

**Masthope Mountain Community
Board of Directors Meeting
January 26, 2019**

Transcriber: Kelli Myers
Beach House

8:35 AM Meeting called to order and Pledge of Allegiance said.

Roll Call: Present –Foster McCoy, Bruno DeVinck, Dan Clark, Ed McClary, Michele Torre, Jim Fox, Anthony Falcone, Eugene Principe, Peter Torchio and Gerhard Buhler.

Absent: Richard Neidkowski

Bruno asked for approval of the agenda. Dan Clark calls for a point of order. He explains that in the Bylaws, a special February Budget Meeting was to be scheduled. This is where the Board would discuss and vote on the proposed budget to be mailed to the membership. There is no meeting scheduled. He continued that it is a Bylaw requirement. Gerhard explained that they were going to add the budget discussion and vote to this meeting. Timing has been limited since the material for the General Membership Meeting needs to be sent out by February 7th. Dan explained that if they are going to handle this situation in this manner then they will need to change the bylaws. Michele asked if this meeting was put on the meeting calendar back in July. Dan added that the Board did not create the calendar for the year. Randy answered that they did create the calendar; the Board approved it. Anthony asked what are we going do? Foster volunteered to run the meeting on Saturday, February 2nd at 10am in the Summit. Since it is a special meeting, attendance is not required but a quorum is needed.

Bruno asked for the Approval of the Minutes from the December 15th, 2018 Board of Directors Meeting.

The Minutes were approved unanimously.

Treasurer's Report- for period ending December 31st, 2018. Gerhard Buhler-see attached.

Eugene stated that the Marketplace's losses are climbing. Randy stated that he will address this in his manager's report.

Treasurer's Report was approved unanimously.

Correspondence Report-Ed stated that no correspondence was received. Michele added that there was correspondence, but it will be addressed in executive session. She wanted to acknowledge that correspondence was received, and it is going to be discussed.

Foster called for Committee Reports

- a. Ski & ATV-Randy-The weather has been challenging. It rained for 10 hours on Thursday. The rain did not do a lot of damage to the ski mountain. Hopefully the next storm will bring snow. The holiday week's business was not good. MLK weekend was not good due to the bitter temperatures. It caused some ski areas to close. The Summit still had good numbers for the holidays. Sunday is the winter carnival. Everyone is invited to join in and have some fun.
- b. Audit-Maria Porter-no report.
- c. Strategic Plan-Rose Perrotti-The Committee wants to start up Survey Monkey. They realized that Masthope does not have a dedicated data base of just Masthope property owners. The first step is to create one. The Committee created a draft of a contact form that they hope the Board will approve today and add it in the General Membership Meeting Mailing.
- d. ECC-Peter Torchio-The month has been slow. See attached. He asked the Board regarding temporary structures, such as greenhouses if they are permitted. Dan stated that there is not to be anything temporary on a lot. It is unacceptable. Bruno agreed with Dan. Ron Tussel added that the Handbook states no temporary structure may be habitable. Dan stated that this should be addressed with the Document Committee.
- e. Westcolang Lake Association- Gerhard Buhler-The meeting was cancelled in January.
- f. Documents-Gerhard Buhler-The Committee put out a draft of the proposed Covenants. The Board received three documents: a letter to the Board, Covenants draft, and a list of items removed from Covenants and an explanation as to where they should be placed (Bylaws or Handbook). Bruno commented about all the complex work that has taken place from this Committee. The Board is asked to review the new document so that questions can be addressed during the February meeting.
- g. Fire Prevention-Jim Fox-Nothing burning.
- h. Beautification-Leatrice Langer-The Committee will be scheduling a meeting in March. They will discuss what other projects they would like to do in the future. She feels that there is some money left in the Committee's budget for this fiscal year and they would like to utilize the funds before the next fiscal year begins.
- i. Ski RFI/RFP-Ed McClary-Nothing going on currently. Gerhard's Pass Policy Committee is getting ready to make a proposal. Once that takes place, then the Ski RFI/RFP will begin working. Everything pertaining to the pass policy and the Ski RFI/RFP are tied together.
- j. Pass Policy Review-Gerhard Buhler-The Committee has had seven work sessions. This Committee will be meeting with the Amenities Committee. They will be writing up a proposal after their meeting.
- k. Amenities-Anthony Falcone-The joint committee meeting will take place on the 9th. He feels that this Committee needs to sit with the Strategic Planning Committee. He feels that there is a lot of overlap and both would benefit from meeting with each other.

