

ARROWHEAD LAKE ASSOCIATION
Minutes of the three-hundred and ninth
Regular Meeting of the Board of Directors
June 27, 2009 9:00 AM
Burnt Mill Beach Club

MEMBERS PRESENT:

Scott L. Rindenow – President
Stan Tomlinson – Vice President
Mary Snaer – Secretary/Treasurer
Jeff Altmeyer
Tom Olhasso
Karen Vander Meyden
Ralph Wagner

OTHERS PRESENT:

John Rutledge – General Manager
Sheryl Van Nostran – Administrative Services Manager
Laura Dyberg – Property Manager
Christina Ellsworth – Executive Assistant
Wayne Guralnick – Legal Counsel
16 members in attendance

CALL TO ORDER

President Scott L. Rindenow called the meeting to order at 9:15 AM.

1. FLAG SALUTE

The Pledge of Allegiance was recited.

2. APPROVAL OF MINUTES

May 9, 2009 – Regular Board Meeting

Corrections:

Page 2, Section 5, paragraph 2: change “Secretary Snaer” to “Secretary/Treasurer Snaer” (two instances) and replace “will not be included” with “may not be included.”

Page 4, Section 6, item Adoption of Banking Resolution: strike “(see attached).”

The Board discussed bringing a policy on minutes to an open meeting.

Motion: Ralph Wagner (2nd) to approve the minutes as amended. Vote: all ayes. **Motion carried.**

May 30, 2009 – Special Board Meeting

Corrections:

Page 1, Section 2, paragraph 3: rewrite sentence to read, “Mr. Keller expressed his opinion about changes made to the Bylaws.”

Motion: Tom Olhasso (2nd) to accept as corrected. Vote: 6 ayes, 1 abstention. **Motion carried.**

President Rindenow announced the winners of the ALA Name the Trout mascot contest.

3. **MEMBER COMMENTS**

Director Tom Olhasso spoke about trash that was gathered by a church volunteer group and left on the shoreline to be picked up by the ALA. The trash was not picked up and he apologized to the church volunteer group.

Member Jack Cooperman commended the Board and the ALA staff on the success of the ALA Lake Fair. Mr. Cooperman stated that it was a good interaction of ALA with the community and hopes it will continue in the future.

All other member comments were held until Action Item Village Cove Improvements.

4. **PRESIDENT'S REPORT:**

President Scott L. Rindenow reported that the Board had a special Board meeting on May 30, 2009 to prepare the bylaw amendments for today's meeting. President Rindenow reported that the Fishing Tournament and Lake Fair went well and he thanked all those who have donated to the fireworks. President Rindenow reported that the Board is being cautious with the ALA's finances but the ALA is in good shape financially. The boat inspection program is going well and the ALA has been commended by the state for its proactive program.

5. **TREASURER'S AND FINANCE COMMITTEE REPORT**

Treasurer/Secretary Mary Snaer reported that the Capital and Special Projects budget line items have been assigned numbers. Numbers in the annual budget column were missing but those will be in place at the next meeting. Treasurer/Secretary Mary Snaer reported that the ongoing focus of the Finance Committee is the insurance package.

John Rutledge explained that the ALA will not invest any funds in NCUA insured institutions. All deposits are FDIC insured.

6. **ACTION ITEMS:**

• **Proposed Bylaw Amendments**

The proposed Bylaw amendments were numbered and the Board addressed each change by its assigned number. A 2/3 vote of all Directors is required to adopt, amend, repeal or change the Bylaws.

Number 1: Article II, Section A. paragraph 4: Addition of the definition of "spouse."

Motion: Karen Vander Meyden (2nd) to include. Vote: all ayes. **Motion carried.**

Number 2: Article II, Section F. item 6: Addition of a clarification that Bylaws supersede any rule or regulation.

Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 3: Article III, Section B. item 6: Elimination of two meeting qualification for Board candidates.

Motion: Karen Vander Meyden (2nd) to strike. Vote: 6 ayes, 1 nay. **Motion carried.**

Number 4: Article III, Section C. item 2(a): Addition of clarification of inspectors of election.

Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 5: Article III, Section C. item 2(b): Change of election dates.

Motion: Ralph Wagner (2nd) to change. Vote: all ayes. **Motion carried.**

Number 6: Article III, Section C. item 2(c): Change of election dates.

Motion: Ralph Wagner (2nd) to change. Vote: all ayes. **Motion carried.**

Number 7: Article III, Section C. item 2(d): Change of election dates and addition of a candidate's forum.

Mr. Rutledge explained that only one forum would be noticed by ALA but that does not preclude more forums done independently.

Amendment: replace the beginning portion of the first sentence with: "In the event of a contested election (whether it is a District and/or At Large seat) one candidate's forum will be held between August 16th and . . ."

