

Birchwood Lakes Community Association, Inc.
Annual Meeting Minutes
August 25, 2012 @ 9am
Clubhouse Room

Present: Charles Ritson, President, Clare Bennett, Vice President, Marcella Livingston, Treasurer, Linda White, Secretary, Thomas McConnon, Carolyn Martin, Joanne McInerney

Absent: Carl Fredrickson

Also Present: Bettye White, Community Manager, David Horvath, Esq., and Wm. Owens, Auditor

President Ritson opened the meeting at 9:05am with the Pledge of Allegiance.

President Ritson recognized Member George Aber by presenting him with the first Volunteer Recognition Award for his years of dedicated service to the Community. Mr. Aber spent many years participating on several Boards and Committees and, in particular, his service to beautification has provided us with many beautiful planting areas including the tremendous garden outside the clubhouse.

President Ritson announced the results of the recent vote. A total of 213 votes were received. Of these, five votes were invalid.

Reserve Withdrawals - 155 yes; 45 no – Passed.

By-Law Amendment - 155 yes; 42 no - Passed.

Vote Tally for four candidates with four openings:

Joanne McInerney – 145; Clare Bennett – 144; Carolyn Martin – 134 and Leonard Glamann – 132

President Ritson explained voting procedures per the By-Laws: the three (3) three year terms will be filled by Directors McInerney, Bennett and Martin and the one (1) year term filled by Director Glamann.

Director Glamann assumed his seat on the Board at this time.

Bill Owens from Wm. Owens & company – reviewed the audit noting it was a good year from operational standpoint. He reviewed reserves/surplus summarizing that overall the community is in good standing. He voiced some concern on the financial impact that may arise out of the 3 outstanding items without known costs: the salt issue, 739 Entrance and finalizing the dam permit.

President Ritson summarized activities for year noting that we are making progress: Community Manager Bettye White was out for some time due to an accident, we had two significant mold problems; lost and hired a new maintenance man; two rec coordinators; hired a part time collections clerk due to problems with delinquent accounts. We have a 25% membership delinquency rate. We are beginning to see a positive impact as a result of hiring our collections clerk. We are receiving many requests for payment plans to repay delinquencies.

Salt Contamination at Maintenance yard: We have a member who is unable at this time to pull water from his well and the Board has approved the installation of a water tank in his home. Agreements on this are being prepared.

We continue with field testing. Had 15 members tested for conductivity and recent tests indicate that in many of the homes readings were lower than previous test in April. Quarterly testing will be held the end of September on those

homes that returned their authorization letter. We require that authorization to go on property in order to access water.

Bottled water is being provided to 12 families.

We have a permit now to do modifications on the Maintenance Yard Well, and this will happen next month. 48hr well test will be done to run two adjacent wells to pull plume towards well to influence plume and speed. If helpful, we may do for longer and in other areas.

We are getting updated survey by Cornerstone and the upgraded maps will be available next month.

We are evaluating several BLCA sites for a central water system.

Another meeting will be held with members in the affected area, and new board will take this up in October.

Septic Compliance: Over 700 out of 871 total homes are in compliance with new septic rule. The Township is instituting a septic program but timing is not known.

Pool: As part of the reserve withdrawals vote we approved an additional \$40,000 to go towards the pool renovation. An agreement has been signed with Wade Associates, who will develop bid package and monitor pool renovation.

Crossing Road: We are in the final stages of the permit application. Lengthy application including an EIS, Ecological Studies as well as financial responsibility must be addressed (done thru a CD/bond). PADEP has confirmed they are satisfied with the projected timeline. We will file for the permit this Fall and the permit process can take a year for DEP to approve so we are looking at approval in 2014 with construction in 2015.

739 Entrance: President Ritson summarized DOT requirements, specifically their request for installation of a left turn lane. We need to reduce volume of vehicular movements by 35 cars per hour for about two hours coming in this entrance between 4 and 6pm. Cost of a left hand turn is projected at approximately \$250,000. The Board is looking to move the guest call box to Doolan Road (which is the main entrance for the community). Next year, we hope to put one at the Silver Lake entrance. We are also looking at delinquent accounts and limiting their card access from 4pm-6:15pm (peak hour issue). The Board is trying to find a way to resolve this entrance issue so that we can get the permit without additional cost to the Members.

Office: President Ritson reviewed the mold problems encountered. The Board has decided to move the office staff to the conference room in the Clubhouse. Estimates to repair current office building were over \$100,000.

Maintenance yard: The board decided to table this upgrade while we work to resolve the salt contamination issues.

Committee Reports:

By- Laws: Director McInerney, Chair summarized recent and proposed changes to the By-Laws.

