

**MASTHOPE MOUNTAIN COMMUNITY PROPERTY OWNERS ASSOCIATION
GENERAL MEMBERSHIP MEETING
MARCH 12, 2016
PROPERTY OWNERS LODGE**

Transcriber: Kelli Myers

10:02AM

Bruno deVinck stated we have a quorum.
Meeting called to order and Pledge of Allegiance said
Bruno requested a motion to appoint a chair of tellers and an assistant.

Bruno deVinck requested a motion to waive the reading of the Minutes.
MAKER: Jim Fox 284FW
SECOND: Charlotte Brutkiewitz 153FW
MOTION PASSES BY VISUAL INSPECTION.

10:06AM Treasurers Report – Dan Clark, report from January, see attached.

10:08AM President's Report-Dan Clark, not much to report at this time. Perrier course will be completed. It is located near the courts. Benches will be put in place at various stations. We did get new TV's in the lodge. We will be moving forward with storage for canoes and kayaks at the beach. The Board is always willing to listen to any property owner's suggestions or comments.

10:13AM Manager's Report-Randy Schmalzle-The culvert project on Falling Waters came out well under \$100,000 under the anticipated costs. The money will go back to the roads account. Feels we are falling behind on our road maintenance. Our road bid packets will be ready by the end of the month. We analyze which roads need the most work and prioritize them. If a road falls off the list this year it will be put back on next year. There is a big Aqua project taking place on Heritage this year also. Horse trails were expanded. Board appointed a new Committee-Beautification. First project will be looking at the four corners. There are new ATV rules and regulations. Another new committee that formed this year is the Boating Committee. They will be reviewing the current rules and regulations and will make recommendations to add/replace any of the rules in place to the Board of Directors. Winter Report-Ski opened January 15th this year. They made more snow this year than any other year. It was a winter that wasn't. The new equipment was huge in allowing the mountain to open. Alpine Ski Area went bankrupt this year under its new owners. Unfortunately, Ski's #s were way off. They lost Christmas week and lost a couple of days during Presidents Week. Ski presented MMC with the profit sharing check of \$201,014. Ski also pays for a portion of utilities, payroll, supplies, etc. Ski plans to redevelop terrain using the Cerulli property. It was never intended to use the house on the property. This lot allows for tubing and beginner slope expansion. No money will be coming directly out of your pocket. There is already funding in the reserve account. We are asking to borrow money out of the reserve and pay it back over the next four years.

10:24AM Bruno compliments Recreation Management in how they operate the ski business.

10:26AM Bruno asks for approval of the November GMM minutes.

First: Jim Fox 284FW

Second: Roberta Hoose 121FW

Minutes approved by visual inspection.

10:28AM Property Owners Time:

Jerry Ferrioulo 861FW- Applauds Recreation Management for their hard work this year maintaining ski. Question is reference to roads-the Aqua project beach was not a good repair job. Are we going to repair it? Randy responds that Aqua tells us in advance about their upcoming projects. So we delay paving until they are done with their project and their repair and then we will repave over it. Our engineers do review Aqua's plans.

Dan Clark gave the budget presentation. See attached. Dan explains how they create the budget for the year. They start by looking at operating expenses and then looking at departments that generate income and then look at dues collected.

Roberta Hoose 121FW- Asked if we could send out a survey about the Marketplace and what products would people like in the market that they are able to get at the Woodloch Market. Randy answers that the Woodloch Market is a matter of convenience for contractors and others that used to frequent the Marketplace.

Walter Delisle 473FW- Wants to know if there are any reps from Lackawaxen attending these meetings and would like to know what Lackawaxen pays for in regards to road repair. Dan responds that Lackawaxen doesn't pay for any of MMC's road repair.

Dan Clark stated that Lackawaxen has not had a tax increase since 2012. Masthope has 23 miles of road in the community that we maintain.

Fred Suljic 162MR- Masthope Plank Road is a state road not a township road.