President's Report-Ed McClary-Nothing much to report. Weather has been a challenge for ski.

Manager's Report-Randy Schmalzle-see attached.

Discussion continued about the Marketplace and the loss incurred. Randy explained that there is a comprehensive analysis being done on the Marketplace. Inventory, prices, staffing and hours are being analyzed. Overall prices do need to be increased. He will have a report for the next Board Meeting. Eugene asked about the market selling six packs of beer. Randy and Dan explained that there are legal requirements to sell six packs of beer and wine. There needs to be a designated area, sitting tables, designated staff and register. Randy could look into this option further. The goal is to turn the Marketplace around. Woodloch has admitted to losing money by selling gas at their market. Jim explains that our market is convenient for the weekenders. Most full-timers go to Honesdale or Hawley to shop. Randy added that there are some full-timers that are in the Marketplace everyday to get coffee, lotto tickets, newspapers or sandwiches. Dan explained that some of the locals can't drive into Hawley so they will go into the Woodloch Market a couple times a day to buy six packs of beer. Anthony asked if they are looking to eliminate some products from the market. Randy answered that they are looking into all aspects of the Marketplace. Randy continued that years ago, the Marketplace had electrical supplies, tools, etc. There were \$10,000 worth of product that did not sell. We needed to eliminate those items. Bruno added that the cost from the vendors in a low volume market are higher. Bruno reminded the membership that we may have to pay more but the benefit is the convenience of not running to Hawley or Honesdale to shop. Randy explained that at times we go to the Dollar Tree and buy items then raise the prices and resell the product in our Marketplace.

Gerhard asked if they were going to have any Ski Compliance Days. Randy answered that he will speak to Ron and get one scheduled.

Peter asked if Randy looked into the phone recording systems for the office. Randy put out some inquiries and is waiting to hear back from the companies.

Old Business:

DMAP Report-Peter stated that the DMAP Program was a big success even though there was a late start. He thanks Randy and Ron Tussel for all their help in making this a success. There were 16 hunters, 19 deer were harvested, 2 deer were donated to a food pantry. There were no injuries or property damage done. We will start a DMAP initiative again next year in October. Michele asked if this would need to be voted on again. The answer was yes, the Board would need to vote on the DMAP Program annually. Dan compliments Peter, Randy and Ron in the execution of the program. Taking the proactive steps will make this easier for the following year.

New Business:

Bruno explained that there are four motions to vote on after property owner's time. Michele read the motions for the members in attendance.

Property Owners' Time:

Robin Hoose 121FW-Asked about the approved Aqua rate. Randy answered that once the settlement is completely done, it will be posted. Ed added that there are different rates that apply to usage amounts. Aqua will be removing the sewer availability fee. Randy added that the removal of the sewer fee will be a significant savings for Masthope. Gerhard contributed that the rate increase will be lower than originally proposed. Randy complimented the experts that Masthope hired to argue the rate increase.

Bill Chillianis 204MR-Regarding the Marketplace, the concern should revolve around why people should go there to shop and focus on waste and theft. People need a reason to shop in a store. Being familiar with a convenience store operations, loss is based on waste and theft. He doesn't know how that is being investigated, but it generally reflects back on the employee with the most control. There is a big attitude disparity between 2 different groups of employees that work in the Market. He had an issue with a cup of coffee, the employee working was nice and apologized and said to get another cup. Another time, he asked if there was a specific creamer and was answered that if it wasn't there then they are out of it. Attitude is a big issue. There is the ability to make a good product at the Market. He feels that cutting hours are not an option. Randy repeated that they are looking at all the operations of the Marketplace. He continued that at one time, they contemplated expanding the marketplace to incorporate a seating area. They may entertain a completely new business plan. Staffing is a high priority in this analysis also.

