

Holiday Shores
Board of Directors Meeting Minutes

Date: October 26, 2016

Attendance

Board Members

Present: Bob Lowrance, Roger Rawson, Monte Thus, Shaun Diltz, Dave Decker, Jeanne Abert-Martin and Justin Patterson

Quorum Present: Yes

Others Present

Glenn Dalton, Rob Frey, and Misty Soliben from the Holishor Office.

Holishor Members Present: 7

Proceedings

Meeting called to order at 7:30 PM

Pledge of Allegiance Recited

Minutes of October 12th, 2016

Minutes deferred to November 9th for meeting approval.

Transfers of Property

There were 4 transfers of property and all triggered initiation fees.

Correspondence

Old Business

Building Committee Report 10-19-2016

Read by Bob Lowrance

Bob Lowrance – Any questions from the Board? I know we asked them to look at different types of culverts. We have already approved one with a variance. **Dave Decker** – But we only approved it as a variance, we didn't approve it as a long-term. **Bob Lowrance** – Correct, so are we just going to do it as a case by case basis from here on out? **Shaun Diltz** – My question is why they didn't approve any other type. **Bob Lowrance** – Exactly. If we're going to allow the type of culvert that we allowed last time, we probably should change it to allow them. **Roger Rawson** – We'd have to investigate the different types of culverts, in order to make a determination of what we are going to allow. There's a number of different types of materials and construction. If we just leave it and take it on a case by case basis, which would give us some feedback for the future.

Dave Decker – I have some comments on the driveways. One of the items we have been discussing is ditching and the idea of having to go in and replace culverts. Whether us continuing to have owners put a hard surface to the roadway is something that is, from a financial perspective the right thing for the Association. Or do we require them to have a hard surface, but specify the material? Because asphalt replacement is much cheaper than concrete replacement. **Glenn Dalton** – We currently have 480 driveways that go all the way to the street. **Bob Lowrance** – But, this is going forward. My understanding is that we let everyone that is putting a driveway in, know that if we have to put ditching in, replacing the hard surface of the driveway is their responsibility going forward. **Glenn Dalton** – We don't have that in our rules right now. **Bob Lowrance** – It is something that the building committee requires. I learned that when I went to the building committee last October. They told me that I had to replace my driveway if they did ditching in front of my home. **Glenn Dalton** – That was put in there, Bob, because you do not currently have a culvert. If in the future, it is established that drainage is needed, then you would be required to put in a culvert. **Bob Lowrance** – And again, I don't have a problem with that. I just want to make sure we're all on the same page.

Conversation Ensued about who should pay the culverts and the replacement of the driveways. That was left undecided.

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Monte Thus – The issue I have is how do I determine if I own the culvert or if it part of the Association? **Roger Rawson** – The only way to determine that is to have your land surveyed. **Bob Lowrance** – Typically the culverts are on Association owned property. **Dave Decker** – Roger, I agree that if we are going to put out a ditching plan, we need to figure out who is paying for it. But, if the Association is going to incur that cost or even if they're not, we need to stop the bleeding. I think we need to consider if we are going to have concrete poured all the way to the road. Because, all that's going to do is continue to drive up the cost for all that work if we continue with that methodology. **Shaun Diltz** – And that's why we asked for that recommendation. **Roger Rawson** – The question is do we modify our hard surface to the road rule or do we stop it at the property line and make it asphalt to the end. **Bob Lowrance** – Typically the culverts are on Association owned property. That said, if someone paves over the culvert, they are paving over Association owned property. So if we go in and tear out and put in new culverts and ditching, we are not required to replace that hard surface on our culverts. We would only be required to put rock or something over it. The homeowner, at their expense, if they chose could go in and replace that with concrete if they wanted to. We would not be tearing up their driveway since it's on Association owned property. We would probably need to go a step further and let the current owners know that if it is Association owned property and we have to put in ditching or culverts, they would also be responsible for the hard surface if wanted at the end of their driveway.

