

MOTION by Treas. Harrison seconded by Director Gott “to amend the motion to replace the words ‘primarily for golf course users’ with ‘for both the golf course and pool users’.”

Motion carried 6-0-0

MOTION by VP Platt seconded by Director Ellen “to amend the motion to add the sentence ‘Direct staff to actively seek a contractor/ lessee to take over the snack bar at the Eagle’s Nest’.”

Motion failed 1-5-0 Pres. Cumming, Secy. Fickes, Treas. Harrison, Director Gott, Director Ellen dissenting

Motion as amended carried 5-1-0 VP Platt dissenting

11.6 Committee Appointments

MOTION by Director Gott seconded by Director Ellen “that the Board of Directors appoint Kellie O’Connor and Richard Payne to the Audit Committee for terms beginning immediately and ending December 31, 2009.”

Motion carried 6-0-0

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

Wayne Schmidt	370/3	misc.
Chuck Johnson	57/1	Problem with dam

MOTION by Treas. Harrison seconded by VP Platt “that the Board of Directors extend the meeting to 11:00 PM.”

Motion carried 6-0-0

13. STATUS REPORTS

13.1 Strategic Plan Update (Director Harrison)

Treas. Harrison stated that Strategic Plan Items affecting the Reserves need to be completed soon because of upcoming budget sessions to define 2010 Reserves.

14. REMARKS FROM THE BOARD

Director Ellen stated that she was honored and humbled by the votes that brought her to the BOD and said that she looks forward to member comments and support.

VP Platt said the Marina office has been accomplished for a little less than \$5000 by using volunteer labor.

15. BYLAW AND POLICY CHANGES – FIRST READING

None

16. ADJOURNMENT

Pres. Cumming adjourned the meeting at 10:29 PM.

by:

Don Fickes, Secretary