Recreation: Director McInerney, Chair summarized various cancellations due to problems with clubhouse, noting several other recreational events added since. Bingo started late and has a small turnout. The two young adult pool parties worked out well. This evening there will be a spaghetti dinner – bring desserts to share. Next weekend is the Annual Pool Party, Sunday is Community Garage sale (sign up at the office if interested) and next Sunday night is Jackpot Bingo.

Rules & Regs: Director Martin, Chair summarized process of 1st and 2nd Reading of proposed changes to Rules and Regulation, noting that this committee works closely with By-Laws Committee.

Community Affairs: Director White, Chair summarized newsletter activity, noting we have a new publisher, that we are sending USPS and by email, and that more volunteers are needed. Next Newsletter will be out in the fall.

Roads Committee: Vice President Bennett, chair summarized roadway work. Outer drive (will monitor to see how it holds up); drainage project to be undertaken (Butternut and Basswood is all torn up with icing problems) and is scheduled to be done. Tar and Chip program continues with several roads being done this week. Permit for Butternut/Basswood is with the Conservation District.

Lake Management: President Ritson, chair summarized noting this was not an active year. We monitor lakes on monthly basis. We reviewed East Lake which is having problems (it is the largest and shallowest of all our lakes). Treatments are not effective. We are working on it. Lower Lake is in good condition, and Middle Lake is good but for the peat islands in this lake. Upper Lake was in deplorable condition yesterday – not as deep and is down about 2'. The portion of lake that fronts East Lake Drive was in terrible condition. Surprised that members living here didn't complain. Treatment rep is coming in next week. Lake Management is planning a seminar at the pool about the lakes. Lake Management supported the Aug. 5th fishing contest.

Capital projects – President Ritson, chair noted there were two meetings (April 27th and July 21st) and reviews were made on salt issue, putting renovation of existing Maintenance Yard on hold, Crossing Road the 739 entrance and renovation of our pool. There were comments about not using maintenance site to store salt, and the Board stated that have not done so for a while and will not store salt on site. We will be bringing in salt from off site to ensure our roads are in good condition this winter.

Budget Committee: Director Livingston, chair indicated this committee will start their meetings in September in order to have a budget draft available to the Board in November to go out for a December vote. These are concentrated meetings, and members invited to join this important committee to offer their input. The Board moved reserve vote from December to August vote to give more time to get roadwork done within time frame so we can have roads done in spring vs. late fall. The committee is also looking at arrears and payment plans and will work with Wm. Owens, our auditor on a 3-5 year financial assessment.

Public Safety: Tom McConnon, Vice Chair noted the Chair, Ted Balke is no longer a member of the community. He noted there are four meetings a year, and asked the public to bring ideas and concerns to the Board.

He also added that he serves on the Lake Management Committee, and that they did a good job with the addling program with geese, finding 25 eggs.

Beautification Committee: Director Fredrickson, absent. President Ritson summarized the changes made to the 739 Entrance. Director White also asked residents to join and consider donations of some perennials for this area when pruning this fall, requesting them to call the office and arrangements to pick up will be made.

Property Development: President Ritson summarized we continue to buy back lots from sheriff sale repository process for \$25. These lots are usually unbuildable lots and are added to our open space. This year we purchased 15 lots to add to our green space and common area.

Collections: We took in \$86,000 from collections. While this is just a small amount owed, it demonstrates that we are making progress with our aggressive collections program and will continue to do so.

Grants: We received an \$18,990 grant from PALMs. Some of these monies will be used to repair Old Oak Court for storm water upgrades; some will be used for erosion problem at beach area; and some to create the riparian buffer and to remove some of the gravel that fell into lake from last year's hurricane.

OPENED TO PUBLIC:

Cosmo Penetolli, East Shore Drive, spoke of a water condition on his property he feels is caused by water coming down from common property onto his lot. He expended a great deal of monies trying to correct, asking the Board what they can do. President Ritson indicated this is first time Board is aware of this. Were there written complaints made? His son in law, Joe Symon, indicated there were written complaints to the office summarizing the work done on this lot by homeowner. President Ritson indicated the board is not familiar with this problem, but will review this concern immediately.

Daniel Studnicky, East Maheli Drive, requested a copy of the test results done on his water. These test results were sent to Brian Oram and once he reviews them they will be released to the individual homeowners. The prior results will be mailed out at the same time. President Ritson confirmed all members in the program will get their results next week (both test results).

Paul Gangi, Tamarack Trail, noted he was involved with the original community association development. He asked for a legal ruling on the legal responsibility in relation to the salt issue as a community, especially if we are dealing with repair/replacement of plumbing in these homes. He asked if homeowner's insurance wouldn't cover this contamination requesting legal opinion of our attorney.

He noted concern with possibility of a recycling center being developed opposite our entrance on Route 739, asking that the Community be united on this and take action now.