Dave Decker – One of the weaknesses that I see in our building plan is that we don't require surveys when a new lot is purchased. **Bob Lowrance** – I don't see that as a weakness. No community requires surveys. **Dave Decker** – I'm not any other community. We have issues out here with people not knowing where they're building things such as a house or a pool. I think anytime anyone builds a house or does a significant addition we should require a survey. We have rules that say they have to be set back so far from the property line, but we do not know where that is. How can we enforce a rule when we do not know where the property line is? **Bob Lowrance** – I personally would not want to see that because it's just an additional cost for the homeowner. Typically, if you talk to the neighbors, they can tell you about where the property line is. **Jeanne Abert-Martin** – How much does a survey cost? **Bob Lowrance** – A survey can cost between \$750-2,000. We have a local surveyor that is pretty reasonable out here, Larry Stahlhut and he is usually between \$350-500. **Glenn Dalton** – That was one of the reasons why we had the 4 benchmarks established. That drives the survey cost down. We have local benchmarks throughout the community. **Roger Rawson** – When I bought my property I had it surveyed because I wanted to know. **Bob Lowrance** – I had mine surveyed too, but I don't want to make it a requirement for everybody. **Conversation Ensued.**

Dave Decker – Motion to require a survey on all new house builds and any significant improvements that require concerns with the property lines.

Roger Rawson – Seconds.

Bob Lowrance – Discussion? **Dave Decker** – In my opinion, if you're building the value of houses that we're building out here, the cost of \$350-500-750 is not going to be a hindrances to someone doing that. We've had multiple instances out here of property being built or approved where the property line has been a problem.

Jeanne Abert-Martin – What about fences? **Bob Lowrance** – Do you want to be more explicative in your motion?

Dave Decker – What do you think? **Bob Lowrance** – If we were going to do it, which I would probably vote against, we should probably do it for everything, fences especially. **Glenn Dalton** – Fences are our worst case because you have to know the property line to put up a fence. **Bob Lowrance** – The reason I got my survey was to put a fence up because of the pool. **Jeanne Abert-Martin** – I think we need to look back to see how many times this has been a problem historically. **Dave Decker** – I can think of 2 or 3 issues in the last 3 or 4 years. **Jeanne Abert-Martin** – I just don't think I can vote in favor tonight without a little background. **Dave Decker** – Just so you have a little background, we have a Rule Rule where we have a Motion and a Second with no vote. The rule gets documented and then we talk about it for at least 28 days and we can make revisions to the rule, and have conversations and at the end of it, you come up with a final rule which is then voted upon. If you have anything you would like to add we will get that documented before the vote. **Bob Lowrance** – I think it should be all inclusive.

Dave Decker – I have a hard time including ditching because a guy can walk out with a shovel and do it on his own. He doesn't have to get a permit. **Shaun Diltz** – Would it just be anything you have to get a permit for? **Dave Decker**

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- I think you need to tie it to the permit itself and you need to take a look at what items are needing permitting requirements.

The Rule Rule for requiring a survey will be put on the Agenda for the next meeting.

Conversation Ensued about both the culverts and driveways. It was decided by the Board that they would address these issues again at the next meeting and that the Survey Rule would be pertinent to these issues.

It was decided that Shaun Diltz would be the Rules Chairman.

