

WORK SESSION – 12/17/2018

ATTENDANCE: Katie T. / Todd E. / Wayne W. (via phone) / Ronald C. / Dennis J. / Jay H. / Billie Jean S. (skype) / Eric S

MEETING TIME: 6:30PM

AGENDA:

1. Multiple Lot Owners – Discussion was held regarding document from corporate counsel reference SPECIAL USE RIGHT. This will become a new resolution for 2019. Only correction was to change 2019 to 2018 in the last paragraph, first sentence. (see attached document page 5).

Major changes are: No new division of single lots after March 1, 2019. You can't sell a portion of a lot to another individual. Failure to pay for a *special use right* yearly, will result in that privilege being lost. In order to be eligible for *special use right* in 2019 you must have had the special use right in 2017 and 2018.

Those residents eligible for *special use right* in 2019 will receive a separate billing from the office.

There is one normal USE RIGHT per whole lot, which belongs to the individual who has the right to vote for that whole lot. That person's spouse and children under 21 years of age share in the privileges of the normal USE RIGHT.

A person who (1) owns an interest in less than a whole lot or holds a partial interest in a whole lot and (2) holds no right to vote may purchase a SPECIAL USE RIGHT for the same amount as the maintenance fee for that year. A person's spouse and children under 21 years of age will share in the privileges of a SPECIAL USE RIGHT held by that person. Contained within a SPECIAL USE RIGHT are the following rights:

1. Right to register motor vehicles, Land Craft and Watercraft.
2. Right to have no more than two Motorized Watercraft on the Lake at one time.
3. Right to register for ice fishing.
4. Right to reserve the Holiday Lake Powell Park Shelter.
5. Right to reserve and rent the Holiday Lake Community Center.
6. Such other rights the Board of Directors may determine should apply if requested.

Payment for a SPECIAL USE RIGHT may occur on or after March 1 of each year and shall expire on April 30 or the first business day thereafter of the following year. The maximum number of SPECIAL USE RIGHTS that may be issued in connection to any one whole lot is four (4). The regular USE RIGHT for the whole lot associated with the SPECIAL USE RIGHT must be paid prior to any SPECIAL USE RIGHT being issued.

SPECIAL USE RIGHTS connected with ownership of a partial lot must be maintained from year to year beginning in 2018 or the right to acquire them will be lost as to that partial lot. Maintaining the right requires payment in full on or before June 30. Further, no transfers of an interest in a partial lot occurring after March 1, 2019, shall carry with it the right to purchase SPECIAL USE RIGHTS.

Motion to accept as written by: Dennis Jones 2nd By: Jay Hoskey
Aye 6 Nay 0 Abstain 0 Motion carried by voice vote.

2. CONFIDENTIAL – NOT FOR PUBLIC DISSEMINATION

3. CONFIDENTIAL – NOT FOR PUBLIC DISSEMINATION

4. Employee Handbook - Final draft of Employee Handbook presented to Board. Following resolution was APPROVED as to page 1-a Welcome page. Final approval given for Employee Handbook.

The Association shall not employ any person on a full-time basis who has a financial relationship with a board member or officer, or who is married to or cohabitates with a board member or officer. A board member or officer shall take no part in hiring, supervising, reviewing or terminating a person related to them within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) or with whom they have a financial relationship. A spouse of an employee or a person who cohabitates with that employee may not be placed in a direct or indirect supervisory or subordinate relationship with that employee.

Todd made motion to approve page 1-a of Employee Handbook as written. 2nd by Dennis. Roll Call vote. Motion passes.

Aye	Ron Crooks	Aye	Dennis Jones
Aye	Todd Eiler	Aye	Bille Jean Snyder
Aye	Jay Hoskey	Nay	Wayne Worthington

