

**MINUTES OF THE REGULAR MEETING
LAGO VISTA PROPERTY OWNERS' ASSOCIATION
BOARD OF DIRECTORS**

July 9, 2009

RECITATION OF AUTHORITY

The meeting of the Board of Directors of the Lago Vista Property Owners' Association was held at the Activity Center, 2601 American Drive in the Bluebonnet Room on Thursday, July 9, 2009 at 7:30 pm. Board members present were President David Freeman, Vice President Gary Gates, Treasurer Richard Gibson, Secretary Dave Shafford and Director Ginger Halsted. The Directors present are authorized Directors constituting a quorum for transacting business. Office Manager Angie Mendez was also in attendance.

CALL TO ORDER

The meeting was called to order at 7:30 p.m. by President David Freeman. Forty-six (46) members were in attendance.

OPEN FORUM

Mr. Freeman opened the Member Comments portion of meeting.

Joan Sherz, a past Board member, inquired about the sign-up for people wanting to reserve a spot for a club/party group/etc. She stated that it was her understanding that some people have had to get in line as early as 4:00 a.m. on the day of the sign-up for a party or a group that they belong to and she feels it is kind of ridiculous. She suggested opening the doors and letting the people into the clubhouse. If not, then use a number system instead of having to stand in line. **Mr. Gibson** stated that no one *has* to do it, but they *can*. **Mr. Freeman** stated if the doors were opened at 4 a.m. to give out numbers, then people would be in line at 2 a.m., or 12 midnight to get the number one slot, it's a shifting target whether it's 8 a.m., 4 a.m. or otherwise. He asked what her solution would be. An unidentified **member** asked if they could go to the office earlier in the week and get a number. Another **member** stated the result would be the same, but now lining up at the office. **Mr. Gates** asked how everyone would feel about using a random draw/lottery system. One **member** commented that "that would be unfair". **J. Glen Sandquist** interjected that a microphone was needed for a meeting of this size. **Mr. Freeman** responded that if anyone else had a question, please come to the front and speak loudly so everyone can hear.

Matt Goodsell stated he was new to the area and asked if there was anyone there representing the homes near the airport. **Mr. Gibson** responded that the airport has a separate POA. A **member** advised him to go to the Burnet hangar to get information.

The next comment was from **Richard Brown** who said a lot of people are waiting to hear whether a new plan is warranted for how dates are awarded. He asked that the BOD give a briefing on whether it would be the same as last year or not. **Mr. Freeman** began by explaining

the Board's purpose, both prior and future, is to manage the assets of the POA for the entire 7200+ membership. He said "The following 2010 deadlines were in place for three categories of events: (1) June 30 for special events, (2) August 17-28 for clubs and organizations and (3) September 8 for party groups and individual weddings, etc. The reason behind different timeframes was made based on special events being public for all members to participate in if they choose; these events are cultural, seasonal and community-oriented. They require long-range planning and a financial outlay in many cases and support the general membership-at-large. The next group is clubs and organizations. They are available to all POA members and social club members. There is usually annual membership and they tend to be philanthropic, recreational, educational, and also require planning and scheduling. The next group is parties and functions. Some of our Board members are in party groups. These groups are private, not public. They are reserved by POA members and attendance is by personal invitation. Some of the invitees are members, some are not. These events also require planning. We believe this is the fairest system for the entire membership, not just sections of it. We've stopped the practice of having events for two consecutive weekends in order to free up more weekends. "

Don Zschoche said that Hill Country Singers and the Players are community-based groups that are open for any member to join and are not for profit. He sees them as a service to the community, supported by donation. He asked how the Barbara Graham production and Bill Parcher business fit in with the Singers and the Players non-profit events. **Mr. Freeman** stated "The Bill Parcher organization is a co-op of artists, they do not have a company, and they do not have a building. Barbara Graham recently submitted a document showing total revenue of \$6874.33 taken in from the summer stock production and their outlay was \$6898.33, a negative \$24. They are not for profit." **Mr. Freeman** went on to explain that there are people within the production who get paid for their services, just as party groups pay for services from performers, caterers, etc. **Ms. Halsted** added that it costs about \$6000 for the Hill Country Singers to put on a performance and they can only hope to break even with each performance. **Mr. Freeman** said he believes there are a few organizations that use the POA facilities to run their for-profit businesses and that needs to be reviewed more closely in the near future but they haven't gotten to that yet. He said they are trying to be fair and equitable to all.