Frank Tavella 849FW-He asked if there is a way to track freeloading, people getting stuff for free. Randy responded that he hopes no one is getting things for free. He explains that coffee and fountain drinks are provided for staff. He continued that there is a discount plan in place for staff. They are reviewing that as well. If the market is losing money on that, then the discount policy in place will end. Bruno explains how the food and beverage departments were operating at a loss years ago. He compliments Randy on his efforts to bring the Food and Beverage departments into the black. He continued how staffing is important. The industry is unpredictable and weather dependent. Frank asked if there is the ability to share staff from other departments at busy times. Randy answered that would be too difficult to do. Eugene asked if managers have records of sales from prior years. Randy answered yes, they do.

Bill Chillianis 204MR-He has witnessed items leaving the Marketplace without being paid for by staff members plenty of times.

Robin Hoose 121FW-Asked if there are cameras in the Marketplace. Randy answered yes, there are.

Bill Chillianis 204MR-The ATV Committee fell apart. Only 3 attended that last meeting was Eugene, Peter and himself. The questionnaire that was sent out showed that the majority wanted to leave the rule as is. He feels that the majority that sent in the questionnaire did not care what the rule was. He also feels that the rules were interpreted wrong. When the rule was changed 18 months ago, it was done wrong and the questionnaire interpretation from the office was also done wrong. Ed answered that he doesn't see the returned questionnaires as people not caring but as the members wanting to leave the total at 4. Bill asked what about the rule interpreted wrong. Ed answered that it doesn't matter if some interpreted it wrong, the majority want it left at 4. So that is where the rule will stay for now.

Frank Tavella 849FW-Asked did the ATV/UTV rule change. Ed answered that the rule changed from 4 ATV's/UTV's and 2 golf carts to 4 ATV/UTV/golfcarts. Bill stated that Ed is still interpreting the rule wrong, it was 4 ATV/UTV and 2 Golf Carts/APV's.

MOTION 01:01:26:19

Whereas the Strategic Planning Committee is collecting data to contact property owners

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the Masthope Mountain Property Owner's Contact Information attached to be distributed to all property owners.

**FIRST: MICHELE TORRE
SECOND: BRUNO DEVINCK
MOTION PASSES: FOR 10, AGAINST 0**

MOTION 02:01:26:19

Whereas a new public safety vehicle needs to be purchased.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the purchase of the Ford Public Safety Vehicle for the cost not to exceed \$41,500.00. Funds will come from the public safety vehicle replacement line in the amount \$16,000. The balance will be financed with a one-year note, which will be included in capital reserve items to be settled. (First approved electronically on 1/16/19)

**FIRST: FOSTER MCCOY
SECOND: GERHARD BUHLER
MOTION PASSES: FOR 10, AGAINST 0**

MOTION 03:01:26:19

Whereas Masthope Mountain Community has been offered a negotiated rate from Aqua.

Therefore be it resolved that the Masthope Mountain Community Board of Directors approves the negotiated rate schedule settlement presented by council from Aqua. (See attached settlement offer) (First approved electronically on 1/16/19)

**FIRST: FOSTER MCCOY
SECOND: GERHARD BUHLER
MOTION PASSES: FOR 10, AGAINST 0**

MOTION 04:01:26:19

Whereas Committee members must be approved.

Therefore be it resolved that the Mashope Mountain Community Board of Directors reappoints the present Appeals Committee members.

FIRST: ED MCCLARY

SECOND: PETER TORCHIO

MOTION PASSES: FOR 9, AGAINST 0, ABSTAIN 1

Public Meeting Adjourned 10:07am.

Executive Session began 10:17am.

Executive Session ended 10:50am.

Meeting Adjourned 10:51am.