5. 2019 Plans and reports for roads and Chip & Seal expansion (getting roads to chip & seal in the next 4 years).
Eric completed a spread sheet with a corresponding map showing a 4 – 5-year plan. Spread sheet showed last several years where and how much chip and seal were used. Discussed map. Todd, Dennis and Eric are to work on completing the plan and bring back to the Board for approval in January.
Dennis and Eric spoke of wanting to buy a vibrator, packer, double roller road equipment for approximately \$10,000 to \$14,000 used. Discussion held expressing opinions of it would be nice, but is it practical? After roads are chip and sealed, we wouldn't be able to use it. Todd stated he is looking at getting a couple more bids on sealing the roads, other than Manatt's. Todd said it may be cheaper to rent a machine for a week or so each year, rather than buying one. Eric to negotiate with Manatt's about possibly renting a vibrator when needed.
6. Budget needs and plan to accommodate road plan—i.e. earmark all recreational sticker income to roads, realistically look at amounts listed in budget for coming year. Some discussion and punt to another work session.
7. Seasonal Employees – a) **Beach/Park/Campgrounds**—This position will be absorbed within the Association. Andy will be expected to open and shut the gates daily. He will also check to make sure the bathrooms are stocked. Deb Rhoads will be asked to submit a contract proposal for cleaning of the bathrooms from April to November. Looking at a wage of \$12.00 per hour. Discussion centered around collection of campground fees. It was decided to have Eric build a free-standing collection box and see if Security would be willing to include this task in their bid.
b) **Compost Monitor**—Will become a contract position, not a part-time employee. Will let for bid in January with deadline in February for applying. Probably same wage of \$10.00 per hour. Hours will be every Saturday from April 6, 2019 to November 9, 2019. Hours are from 9:00 am to 3:00 pm.
c) **Seasonal clerical**—Sharon Herman has already expressed interest. She has worked for us in the past—knows the job, is personable and reliable. She will be offered seasonal office employment at the rate of \$10.00 per hour.
8. Fine for no-sticker: \$250.00. This will be included in multi-owners per lot resolution. Failure to pay Special Use Fee and continue to use the amenities of the Lake will result in a \$250.00 corporate assessment.
9. Realtor Update / Meeting - Will compile a packet of documents needed by Holiday Lake when property is bought and sold by them. Will set this meeting up in January.
10. Septic's – It has been reported by JD Griffith, County Sanitarian, there are several mechanical units not being properly maintained. According to the law—all mechanicals must be tested twice per year with the reports being forwarded to the County Sanitarian. Eric to contact and coordinate with JD regarding non-compliance. Currently Poweshiek County has a system of monitoring compliance and fines for non-compliance.
11. Collections – 1) Do we continue with current method of collection via attorney? (2) Do we drop collections after so long on the books. Some have been out there 20 years + (3) Do we hire a collection agency for a percentage of the amount collected? (4) Assessing total costs to debtors---Tom's response as follows:

As to your question about the attorney fees of collecting unpaid maintenance fees, the "American Rule" provides that each party pays their own attorney fees unless there is an agreement to the contrary or a statute that otherwise provides. There is nothing in the covenants or the *Stevens* case that provides for assessing collection fees against the lot owner, and I'm not aware of any statute that so provides. Attempting to assess fees when there is no clear basis can create liability for the Lake because maintenance fees are probably in the nature of a consumer debt and controlled by the complex provisions of the Fair Debt Collection Practice Act.

Even the fees assessed for late payment have no absolutely clear basis under the controlling documents, although the *Stevens* case does give the Board the "Power to prescribe and enforce civil penalties for the violation of any rule or regulation prescribed by the Board . . . , which may be enacted pursuant to any Court decree issued as a result of this action." Stretching that language to include attorney fees would potentially lead to liability.

The fact that attorney fees can outweigh the amount collected is a common problem for all creditors collecting small amounts. No doubt, this is why the *Steven* decree included the option of creating a mechanics lien under chapter 572, believing this would create an inexpensive path for collections. Unfortunately, that path really needed more clarity at the time and has since been made even more complicated by amendments to chapter 572. It is possible the mechanics lien approach in *Stevens* was never implemented because the covenant changes in 1992 cleared a path for bringing actions for the “collection of accounts” in Poweshiek County courts.

Lots of discussion regarding this topic. Will contact attorney for legalities of releasing unit and lot numbers of delinquent accounts.

12. Excessive Dock lengths—58-foot length and 53-foot length. Both extend farther into water than allowed by rules and regulations which is 30 feet. One property currently up for sale—with or without docks. We want to insure the rules are followed by the new owner. Discussion was held. Jay Hoskey made motion to have corporate counsel draft a letter to both parties requesting they bring their docks back into compliance (30-foot maximum). 2nd by Todd Eiler.

Aye 6 Nay 0 Abstain 0 Motion carried by voice vote.

13. Del Sherwood building permit. Del initially requested extension of building permit to complete landscaping, etc. He then requested to include enclosing of carport. After being informed of current requirements, Del and Carol withdraw the modification of the carport —but still wanted approval for an extension to current building permit to complete planned landscaping.

Motion to accept: BJ Snyder 2nd By: Ron Crooks
Aye 6 Nay 0 Abstain 0 Motion carried by voice vote.

14. Fundraisers by community members – A request has been made by a non-lot owner to hold a medical bill fundraiser for a resident of Holiday Lake who is also not a lot owner. Decision was made to adhere to the Holiday Lake Community Center policy stipulating you must be a Holiday Lake lot owner and rent the facility and provide documentation of insurance.

15. Playground/Train repairs –

Motion by Dennis Jones: Playground fund used to buy rock and for any other expenses needed to make the project useable and safe. Seconded by Jay Hoskey.

Aye 6 Nay 0 Abstain 0 Motion carried by voice vote.

Lake and Parks Fund will pay for repairs on the train. Eric is to coordinate with the volunteers. The train will be rebuilt with new materials. Eric to give volunteers the option of securing their own materials or having Eric order the wood from Brooklyn Building Supply and have it delivered.

Jay made motion to adjourn. 2nd by Todd.
All Aye---motion carried by voice vote.

Adjourned at 9:37 p.m.

ATTEST TO:

Katie Tomlinson, President

**All work sessions as special meetings will be recorded, and minutes taken.
The waivers of notice shall be filed with those minutes.**