Village Exploration Affirmation

Roger Groth, 1027 - I am here representing the Incorporation Exploration Committee. You were give what the committee believes is the final verbiage of the Affirmation. We would like this to go out in the November mailing. We believe that all the changes that you recommended have been made to this document. Conversation Ensued whereas the Board decided that they would like a short explanation of what the Affirmation is and any information that is available to the community. It will be used for the duration of this process was my understanding so I would be happy to try to answer any questions. There's a blank on this in the first paragraph and that is left blank for Andy Carruthers, the Association attorney he will have a recommendation number and a date when this is actually recorded. So that has to do with the boundary. He has one or two more changes to make and I know he works with our committee but he also works with the Board in getting the association boundary legal description solidified. That's where he will record it and that will be the date it is recorded. I'd be happy to entertain any questions you have and hopefully we can get this approved this evening for the November mailing. **Bob Lowrance** - Any questions? Motions? **Shaun Diltz** - Not of the language of the affirmation, just about the incorporation in general. I was hoping to see some of the documentation because all I've received since the May meeting is this document to say "let's look into it". **Roger Groth, 1027** - It shouldn't be the only thing you've seen because we've given reports and updates on the process. **Shaun Diltz** - I received one set of minutes but I think my email was wrong. **Roger Groth, 1027** - If you wish, you can ask me the questions and I won't presume that you've asked them before and I will try to answer them to the best of my ability. **Shaun Diltz** - One of the things that we asked for was a list of rules we can change to protect the lake and the association. **Roger Groth, 1027** - When we first started to look at the rules of an Incorporation, the boundary for incorporation was about 8 square miles, much beyond the Holishor Association boundaries. So it was within that framework that we first took a very quick down and dirty look see to see what bylaws would need to be changed or added to protect the Association membership rights in the event of Incorporation. Now it's only on the Holishor Association boundaries. We are going to have to redo our look see and our bylaws. It eliminates any other concerns about what to do about the members of our Association. We don't have anything to give you at this point. **Dave Decker** - If we become Incorporated, there's nothing to stop the incorporation entities from expanding its boundaries. **Roger Groth, 1027** - That's correct Dave. We realize that, but still we feel as though for now we have the known to work with when looking at the bylaws. When I did the minutes of our meeting this week, this is our first next step to start working on the bylaws. We would certainly be engaging you with that, but we don't have anything ready at this point. **Dave Decker** - I would just like to make sure that it protects the members of Holiday Shores Proper vs. anyone that might not be a Holishor Association member. I think you need to continue to take that approach. **Roger Groth, 1027** - I think we will, but we really need to adjust our initial thinking on it. I think that we have to get a starting point for this boundary and we do have concerns that reach beyond that as the municipality would function. First, we need to have the membership take a look at this boundary and how we would deal with what I would call the initialization of the municipality. We are not going to lose sight of the concerns of the membership. We just don't have a document that we've worked out hard enough to present to anybody. Jerry Theodore, 1346 - Our theory right now is that we would like to make the rules as close to what they will be as possible so that they do not get caught up in the rumor mill. **Roger Groth, 1027** - A legal description of the boundary is a must. Another thing that we need is the actual population of the area and assessed valuation of all the property within those boundaries. Then we can begin to go where we would all like to go as to what a Municipal budget would look like. Then we can start on the revenue side. Sales tax revenue and property tax revenue is all based on the population and the valuation of the properties. Then we could figure out how much the revenue would potentially be. You will be involved in every facet of that. What