Motion: Ralph Wagner (2nd) to include as amended. Vote: all ayes. **Motion carried.**

Number 8: Article III, Section C. item 2(e): Change of election dates and addition of candidate's statement policy including statement content and ALA mailing list privacy.

Amendment: include an asterisk after "copying/printing" with a footnote to clarify that if a candidate prints approved material on their own, there will be no copying/printing costs.

The Board discussed whether or not the ALA should release members' information to candidates.

Motion: Ralph Wagner (2nd) to include as amended. Vote: 4 ayes, 3 nays. **Motion failed.**

The Board discussed removing the third sentence of the paragraph.

Motion to reconsider: Mary Snaer (2nd) to include the addition with the following amendments:

1. The end of the second sentence to read ". . . however, that the candidate's statements shall not contain libelous material."
2. Strike the third sentence beginning "If the member . . ."

The Board discussed returning the candidate's statement to being a candidate's statement of qualifications.

Vote: 3 ayes, 4 nays. **Motion failed.**

Motion to reconsider: Karen Vander Meyden (2nd) to include with the following amendment:

1. Only include the first and last sentences in their entirety as follows: “Campaigning may begin on August 16th and will terminate on September 22nd at 5:00 p.m. Candidates/nominees shall have no communication on election issues with any ALA staff other than the General Manager.”

Vote: 6 ayes, 1 nay. **Motion carried.**

Number 9: Article III, Section C. item 2(f): Change of election date.

Motion: Mary Snaer (2nd) to change. Vote: all ayes. **Motion carried.**

Number 10: Article III, Section C. item 2(g): Change of election date and clarification regarding duplicate ballots.

Amendment: strike last sentence regarding duplicate ballots.

Motion: Mary Snaer (2nd) to include as amended. Vote: 6 ayes, 1 Board member out of room.

Motion carried.

Number 11: Article III, Section C. item 3: Change of election date.

Motion: Ralph Wagner (2nd) to change. Vote: 6 ayes, 1 Board member out of room. **Motion carried.**

Number 12: Article III, Section C. item 3(a): Clarification regarding duplicate ballots.

Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 13: Article IV, Section F. paragraph 6: Correction of language.

Motion: Ralph Wagner (2nd) to include. Vote: all ayes. **Motion carried.**

Number 14: Article IV, Section G. paragraph 1: Clarification of chairperson of the Executive Committee.

Motion: Ralph Wagner (2nd) to include. Vote: all ayes. **Motion carried.**

Number 15: Article V, Section D. paragraph 1: Specification of parliamentary procedure.

Motion: Ralph Wagner (2nd) to include.

President Rindenow stated that this bylaw amendment allows the Board to change the procedure currently used to a procedure that the Board chooses. President Rindenow stated he would appoint a Committee to research and review parliamentary procedure for the Association.

Motion to amend: Karen Vander Meyden (2nd) to strike the last sentence of the paragraph which begins “As of the date of this . . .” Vote: 5 ayes, 2 nays. **Motion carried.**

Motion to amend: by Scott L. Rindenow, to keep the last sentence of the paragraph but replace “the ABC’s of Parliamentary Process attached as Exhibit F to these Bylaws” with “Robert’s Rules of Order, Newly Revised.” **Motion not considered for lack of 2nd.**

Vote to include Number 15 as amended: 4 ayes, 3 nays. **Motion failed.** This item will not be included in the bylaws.

Number 16: Article V, Section D. paragraph 2: Strike current parliamentary procedure. No motion made. This item will remain in the bylaws.

Number 17: Article V, Section D. paragraph 3: Correction of language based on amendments 15 and 16.

Mr. Guralnick recommended that the Board not approve Number 17 as amendment Numbers 15 and 16 were not approved. No motion. The changes will not be made to the bylaws.

Number 18: Article V, Section D. paragraph 4: Typographical error.
Motion: Mary Snaer (2nd) to correct error. Vote: all ayes. **Motion carried.**

Number 19: Article V, Section F. item 1: Committee name correction.
Motion: Mary Snaer (2nd) to correct. Vote: all ayes. **Motion carried.**

Number 20: Article V, Section F. item 2: Outlines process for selecting Committee chairpersons and members.
Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 21: Article V, Section F. item 3: Limitation of the number of Directors to serve on a Committee.

The Board discussed limiting the number of Directors to two.

Motion: Mary Snaer (2nd) to include as presented. Vote: 6 ayes, 1 nay. **Motion carried.**

Number 22: Article V, Section F. item 4: President as ex officio member of Committees.
Motion: Mary Snaer (2nd) to include.

Mr. Guralnick stated that the President as ex officio does not add or burden the quorum requirement for Committees.

