

Public Meeting Minutes (Wednesday, June 29, 2022 – 6:30pm-7:30pm)

Attendees (Restaurant): David Davis, Traci Aita, Jeffrey Poth, Lena Fowler, Jacob Meyer, Kevin Ferrra, Cody Hess & Karen Amici. Attorney Joe Baranko and Attorney John Lisman were also present. Approximately 45 owners attended.

President's Report (Dave Davis):

- Approved May 25, 2022 Board Meeting Minutes.
- Approved Dec 2021-April 2022 Pre-Audit Financials. Approved May 2022 Financials.
- Addressed Lake Access Rights for Blooming Dreams Development/ Deep Wood Lakes/Seth Maurer- Attorney John Lisman addressed the attendees regarding the litigation.
- Discussed the 2022-2024 Swale/Paving project. Board and GM are working to get a start date.
- Discussed the 2022 Dam Review Engineering Proposal- DEP timeline remains unchanged. On target to submit plans to DEP in September 2022. This project will be a significant expense to the Association. The Association is looking into grants, loans and special assessments to potentially cover the cost, which is unknown at the present moment.
- Discussed the Significant Increase in Insurance Coverage. The Association currently has zero open claims. Administration is pursuing insurance options. The goal for the Association is to have zero claims filed for 2022.
- Butler Twp Short Term Rental Ordinance- BML has indicated that it will comply. Only 4 properties in BML were registered to short-term rent prior to 7/20. 2 will be notified by Butler Twp to cease and desist. Any other properties determined to be short term renting unauthorized will be noticed to Butler Twp Zoning.
- Main Entrance Reconfiguration Study- tabled due to financial considerations
- Emergency Exit- Association is still looking for alternative routes. The Board apologizes that this matter has not found a solution.
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Department Reports (Highlights):

- **Restaurant**
- **Maintenance**
- **ACC/Security Code Enforcement (Karen Amici)**
- **Recreation (Karen Amici)**

Committee Reports (Highlights):

- **Advisory (Dave Davis on behalf of Chris Blazic)**
- **Appeals (Blanche Kania)**
- **Finance (Jeff Poth on behalf of Kevin Walsh)**
 - **Public Safety (Michael Kloton)**
- **Volunteer (Blanche Kania)**
- **Restaurant (Joel Sokol)**

Due to Attorney John Lisman making a presentation regarding the litigation regarding lake access, no Committee reports were given this month.

Attorney John Lisman (Hoegen & Associates- Lead Litigator) Presentation:

Attorney John Lisman reviewed the following regarding our litigation:

The Association is filing a legal action requesting Declaratory Judgement which states that certain individuals/entities do not have rights to access our lake. The case will take the following stages: Pleading, Discovery & Litigation. The Attorney addressed the concerns of the ownership that some of these individuals/entities are accessing our lake, mooring a boat, etc. and why we have not pursued trespassing charges or a Temporary Restraining Order. The Attorney indicated that he has recommended, and the Board concurs, that we are going to proceed with the litigation of the case and remain concerned with the long term goal. We must focus on the long term goal, not short term, despite the existing frustration and tension.

Questions/Comments from Residents To Attorney Lisman:

- An owner asked if prior owners have had access to the lake and the answer is no.
- An owner asked if we would be able to recover Attorney fees for the case. No we cannot statutorily recover Attorney fees in PA.
- An owner asked if we should discourage residents from socializing with the litigants. This is not recommended.
- An owner asked how much this litigation is costing the Association. To date, we have incurred \$22k in legal fees.
- An owner asked are all the parties being sued must be included in the Declaratory Judgement. Yes they must be included.
- An owner asked if we succeed in our litigation how we will patrol the lake and what happens if they defy the court order? The Association is looking into professional lake patrol and violation of court orders will result in legal action.
- An owner asked what happens if the losing party appeals the order. In most cases, the losing party would have to follow the court order pending the appeal.
- An owner asked why the Association did not buy the property. Simple economics – the property sold for \$4.25 million dollars.
- An owner asked if any of the individuals/entities have submitted a formal offer to settle. None has been received as of this date.
- An owner asked if anyone was found to have lake access rights would they have to contribute to the maintenance of the dams and lake. The answer is well-settled in the courts- Yes.