Attorney Horvath answered that he is advising the Board on the obligations of the Association. President Ritson stated that we have a State agency involved that believe the Board is taking the right approach. This is an Association problem and we have to make it right. We can look at precedence. If the Association doesn't make it right, who will? We went to our insurance carrier; this issue is not covered under our policy.

Fred Fischer, Arrowood Drive complimented the Board that the untidy properties are getting better offering suggestions on other ways to address this. President Ritson indicated that the issue of untidy properties is a focus.

Jim LoBianco, Bitterfern, complained about the mailbox area say that it is in deplorable condition, asking why Maintenance couldn't clean up areas with litter, etc. President Ritson noted staff is supposed to do this, but members shouldn't wait for annual meeting to complain, but, instead, should be submitting complaint forms to the office.

Julia Butbraugh, Persimmon Drive shared the same concern on littering along roadway.

Dan Capano -Butternut – made statements on Dam Safety Permit, noting this has been going on since 2007, and all that is on file is a Letter of Intent. As to the 739 Entrance issue, this has been a problem since 2005, and that DOT is upset that nothing has been done yet. He noted all are entrances have same permitting deficiency. He indicated he has offered to manage these projects to move along, but the Board has not been receptive. He complained he still has not received an answer from the Board on what happened to the second pool, e.g. how was it removed, it not voted on by membership? He complained the Office Renovation Project has been since 2004, and nothing has been done yet on this.

President Ritson responded that the Board did answer Mr. Capano on the pool noting we sent all of the information we found available on this issue. Mr. Capano argued that the 2 pools were transferred from the developer to a newly

formed BLCA. He continued that membership dues are paid for roads/clubhouse/and we are paying for a pool that is filled in. Attorney Horvath stated that the Membership is not paying anything on an amenity that no longer exists and, therefore, does not incur costs.

Mr. Gangi assisted by volunteering that the original developer, All American, did not provide what was asked of newly formed developer at that time, noting he was involved with the original negotiations with All American Realty. Although he gave us two pools, it was decided at that time, for economic reasons as well as damages, to close one pool. This issue did not go to membership for a vote at that time.

President Ritson asked Mr. Capano what is his objective in contacting DEP and DOT and putting out false information and innuendo, and to say we will not answer questions is not true. There is no hidden agenda. The Board has a great working relationship with DOT/DEP but they made it clear they do not like it when individuals call up and complain and that is why they were angry. Calling the agencies is creating problems for the entire Association, confirming to the membership there are no lies here, or hidden facts, and that the reason for a voting procedure is to allow membership to vote or replace us if they are not satisfied with what we are doing.

Director Glamann added that when he was President in 1992-1993, he heard that the pool removed had a cracked liner and the property manager at that time had it plowed in. He noted that Act 180 wasn't in place at the time the pool was removed.

Sue Reser, Primrose Lane, noted she is a landlord and asked for clarification on the audit as to the \$47,000 noted as security deposit, asking what part of this is expense. Bill Owens explained. Director Livingston also explained that renting to a family member does not require a security deposit.

Chris Diaz, Outer Drive, voiced concerns on speed on this roadway asking why the Board didn't consider installation of speed bumps during construction. Vice President Bennett noted we are installing speed bumps, and we are considering putting one here also.

Vincent Stefanelli, East Shore Drive, voiced concerns with lake problems, noting the aerators are broken since 2002, and concerns on fencing at Beach No. 2.

Barb Gibbons, Tulip Road, feels we should be cognizant of trash in our areas, and to pick up those areas near us that are littered.

Director McConnon noted we are a community with the lowest dues structure, and asked our auditor about collections and delinquencies. Mr. Owens felt it was hard to make a generalization, but that the Community and Board are hamstrung because dues increases must be voted on by the Membership. Although we are lower than most other communities, our outstanding dues are on the high side. From a financial standpoint, our reserves are higher but we also have several issues that may affect that. We are staying within budget and accumulated monies, but our collection rate is low at 70% but Mr. Owens noted that the Board is addressing this by the hiring of a collections clerk and aggressively going after delinquent accounts.

Cosmo Penetolli spoke again about the water problem on his site, noting the water runoffs go under the road and dump into lake, and how does the Board make decisions on these issues? President Ritson indicated we did a storm water drainage study with an engineering firm, which identified hot spots where there was storm water problems confirming the Board will look at his issue.

Mr. Gangi feels we should get on the Township with these problems we are having, that every community is facing similar problems, and that uniting in one coalition may make the elected officials look differently at the problems we are

encountering. Director White noted there is an association that is one group. President Ritson confirmed representatives of the Board do attend Township meetings.

No further discussion or comments offered by public.

Motion made by Director Livingston, Seconded by Director McConnon to adjourn the Annual Meeting at 11am. All Directors Voted in Favor. Motion Passed.

Respectfully submitted,

Linda White,
Secretary