The next comment was from **Warwick Andrews**, ex-president of Hill Country Singers and currently on the Board of the Players, who asked that the BOD allow the Players to leave their stage set-up for the week rather than removing and re-setting each weekend. He said they only occupy the building for 3.5 days over the 2 weekends. **Mr. Freeman** indicated it's the weekends that are at a premium with the majority of requests for weekends during the months of January through May, and again from September through December. Only the summer stock production is held during the less-used summer months. **Mr. Andrews** said the Singers take 3 months rehearsal time and the Players do the same. So many local members put so much time into these efforts; shouldn't they get some additional consideration? **Mr. Freeman** replied that they *are* getting something extra by getting 2 weekends. **Mr. Andrews** replied they've already got that, it's nothing new. **Mr. Freeman** advised him that, as the past president of the Players, the schedule used to allow for only 4 days and all the performances were held in four days, with the same number of attendees as the current Players get spread over two weeks. **Ms. Halsted** stated, as the new president of the Hill Country Singers, that they have evaluated the new proposal. Within those days, if you can manage it, you could have more performances in that week if you

can set it up so that everyone isn't exhausted. If you can do the setup Sunday evening and have your last rehearsals in the building is an advantage.

Patty McCormick asked if there was any chance that, in the future, there would be a performing arts center where singers, actors and performers could build their sets, rehearse and perform. (A smattering of applause.) **Mr. Freeman** said "Then you've got to fund it." **Ms. McCormick** said "The current fee is \$125, maybe it could be more. Maybe somebody, with a brain, could tell me how it could work." **Mr. Freeman** replied that she wouldn't believe the number of calls to the office from people who don't live here, who pay their \$125 but the residents here are the users of the facilities. It's unfair to leverage other people if you want an arts building. If you want an arts building, you've got to collectively go find a sponsor and build it. **Ms. McCormick** said she just wanted to know if it was possible, when we start bursting at the seams with more and more people coming, is it possible that there will be a party barn and a performance barn. Just think about it. **Mr. Gibson** said the Bar-K Grande Pavilion was just added so some people can use that. **Ms. McCormick** said they'll use anything. **Mr. Freeman** stated "Well, then you've got it." An unidentified **member** told Patty she thought she had a wonderful suggestion.

An unidentified **member** said he was ready to receive the first \$2M for the performing arts center because this is a "ridiculous thing". He "thought the e-mail he received about the meeting was an around-the-corner way to say we need a funding appeal for something that would be significant, not only to Lago Vista but for all of northwest Austin. So all we need is \$2M and your dream is fulfilled. For someone who has been involved in so many plays, I think you should be the first donor." **Ms. McCormick** replied "Thank you, I'd be happy to" and proceeded to ask others for \$5 contributions. (Laughter)

Mike Beal asked if the allocation rules were for weekends only. **Ms. Halsted** replied the rules were for any day. **Mr. Beal** then asked that the BOD listen to the POA's entire body of 7200 constituents, of which only a tiny fraction is represented by the two groups being discussed.

Fran Rimmer asked for clarification on the Sunday schedule. **Mr. Freeman** stated it was Sunday noon to Sunday evening.