Questions/Comments from Residents To Board of Directors:

- An owner commented that the stairs entering the clubhouse continue to be a safety liability issue that needs to be addressed. They must be roped off until the repair/replacement is complete.
- An owner thanked QHV for working with the Association on a hold harmless agreement.
- An owner asked if the emergency exit is affecting our insurance rates. No.
- An owner suggested QHV rope off the areas where they are replacing the decks for safety reasons.
- An owner asked if QHV has appealed the short term rental ruling. QHV has filed their appeal.
- An owner asked what is being done about swimming over at QHV?
- An owner asked what is the potential number of lots across the lake. Unsure could be in the 500-1000 range.
- An owner commented on the sinkhole on Edgerock Dr. The patch was temporary. When the asphalt company comes back in to do the swale work it will be addressed better.
- An owner commented that she lives on the lake and there is a considerable amount of sediment coming into the lake by her dock. She invited the GM or Board to come to her property and check it out.
- An owner commented on the fireworks launch site. They will be launched from the ski slope this year.
- An owner asked if BML applied for any America Rescue Plan funds. The Association requested \$500,000.00 for stormwater run off remediation.
- An owner asked if the public agenda can be released to the owners prior to the meeting. The Board is ok with releasing ahead of time.

FINANCE REPORT MAY 2022 YTD

DUES COLLECTION: 90% OF BILLED. (88% at this time in 2021)

NON-OP INCOME: \$749.7K WHICH IS \$68K OVER BUDGET

INCLUDES: Membership Dues, Quail Hollow Reimbursement, Misc. Income, Late Fees, Interest Income, Resale Certificates, ACC Filings, CEO & ACC Fines \$ Fees, Rental Fee Income, Garbage Fees, and Over/Short.

NOTE - Collections Income is not included in this number.

NON-OP EXPENSE: \$414K WHICH IS \$105.3K OVER BUDGET

INCLUDES: Unrestricted Reserve Fund, Garbage Expense, Lake/Dam/Spillway Reserve Acct, Reserve Fund, Building Replacement Fund, Property & Liability Insurance, D&O Insurance, Dam Insurance, Interest Expense, Bad Debt, and Dock ROI to Capital.

NOTE- Collection Inc to Reserve Fund and Depreciation Expense are not included in this number.

NET DEPARTMENTAL EXPENSE/(INCOME): \$371.2 WHICH IS \$15.6K UNDER BUDGET

		Y.T.D.	Y.T.D TO BUDGET
INCLUDES:	Administration:	\$104.3K	\$1.8K Over Budget
	Clubhouse:	\$54.8K	\$3.7K Over Budget
	Recreation:	\$4.5K L	\$1.7K L Over Budget
	Maintenance:	\$61.8K	\$7.4K Over Budget
	Security:	\$83.9K	\$1.5K Over Budget
	Campground:	\$19.8K I	\$12.1K I Over Budget
	Food & Beverage:	\$25.8K L	\$3.5K L Under Budget
	Road Maintenance:	\$55.9K	\$16.4K Under Budget

RANSFER FEE INCOME: \$2.7K WHICH IS \$1.8K UNDER BUDGET

THE BOTTOM LINE EXCLUDING THE ABOVE MENTIONED ACCOUNTS IS A NET INCOME OF:

ACTUAL - \$ 20.5K PLAN \$6K

SH IN THE BANK:	
OPERATING FUNDS	\$630,834 (OP SAVINGS & CHECKING, PETTY CASH)
CAPITAL FUNDS	\$390,851 (LONG AND SHORT TERM CAPITAL)
RESTRICTED FUNDS	\$435,939 (SPILLWAY, BUILDING REPLACEMENT)
TOTAL	\$1,457,624
	TOTAL MAY 2021 \$1,497,409