Treasurer's Report for Period Ending December 31, 2018

Unaudited

Collections - YTD

	Dec 17	Nov 18	Dec 18
Total	2045	2039	2039
Billable	1745	1741	1719
Paid in Full	1594	1596	1607
Percent	91.3%	91.7%	93.5%
Outstanding - Lots	151	145	112
Outstanding - Dues		\$253,945	\$204,400
Total Bad Debt Lots	53	53	31

Unrestricted Income and Expense - YTD

	Dec 17 YTD	Nov 18 YTD	Dec 18 YTD
Revenues to date	\$2,509,319	\$2,588,786	\$2,611,899
Expenses to date	\$1,917,112	\$1,739,429	\$1,937,213
Net Surplus (deficit)	\$592,207	\$849,357	\$674,686
Margin (Net/Revenue)	23.6%	32.8%	25.8%

The Summit - YTD

Revenues to date	\$1,014,977	\$879,084	\$1,083,453
Expenses to date	\$983,136	\$882,370	\$1,022,660
Net Surplus (deficit)	\$31,841	(\$3,286)	\$60,793
Inventory		\$42,307	\$53,871

The Market Place - YTD

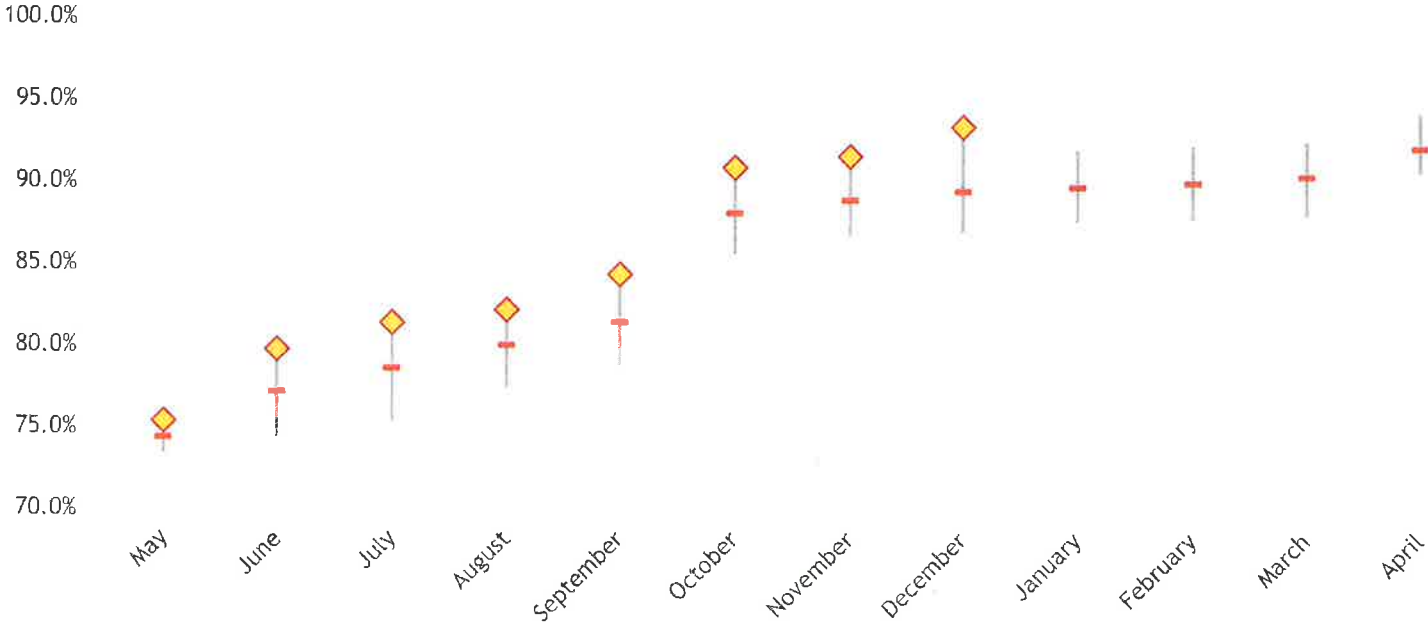
Revenues to date	\$343,686	\$288,745	\$333,479
Expenses to date	\$362,699	\$323,986	\$375,068
Net Surplus (deficit)	(\$19,013)	(\$35,241)	(\$41,589)
Inventory		\$38,610	\$29,649