Walter Deliese 473FW- Community keeps raising dues and people cannot afford the increase. He asks how many people use the stables. Dan responds that a lot of people use that stables and it is a selling point to the community. Walter states ski is a business that MMC should not pay for it. Dan explains that MMC owns the mountain and all of the ski equipment. Recreation Management runs the facility. They also just gave MMC a check from their profit for the season.

In 2005, people wanted Masthope to be an amenity community not a retirement community. Dan reinforced that it is a "recreational community" not a "resort community".

Jerry Ferrioulo 861FW- In regards to the Reserve Funds do any line items go away? Dan responds he that does not see the current discretionary line items ever going away. Jerry asks do we need to keep voting on new line items. Dan stated that it is for transparency purposes. So the public knows what the money is used for. The \$53 is MAR is for Major Asset Reserve.

Louis Bell 347FW- asks if the building is insured. Dan answered yes there is insurance on the buildings. Louis says that some of the budget line items seem like duplications. Randy stated that there is capital and operational. i.e. vehicle- there is maintaining our vehicles (operational) and there is maintenance vehicle which is for the purchase of a new vehicle. Capital Reserve is for the future. Money that is being put aside now for future projects. The \$34 could be put in one main group but it is itemized for property owners to see what their money is going towards. Randy continued that he does not believe that there is enough in the Capital Reserve. He recommends funding this more. He feels that we should have well over a million in reserve.

Rose Perotti 164RF- She was concerned about insurance on the building. Randy stated our insurance is fine. She asks how much do we have in Capital? Dan answers that we have over \$1million plus \$400,000 required by HUD.

Preamble

Whereas the By-Laws of Masthope Mountain Community Property Owners Council requires the Board to adopt an annual budget only after obtaining approval of the majority of those Voting Members voting at a membership meeting either in person or by Directed Proxy, a proposed operating budget has been mailed to the Masthope Mountain Community Property Owners Council for review and approval:

Motion # 1

1. Approve addition of \$31.00 to each 2016-2017 operating dues assessment for each single improved and single unimproved lot. Adjoined lots are prorated according to agreements for joined lots. The base operating dues assessment for a single improved property will be \$1, 325 and the base operating dues assessment for a single unimproved property will be \$1,125.

Yes 183

No 109

Whereas money is needed for maintenance vehicle replacement, public safety vehicle replacement, fitness equipment replacement, lake and pool furniture, and computer replacement, the cost of these items will add \$34.00 to each Capital Assessment:

Motion # 2

2. Approve addition of \$34.00 to each 2016-2017 capital assessment for new capital items.

Yes 184

No 114

Preamble

Whereas the community landscaping and signage needs some attention and there an ongoing need within the Maintenance Department to periodically replace maintenance equipment (lawn mowers, etc.):

Motion # 3

3. Approve addition of \$14.00 to each 2016-2017 capital assessment for the purpose of Community landscaping/signage and Maintenance equipment rotation.

Yes 186

No 115

Preamble

Whereas a number of proposals for the development of lot MR 343 and adjacent property have been reviewed and considered, and whereas, as a result of this review, management has submitted a proposal for developing this recently purchased property and the adjacent existing property on the top of the ski mountain, and whereas this proposal will require property owner approval at the upcoming March 2016 budget.

1. The current structures on lot MR343 will be removed to allow for the development of additional skiing terrain and snow tubing expansion at the top of the mountain.
2. Enter into a contract with a professional consultant to create a land development plan to include a National Pollution Discharge Elimination System, development of a Storm Water Plan to be submitted to both the Pike County Conservation District and Northeast Regional Office of PA DEP and development of all surveys and maps detailing the property.
3. Plan will include improved lighting, expanded parking, additional snowmaking, re-grade entire areas with fill obtained from Aqua project in the community. Plan will also include relocating the electrical feed pole currently located at the top of the project and the possible relocation of the surface lifts and the addition of a 3rd surface lift if required.
4. The projected funding for this project will be \$200,000, with 100,000 to be taken from the existing ski reserve and 100,000 to be borrowed from the capital reserve fund.
5. The \$100,000 borrowed from the general reserve shall be repaid from ski funds in two installments by the 2019-20 and 2020-21 budget years.