Motion to amend: Tom Olhasso (2nd) to include only the following:

1. The beginning of the first sentence ending after “. . . at all committee meetings” and the last sentence beginning with “Except as indicated . . .”

Vote: all ayes. **Motion carried.**

Number 23: Article V, Section F. item 5: Addition of non-voting non-members to Committees.
Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 24: Article V, Section F. item 6: Addition of Committee charters as exhibits.
The Board discussed the 2/3 vote requirement compared to a majority vote requirement.
Motion: Mary Snaer (2nd) to include. Vote: all ayes. **Motion carried.**

Number 25: Article VI, paragraph 1: Addition of notice requirement for bylaw amendments.

The Board discussed the requirement for the membership to amend a bylaw. Mr. Guralnick stated that members would need a petition signed by 5% of the membership requesting a special meeting for a ballot measure being put forward to the membership.

Motion: Scott L. Rindenow (2nd) to include. Vote: 6 ayes, 1 nay. **Motion carried.**

Motion: Mary Snaer (2nd) to authorize the General Manager and counsel to prepare a table of contents and add nomenclatures for consistency throughout the documents, not changing any substance. Vote: all ayes. **Motion carried.**

The Board discussed the Committee charters that were previously approved and attached as exhibits to the Bylaws. Mr. Guralnick clarified that the charters are not part of the bylaws but are attached as exhibits for ease of reference.

Motion: Mary Snaer (2nd) to ratify the Committee charters as presented in the bylaw packet. Vote: 5 ayes, 2 nays. **Motion carried.**

- **Adoption of Policy Regarding Disclosure of Members' Contact Information**

President Rindenow presented a policy regarding the disclosure of members' contact information to be approved and to be effective immediately. The Board discussed the ability for candidates to choose the date that material will be mailed. The Board discussed candidates choosing names from member lists that do not show addresses or phone numbers.

Motion: Stan Tomlinson (2nd) to approve the following policy as discussed:

Disclosure of Members' Contact Information – Policy

It is the policy of the Arrowhead Lake Association not to disclose member contact information until such time as the Association has an effective opt in/opt out option for members and until such time as that option is fully integrated into our information systems.

In the interim, the Arrowhead Lake Association will, at the request of candidates, distribute campaign information to members at cost as soon as reasonably possible to either District member lists, to the entire Association member list or selected members chosen by the candidates.

Additionally, the association will honor member requests to contact other members for corporate purposes by mailing correspondence at ALA cost to reasonable numbers of members. This is consistent with current practice.

This policy will be applied as to all member (including Directors) requests to contact other members for corporate purposes.

Vote: 4 ayes, 3 nays. **Motion carried.**

Ralph Wagner and Wayne Guralnick were excused at 12:30 PM.

Action Item Village Cove Improvements – Presentation by Landscape Architect taken out of order.

- **Village Cove Improvements – Presentation by Landscape Architect**

Jack Cooperman reported that the Forest Planning Committee has reviewed the plan to be presented. Scott Peterson, Landscape Architect, presented a plan for pedestrian and vehicular traffic improvements in the area between Dock S 190 and S 225 E. John Rutledge reported the history of ALA improvements in the Village Cove area. The Board opened the discussion to member comments.

Member Anthony Geary was not in favor of the improvements. Mr. Geary stated that a conflict with vehicular and pedestrian traffic has not been demonstrated and the plan would force him to park 100 yards from where he has parked for 34 years.

Member Richard Carr agreed with Mr. Geary. Mr. Carr stated that the cost of the project did not equal the benefits of the project and enhancements to the area would create an “attractive nuisance” for tourists.

Member Mayra Guffin stated that the plan would not allow her to park where she has parked historically and access to her dock would be difficult for her family members who are in ill health. Ms. Guffin stated that she previously discussed a plan to remedy the situation that would allow pedestrians access while providing parking close to the docks but her plan has been disregarded.

Member Jim Gorjans stated that the docks have more value because dock owners can park so close to them. Mr. Gorjans stated the plan would reduce the value of their docks.

Member Michele Laws stated that the culvert has worked well for drainage of the area. Ms. Laws was not in favor of the plan and stated that the plan would make accessing her dock with her aging mother very difficult and, as she cleans the leaves, pine needles and debris around her dock area herself with the use of her vehicle, this plan would make that routine maintenance impossible.

Member John Solberg stated that the area should be left as nature intended.

Member Al Valencia provided photos of the trail and parking area in Orchard Bay. Mr. Valencia stated that the walking path should be moved behind the cars. He stated that the conflict between vehicular and pedestrian traffic exists in other areas including Orchard Bay and if changes are made in one place, it should be done in all places around the lake.

Karen Vander Meyden was excused at 1:09 PM.

Tom Olhasso stated that he has noticed the conflict between vehicular and pedestrian traffic in the area because the dock owners park their vehicles on the pedestrian path.