Stan Miller noted a \$100 fee for Saturday/Sunday usage and that the fee should be applied to Fridays as well. **Mr. Shafford** explained that the BOD's rationale was to start with incremental changes. Last year, the clean-up fee was optional; either you could pay the fee or you could be responsible for cleaning the building. Making the clean-up fee mandatory is an incremental change that would be more palatable to members. However, after a brief discussion, **the BOD** agreed to take Mr. Miller's suggestion into consideration. **Mr. Miller** added that the two existing clubs, Country Western and the Dance Clubs, should be grandfathered and exempt from the fee. A **member** of the audience asked why they should be grandfathered. **Mr. Freeman** replied that they don't provide food and drink, which is a big issue. Another **member** asked if there is a charge if you hold a party on a Wednesday. **Mr. Shafford** replied you can clean up *or* you can pay the \$100. **Mr. Gates** added that you must leave the facility in the condition in which it was found. Another **member** asked for clarification on why the two groups should be grandfathered. **Mr. Freeman and Mr. Shafford** made the point that the BOD has not grandfathered anyone yet, they've only agreed to look at Friday reservations overall.

Richard Brown asked if the BOD gave any consideration to historically recurring events versus one-time events in the reservation hierarchy. **Mr. Freeman** responded that all of the events currently scheduled are recurring events.

Nancy Oliver said there seems to be a heavy overload of repeated events in the first two weeks of the month. She asked if there was a possibility to spread those events out to give individuals more opportunity for usage. **Mr. Freeman** replied that the dates are requested by the members, the BOD doesn't set the dates. There are two dance clubs, the Country Western group has 9 dances per year and the Square Dance club has 49 dances per year. **Ms. Oliver** added that maybe the clubs could re-set their schedules to open up the building usage. She also asked if there are a *minimum* number of attendees needed for reserving such a large facility as K-Oaks. Facilities Manager Rick Hanley replied the minimum is 50. **Ms. Halsted** added that with less than 50, you can use the Activity Center or go to the new Bar-K Grande Pavilion. **Mr. Freeman** also clarified the minimum at K-Oaks is for evening usage, the minimum doesn't apply for day use.

An unidentified **member** thanked the BOD for their efforts in coming to a solution to make it as fair to everyone as possible. (Applause) **Mr. Freeman** thanked the members.

With no additional member comments, this portion of the meeting was closed.

APPROVE MINUTES (SHAFFORD)

Secretary Shafford presented the June 2009 Minutes for review. Motion to approve was made by Mr. Gates and seconded by Mr. Gibson. All in favor; minutes approved as presented.

TREASURER'S REPORT (GIBSON)

Mr. Gibson reviewed the Treasurer's Report which was also provided in the handouts for all attendees. He stated that the Corporate Operating Expenses exceed the budgeted amount by approximately \$6K which is better than last month. This is due mainly to litigation fees. The 2009 total year-to-date expenses exceed 2008 by \$204K, mainly due to the Bar-K Grande Pavilion and swimming pool. The 209 income exceeds 2008 by \$24K. The major sources of income are from member dues, marina dues, and transfer fees. He gave the current status of the Certificates of Deposit, Income and Expenses. He noted the substantial projects including Bar-K reconstruction at a cost of approximately \$205K which is being paid for in cash; there will be no loan to repay. The Bylaw revision cost is approximately \$12K at this time. The marina move and associated costs could be as high as \$60K, depending on the length of the drought. The total checking/savings is currently at \$639,031 with a Year-End Cash Projection estimated at \$241K. He concluded the POA is in a "fair" financial position due to the drought unknowns. His recommendations: determine what services will continue to be provided to the marinas through the drought (electricity, security) with members already asking for a reduction in payments, and review the proposed Marina principle payment after drought expenses are paid. No questions or comments arose from the BOD. Mr. Gates made a motion to approve the June 2009 Financials and was seconded by Mr. Shafford. All in favor; financials were approved as presented.

GENERAL MANAGER'S REPORT (FREEMAN)