Motion # 4

4. Approve the allocation of \$200,000 towards the development of the top of the ski mountain to include lot 343 MR. \$100,000 from ski reserve and \$100,000 from capital reserve. This money will come from the capital reserves and will not result in any assessment to the community members.

Yes 218

No 75

Rose Perotti 164RF-asks if this project is start to finish or could costs increase? Randy responded that it is turnkey. Any differences that would occur will decrease costs.

Bruno deVinck's closing remarks-he purchased in MMC because he was impressed with the amenities. He expresses that we have a quality operation in Masthope. As a board member, he toured the entire community from the stables to the restaurant and was very impressed by all of the facilities. Our fireworks are an impressive display every year. He reiterated that everyone has the right to see where spending is done in the community from all of the departments.

Dan Clark added that July is the election of officers. 4 slots will be open. Board member's agenda should always be "community at heart".

11:32am Meeting Ajournd

Treasurer's Report for Period Ending January 31, 2016

UNAUDITED

Collections

	Jan 15	Jan 16
Total	2,070	2,056
Billable	1,771	1,757
Paid in Full	1,580-89%	1,574-90%
Outstanding	191	183

Income and Expense- YTD

	<u>Dec 15 YTD</u>	<u>Jan 16 YTD</u>
Revenues to date	\$3,449,298	\$3,695,025
Expenses to date	2,852,536	3,185,214
Net Surplus (deficit)	596,762	509,811

The Summit

Rev. to date	768,706	947,160
Exp. to date	816,636	941,147
Net Surplus (deficit)	(47,930)	6,013

The Market Place

Rev. to date	299,450	343,903
Exp. to date	304,365	342,302
Net Surplus (deficit)	(4,915)	1,601

Summit/Market Net Surplus (deficit)

	(52,845)	7,614
--	----------	-------



2016-2017

Proposed Budget

Operating Budget

Food and Beverage Budget

Capital Budget



Membership Dues Determination

1. Determine Projected Operating Expenses by Department \$2,523,500
1. Determine Projected Revenue generated by Department \$ 253,600
2. Subtract Projected Revenue from Projected Expenses \$2,269,900
3. Projected Revenue Prior Year Dues & Late Int. Inc. \$ 81,000
4. Amount required from Membership for Operations \$2,188,900



Projected Operating Expenses by Department

Administrative	456,500
Institutional	705,000
Lodge	93,000
Activities	45,500
Fitness	68,000
Stables	201,000
Lake & Pool	152,500
Other Amenities	11,500
Maintenance	419,000
Public Safety	338,500
Collections	9,500
Beach House	23,500
	2,523,500



Administrative Department Expenses

- Increase budget from \$428,000 to \$456,500
 - Increased Items
 - Payroll
 - Payroll Expense
 - Lease for Copy Machine



Institutional Expenses

- Increase Budget from \$697,000 to \$705,000
 - Increased Line items
 - Road Repair & Maintenance (225,000 from 250,000)
 - Insurance



Lodge Expenses

Decrease Budget from \$105,500 to \$93,000

Decreased Line Items

Utilities (Split with Summit/Ski)



Activities Expenses

- Decrease budget from \$56,500 to \$45,500
 - Decreased Line Items
 - Payroll Taxes
 - Raffles /Parties/Fireworks



Fitness Expenses

- Decrease budget from \$68,500 to \$68,000
 - Decreased Line Items
 - Fitness Building Repair and Maintenance
 - Drinks/Towels , etc.