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we're trying to do now is find the cheapest way to get this to the membership which would be in the November mailing. There's going to be a lot of people that say 'Hey I need more information on that'. We will just be using this form to get the people who do not need additional information out of the way quickly, so we can see who still has questions and answer those questions. **Jeanne Abert-Martin** - What kind of timeframe is there on a person signing this and returning it? **Roger Groth, 1027** - There isn't one because it takes 2/3 majority vote of members. This process will last a very long time. We will ask them with a simple cover sheet if they feel that they can affirm this now to return the document signed. If they can't, we will end up going door-to-door with this in all likelihood just like it had to be done with the Covenants. The law is written in a way that before you can really go after the incorporation you have to have this affirmation. The membership has allowed us \$2,500 in order to do this investigation and we're trying to do this the cheapest way that we can. That is why we would like it in the November mailing. **Justin Patterson** - I understand there is supposed to be a lot more information with this affirmation possibly a map and a little bit more explanation. **Roger Groth, 1027** - I think what we see as our next step is to have talking points available to the staff to answer any questions that this will generate. I don't think that we're in a position to have a map the affirmation says with the boundary is which is the boundary of Holishor Association. We intend to have a cover letter that states facts as we know them at the time. We think we have about 2 or 3 weeks before that mailing package has to go out and volunteers will have to stuff the envelopes. I wouldn't envision with what we know now, if we could get the assessed valuation in the population. We can make a factual projection of income and I think that would be important to have in a cover letter to this packet. But if we don't get the affirmation approved in time we will have time to do that. We would like not to pull the numbers out of the air. We would like it to be based on population statistics. **Monte Thus** - Will we see a final packet that will actually be mailed out? **Roger Groth, 1027** - Yes. **Bob Lowrance** - I would like to see a motion tonight to get that approved **Shaun Diltz** - I'd rather have the information that we're asking for and pay a little more later on. As a board member I need the most information to make the best decision for the population out here. **Roger Groth, 1027** - I can appreciate that. Ever since I got involved with this I've been looking for more information. It's just a question of what's fact and when can you produce it. Starting point would be some of the bylaws that would change. **Jeanne Albert-Martin** This is before that though. We are just putting something out there. **Justin Patterson**- People will look for information, more than this piece of paper. Bullet points Which we don't yet, all we have is this piece of paper. **Bob Lowrance**- Would you like to make a motion Jeanne? **Ray Garber 1822**- In regards to this affirmation the membership authorized \$2500 and wanted us to pursue this. **Dave Decker**- Investigate not pursue **Ray Garber 1822**- Yes investigate. I am a member of this committee, and I think a cover letter would be something to the effect, attached is a letter of affirmation, this is part of the investigation, there isn't going to be a lot of detail. **Conversation Ensued** whereas Roger Groth explained that this document would be used to allow the Committee to begin the process of having the municipality put on a general election ballot so that it could be voted on. They pressed that they would need 2/3 of the membership to sign the affirmation in order to even consider putting it on a ballot and that there is still another step before it goes on the ballot. This is part of the investigation to see if the Committee should continue to pursue this. Everyone agreed that there needs to be talking points added to the mailing and given to the office. **Dave Decker**- There is a difference between pursuing and investigating. Once you send this out, you are no longer investigating, you are pursuing. **Justin Patterson**- What I would like to see. Those bullet points we are talking about on a cover letter. A companion document would be needed. **Roger Groth 1027** We will get you that document next meeting about bylaws, revenue streams, and next steps. **Bob Lowrance**- Jeanne you were going to make a motion earlier before you got interrupted. Would you still like to do that?

Jeanne Abert-Martin - Motions to put the document into the fall mailing packet with the exception that we would like to see a cover letter at the next board meeting of November 9th. The cover letter should be have basic language that this is step 1. We would also like the last sentence of the first paragraph and the third sentence of the last paragraph bolded.

Monte Thus - Seconds.

Shaun Diltz - - You did mention a 2/3 signatures needed and Scott had mentioned that there might be some kind of legislation passed for this community that would require less than 2/3. I would like to know if there's been any information on that. **Roger Groth, 1027** - There has been no movement on that. The original movement was to

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possibly work that issue was Senator Haines, but that has not happened with any significance and the election of Representatives is all very much up in the air so that I would say that nothing would happen in that regard until we see who our representative would be. The committee has done nothing further with that issue. I would say that we were trying to abide by state law and if that state law on change, we would have an adjusted goal perhaps. **Shaun Diltz** - As I was saying before, you have that \$2,500 to work with and I think that you are Jumping the Shark with putting this out there right now based on the small cover letter of the investigation. We would like you to tell us more information. If you have people sign a paper to say whether or not we would like to put on the ballot. My worry is that in the stuff that you discussed tonight there is no other board involvement in this process. This is our last involvement besides reading the cover letter. In the next steps to becoming incorporation there is no other board involvement, it goes to the public. **Roger Groth, 1027** - You will be looking at the cover sheet between now and the mailing. **Dave Decker** - No he's talking about before it actually gets put on the ballot. According to the process that you laid out tonight and Scott laid out last time, if this is sent out and we get the required number of signatures, then we move forward and we get the required number of signatures on a petition, it goes to the General election. Nowhere on the next two or three steps does it say anything about the Board. Once this is approved and sent out, there is no further vote by the board in this process other than expenditures. **Roger Groth, 1027** - If I were a board member I would recognize that this committee serves of the board. If I was worried about with this committee was doing, I would issue a charter. I would ask it for an action plan. I would ask it for all kinds of benchmarks. But you've asked for nothing because you don't manage things in that way. If it were me, that's what I would do. So I'm kind of at a loss. We're not going to do something that you don't want to do. But you have to tell us what we can or can't do as a committee. The easiest way to do that from when I sat in your chair was to issue a Charter. If you want us to hold a town hall and you would like to approve the talking points at that town hall, you need to tell us that. **Dave Decker** - I agree with everything you just said but the reality is we haven't been seeing all the minutes and we have asked for some things. At the last meeting we asked for a couple of things and the only thing we got back was this. To your point, yes, we can ask for things and we do need to try to force getting those, but the reality is that just because we asked doesn't mean we get it. But your idea of the charter and the management of it, I agree with 100 %.