Mr. Valencia stated that similar conflicts exist in any type of parking lot. Ms. Guffin requested sharing her plan with the Forest Planning Committee.

President Rindenow reported that staff would review the members’ comments and this item would be sent back to the Forest Planning Committee. President Rindenow recognized that no

one spoke in favor of the plan. He stated that members are welcome to attend the Committee meeting.

- **2008 – 2009 Audit Report**

Secretary/Treasurer Snaer reported that the audit contained recommendations with costs that the Finance Committee will take under advisement.

Motion: Tom Olhasso (2nd) to accept the audit report. Vote: all ayes. **Motion carried.**

- **Approval of Contract for Selection of Insurance Broker**

Secretary/Treasurer Snaer reported that ALA's current insurance broker has not been good at customer service so the Finance Committee contracted with Ron Rakich and Associates for a Risk Management Assessment to determine appropriate insurance coverage. Now the Finance Committee with the concurrence of the Executive Committee has authorized contracting with Ron Rakich and Associates to develop specifications for the selection of a qualified broker to select appropriate carriers and have an insurance policy in place by October 1, 2009.

Secretary/Treasurer Snaer reported that a subcommittee has been appointed to discuss the details with Mr. Rakich's associate. Roberta Rindenow and Tom Olhasso with John Rutledge are the members of the subcommittee. Secretary/Treasurer Snaer requested that the Board of Directors ratify the decision of the Finance and Executive Committees to engage Ron Rakich and Associates.

President Rindenow stated that the contract will be subject to the subcommittee getting their questions answered satisfactorily and the ability of Mr. Rakich meeting the October deadline which will be determined at the meeting with Mr. Rakich's associate.

Motion: Tom Olhasso (2nd) to ratify the decision pending a positive outcome to the meeting of the subcommittee with Mr. Rakich's associate. Vote: all ayes. **Motion carried.**

- **401 (k) Trustee Designation and Modifications**

Mr. Rutledge reported that the following resolution is required to maintain compliance with Federal Law. It is the recommendation of staff that the resolution be approved.

ARROWHEAD LAKE ASSOCIATION FORMAL RECORD OF ACTION

The following is a formal record of action taken by the governing body of Arrowhead Lake Association (the "Company").

With respect to the amendment and restatement of the Arrowhead Lake Association Employees 401(k) and Retirement Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended and restated in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company;

RESOLVED FURTHER: That Scott Rindenow, Mary Snaer and John Rutledge are hereby retained as the Trustees of the Plan; and

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary,

appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2009.

Motion: Tom Olhasso (2nd) to accept. Vote: all ayes. **Motion carried.**

- **Approval of Funding for a Restroom in Winter Harbor**

Tom Olhasso reported that it is the recommendation of the Lake Operations and Maintenance Committee that the construction of a restroom on the shoreline in the north end of Winter Harbor be approved as a Capital Project in the amount of \$100,000 and that staff be directed to proceed to ensure that the facility is available to the membership by the beginning of the 2010 season, sooner if possible.

President Rindenow requested that the project be in the amount “up to \$100,000.” The Board directed John Rutledge to get a waiver or reduction of water and sewer connection fees as only current rate payers will be using the facility. The Board discussed adding drinking fountains to the outside of current and future restrooms as a matter of practice.

Jeff Altmeyer recused himself as a dock owner in the Winter Harbor area.

President Rindenow called for a vote to approve the funding of the restroom up to \$100,000. Vote: 4 ayes, 1 recusal. **Approved.**

- **Replacement of Engine and Outdrive for Patrol Boat #2**

Mr. Rutledge reported that the Lake Activities and Safety Committee authorized the replacement of the engine and outdrive for Patrol Boat #2 on an emergency basis. It was requested that the Board of Directors ratify the decision.

Motion: Mary Snaer (2nd) to ratify. Vote: all ayes. **Motion carried.**

7. INFORMATION ITEMS

- **Staff Reports**

John Rutledge reported that the budget is behind last year’s income but it was taken into account in creating this year’s budget.

- **Committee Reports**

 - **Forest and Property Planning Committee**

Jack Cooperman deferred his report.

Shoreline Improvements Committee
President Rindenow deferred the report.

Lake Operations and Maintenance Committee
Tom Olhasso deferred his report.

Lake Activities and Safety Committee
President Rindenow deferred the report.

8. CORRESPONDENCE

There were no correspondence items to discuss.

9. OLD BUSINESS

John Rutledge stated that he accepts full responsibility for the posting of the Annual Members' Meeting notices.

10. NEW BUSINESS

There was no new business to discuss.

ADJOURN – 1:35 PM.

Minutes prepared by Christina Ellsworth

Scott L. Rindenow, President