Stable Expenses

- Increase budget from \$198,000 to \$201,000
 - Increased Line Items
 - Animal Care



Lake & Pool Expenses

- Decrease budget from \$155,000 to \$152,500
 - Decreased Line Items
 - Payroll & Taxes



Other Amenities Expenses

- Increase budget from \$7,500 to \$11,500
 - Increased Line Items
 - Landscaping
 - Utilities
 - Repair and Maintenance

Maintenance Expenses

- Decrease budget from \$466,000 to \$419,000
 - Decreased Line Items
 - Vehicle Maintenance (due to upgraded vehicles)
 - Seasonal Staff
 - Payroll Taxes
 - Gasoline



Public Safety Expenses

- Decrease budget from \$357,000 to \$338,500
 - Decreased Line Items
 - Payroll
 - Vehicle Repair and Maintenance
 - Gasoline



Projected Operating Revenue by Department

Administrative	\$178,600
Activities	15,000
Fitness	4,000
Stables	21,000
Collections	35,000

253,600



Administrative Income

- Increase from \$170,500 to \$178,600
 - Increased Line Items
 - Admin. Fee (Renters)
 - Late Fee
 - Newsletter, Bulletin Board, Ads



Activities Income

- Decrease from \$18,000 to \$15,000
 - Decreased Line Items
 - Events



Fitness Income

- Decrease from \$5,500 to \$4,000
 - Trips and Events Fees



Stables Income

Increase from \$18,500 to \$21,000

Increased Line Item

-Retail Sales

Food & Beverage Budget

Projected Food & Beverage Results	
Summit Income	1,372,000
Market Place Income	460,000
Food & Beverage Income	1,832,000
Summit Expense	1,332,500
Market Place Expense	449,500
Total Food & Beverage Expense	1,782,000
Summit Profit/Loss	39,500
Market Place Profit/Loss	10,500
Food & Beverage Profit/Loss	50,000



Summit Income

- Increase from \$1,298,000 to \$1,372,000
 - Increased Line Items
 - Beach Café Sales
 - Liquor, Beer, Wine
 - Restaurant Food Sales



Market Place Income

- Decrease from \$510,000 to \$460,000
 - Decreased Line Items
 - Lottery
 - Sales



Summit Expenses

- Increase budget from \$1,248,000 to \$1,332,500
 - Increased Line Items
 - Payroll & Payroll Taxes
 - Purchases
 - Repair and Maintenance



Market Place Expenses

- Decrease budget from \$475,000 to \$449,500
 - Decreased Line Items
 - Payroll & Payroll Taxes
 - Purchases



Ski Assessment

Ski Assessment per single lot	\$175
Larger Assessment for Combined Lots	
Ski Capital Loan up to \$3,200,000 to be paid by 10/2023	
Current Balance of Loan as of December 2015	\$ 1,896,288.75



Lodge, Beach & River Park Assessment

Lodge Assessment per single lot	\$100
Larger Assessment for Combined Lots	
Lodge Capital Loan \$1,500,000 to be paid by 3/2027	
Current Balance of Loan as of December 2015	\$728,579.53
Beach & River Park Assessment per single lot	\$52
Larger Assessment for Combined Lots	
Beach & River Park Loan \$747,082 to be paid by 01/09/2029	
Current Balance of Loan as of December 2015	\$649,162.04



Capital Expenditures

Current Contractual	Amount	Individual Assessment
Ski Assessment	285,250	175.00
Lodge Loan Assessment	163,000	100.00
Back Hoe	12,000	7.00
Beach Building/River Park	84,760	52.00
Reserve Fund Contribution	86,390	53.00
Total	631,400	387.00



Capital Expenditures

New Capital Item (to be voted on)

	Amount	Individual Assessment
Community Landscaping	13,040	8.00
Maintenance Equipment Rotation	9,600	6.00

Total New Capital Items 22,640 14.00

Current Annual Discretionary

	Amount	Individual Assessment
Maint. Vehicle Rotation	18,000	11.00
Public Safety Veh. Rotation	16,300	10.00
Fitness Equipment Rotation	6,113	4.00
Lake & Pool Furniture	7,743	5.00
Computer Rotation	<u>6,520</u>	<u>4.00</u>
Total Annual Discretionary	54,676	34.00



Proposed Dues & Assessments

	Operational	Assessments	Total
• Improved			
– Improved	1,325.00	435.00	1,760.00
• Unimproved			
– Unimproved	1,125.00	435.00	1,560.00