All in favor - Roger Rawson, Monte Thus and Jeanne Abert-Martin

All Opposed – Justin Patterson, Dave Decker and Shaun Diltz

Tie Breaker in favor- Bob Lowrance

Action: Motion Carries

Jerry Theodore1346 The reason I was shaking my head no earlier, is this isn't the only vote on this. The only reason we are asking for a vote now is so we can make that November mailing. **Shaun Diltz**- Whether we did it now or March this is the last vote this board has based on the steps listed. We just pushed this through without having more information than this piece of paper, that was the point I was making.

Port Lane Project

Not discussed

New Business

Dam Spillway Project

Glenn Dalton – You have a small read ahead there for discussion. We're still pursuing that with our Engineers. They were not able to come out this week and we have expressed our concerns for the amount of distance that we have to go back in the spillway to meet that 2 inch flow. We want to ensure that our Spillway is not damaged any repair that we would have to make in that area and would like our engineers to find that data. **Dave Decker** - My opinion is that we shouldn't pursue actually doing any work on this effort other than the engineering study without Board approval. **Glenn Dalton** – Yes.

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ICS Accounts (Board Approval)

Monte Thus - We have a bylaw that states that we cannot exceed the FDIC insured amounts at a bank. We have a number of accounts in each of our banks but this is based on the total per tax ID number not per account. There are times that we have been exceeding the \$250,000 limit. What we would like to do is open up an additional ICS account for Angie to put money into and then just move the money as we need to use it. This would be on the operating side. We also have an ICS account that is on the Reserve side so we're not concerned with that. When she gets money and she will move it into the ICS account and then she can move it out as needed. **Ray Garber, 1822** - The way that I understood it we would have 1 ICS account with 2 subaccounts. **Monte Thus** - I'll check in on that. **Ray Garber, 1822** - There will be a Money Market account that would be a 1 day resting spot so you might have 1 day that you are exceeding the \$250,000 limit. **Dave Decker** - Not if you time it right.

Dave Decker - Motions to open another ICS account to handle the operating funds in the Bank of Edwardsville.

Jeanne Abert-Martin - Seconds.

All in Favor.

Motion Carries.

CD Laddering

Monte Thus - I sent an email out and it looks like it was in the packet also does anybody have any questions about what the finance committee is proposing on the 5 year CD ladder. The bottom line is over 5 years, you're looking at \$19,266 more than the way we're doing it currently and that's based on the interest rates on the sheet. I don't know if they'll be higher or lower by the time we implement this. It will create more work for the office staff and the Treasurer to maintain this, but for \$20,000 I think it's worth the effort. **Dave Decker** - Are these the investments with? **Monte Thus** - I still have a question on First Clover Leaf. **Shaun Diltz** - What's the question? **Monte Thus** - Bob, your wife works there? **Bob Lowrance** - Yeah, but this is the first I've seen First Clover Leaf. As a matter of fact, my wife would probably be involved. **Conversation Ensues** about whether First Clover Leaf can be used due to Bob Lowrance's wife's employment. Board agrees that it might be a conflict of interest to put the accounts there for now. The Board decides to pursue other banks for these CD's until at least after her retirement. The Board also agreed that they should have a documented philosophy on how these accounts are placed so that future Treasurers and office personnel are aware of how to manage the accounts. It was also discussed that the Board would approve the process and the finance committee could then placing the accounts based on rates and amounts designated by the Board. The Finance Committee will look into rates at other banks and the will brought to the next Board Meeting.

Open Floor

No Discussion

Dave Decker - Motions to adjourn to executive session. **Roger Rawson** - Seconds

Action: Motion Carries.

Meeting adjourned at 9:10 p.m. to Executive Session.

Meeting minutes submitted by Shaun Diltz.