Summit/Market Net Surplus (Deficit)

	\$12,828	(\$38,528)	\$19,204
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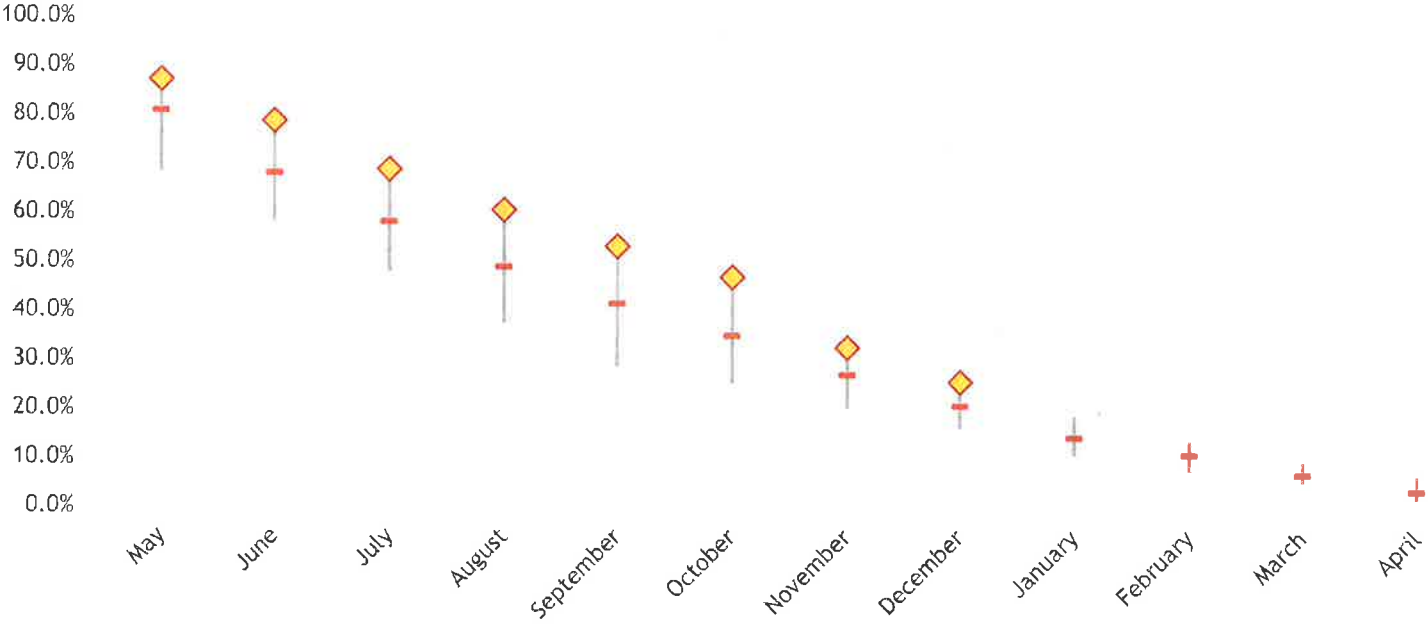
COLLECTION CHART - YTD

High Low Average Current



OPERATIONS CHART - YTD OPERATING MARGIN

High Low Average Current



Managers' Report

January 26, 2019

Projects:

1. Top of Mtn – Work continues.
2. Drainage Repair
3. Road work – Shoulder work will be done in spring.

Public Safety

1. Ordering new vehicle.

Maintenance

1. General work continues.
2. Road side tree cutting will be done over the next two months.
3. Several plowing and heavy icing events this past month.

Food and Beverage

1. Ski season is going well.
2. Complete review of all market place items to review inventory levels and pricing.
3. Staffing has been good.

Administration

1. Collections have been moving forward, several larger balances paid or on payment plans.
2. Aqua case, settlement agreement has been reached. When finalized it will be posted.
3. Holidays have been very busy with rentals.
4. Ski has had difficult time with several members who are not updating passes or not having passes with them. Also, have cited several members for passes being used by people other than on the pass.