1. **Announcement of New GM:** Mr. Freeman introduced Deborah Sorchevich who will officially be starting August 3rd. Ms. Sorchevich gave a brief review of her management background of over 20 years. Prior to that experience, she was a paralegal. She has a degree from Purdue University in Indiana and her paralegal certificate is from Roosevelt University in Chicago. She said she's been a full-time resident for about two years and previously spent recreational time at her home here. She has grown to love Lago Vista and invited the members to call upon her if there's anything she can do. (Applause) At this time, Mr. Gates asked to add something to the agenda and made a motion to give a Certificate of Appreciation to Rick Hanley for all the work he's done towards the reconstruction of Bar-K facilities. (Applause) Ms. Halsted seconded. All approved; motion carried.
2. **Transfer Fee:** Mr. Freeman recently attended a meeting of local realtors who brought up the issue of the LVPOA \$300 transfer fee. They felt it was too high in this economy particularly with lots being sold at a much lower rate. The BOD has taken this feedback under advisement, considering using a percentage of the sale or having one fee for undeveloped lots and another for developed property. No decisions have yet been made. Mr. Freeman went on to state that the income generated from transfer fees in 2008 totaled \$120K. Sales are down this year so the year-to-date income for 2009 is currently at \$40K with an estimated total for 2009 at \$75K. The loss of that income has to be balanced with making a more equitable fee for the real estate community. Member and local realtor **Don Barthlow** commented that there are multiple closing fees and hasn't seen the \$300 transfer fee to be a deal-breaker in the last 12 months. He stated there might need to be an exception for "distress sales". Mr. Freeman thanked him for his input.
3. **Bylaws Review:** Mr. Freeman stated that for those who have come to the meetings, there's been a lot of talk about the Bylaw revision. The Bylaws have been revised in bits and pieces since the early 80's until they are somewhat contradictory and not accurate for today. He admitted to being a part of the problem over the past few years. Late last year, the BOD unanimously decided to clean them up properly. The LVPOA attorney has been engaged in writing the new Bylaws and is well-versed in property owners/home owners associations. The LVPOA was established with the Articles of Incorporation in March 1980. The Articles of Incorporation define the way the property owners association is to be managed and the attorney is using them to guide her development of the new Bylaws. We now have completed copies available for everyone's review, here for you to take home and also posted on the website. Normally, any changes would be read here, and then 28 days later re-read before they were voted in as law. The new Bylaws are 19 pages so the attorney has recommended making them readily available for members rather than reading them aloud before adopting them at the next meeting. There is no expectation that they are perfect as is and any comments or concerns will be addressed. There is one significant change with the new Bylaws which impacts the voting process. He reviewed the process as it has been in the past and then noted the change as closing the ballot box on Thursday 5:00 p.m. before the Annual Meeting held on the first Saturday in November. The votes will be tabulated on Friday and the sitting BOD will have the new BOD members present at that Saturday's Annual Meeting. The

Annual Meeting will be purely informational as well as passing the baton to the new BOD.

4. **Marina Drought Plan:** Mr. Freeman stated that the lake continues to go down, currently at 641. He reviewed the overall plan for moving the marinas accordingly. The next move is for G, H and J which will move to a location off Bar-K Park. Due to cost, there will be no electricity available but a generator will be purchased for the use of those slip renters. Without electricity, there will be no card access so a separate key will be provided. He identified the potential for additional changes such as losing electricity for the other marinas, extending the walkways for continued access, etc. He said they are doing what they can but there is a limit to what can be accomplished if the drought persists. Mr. Gibson noted that a 50-foot walkway is \$50K. Mr. Gates mentioned that anyone who has a boat in the marinas needs to have it firmly secured.
5. **City of LV Drought Plan:** Mr. Freeman stated that the City's intake pipe off Greenshore Park is only 5' under water. They have asked for LVPOA permission to use the shoreline at Greenshore to bring trucks in, assemble a barge, and then tow it away to its final location. Their request has been granted. Mr. Freeman also noted that the City has passed mandatory water rationing.

ITEMS TO BE VOTED ON (FREEMAN)

2010 Early Event Requests: Ms. Halsted made a motion to accept as proposed and written. Mr. Gibson seconded the motion. Four members approved; Mr. Gates opposed; motion carried.

OTHER BUSINESS

No other business was discussed.

ANNOUNCEMENTS

The next meeting will be Thursday, August 13, 2009 at 7:30 p.m. at the Activity Center Bluebonnet Room.

ADJOURNMENT

The motion to adjourn was made by Ms. Halsted and seconded by Mr. Gibson. All in favor and the meeting was adjourned.

Dave Shafford, Secretary
Lago Vista Property Owners' Association, Inc.