

Lake Forest Glen Homeowners Association
Annual Meeting of the Board of Directors
October 14, 2017 – 10:00 a.m.
Held at the Tahoe City PUD Board Room
221 Fairway Drive
Tahoe City, California 96145

MINUTES

1. **CONVENE/CALL TO ORDER** - President, Mark Pierpoint called the meeting to order at 10:05am. Vice President Steve Vanni, Directors Jason Kary, Gary Leach, Kathleen Livermore and Doug O’Neal were present. Staff present were Alan Miescke - General Manager, and Jessica Lesniak - Administrative Assistant. Secretary-Treasurer Mike Robinson, and Directors Jim Cochrane and Alan Nelson were unable to attend.
2. **APPROVAL OF 2016 ANNUAL MEETING MINUTES** – Keith Larsen, unit 234 motioned to approve the minutes, and it was seconded by Douglas Gill, unit 115. The minutes were approved by a unanimous vote.
3. **NOMINATION COMMITTEE**
 - A. Jason Kary explained the voting process. He addressed the topic of cumulative voting, which was brought up during the 2016 Annual Meeting. He explained that the Lake Forest Glen By-Laws do not allow cumulative voting. In addition, he explained proxy voting. The Lake Forest Glen By-Laws state that “proxy voting shall not be allowed when Members votes are solicited via written ballot” and since Lake Forest Glen provides written ballots to all Members, proxy voting will be phased out after the 2017 meeting.
 - B. **Request for nominations from the floor** – There were no requests from homeowners.
 - C. **Introduction of candidates** – Kathleen Livermore, Alan Nelson and Gary Leach (all incumbent) were running for 3 open board seats. Each gave a statement about their time at Lake Forest Glen and their interest in serving on the board. The three non-incumbents also mentioned their appreciation for the management and integrity of the board, and being happy with how things are running.
 - D. **Voting for election of directors** – The votes were counted by inspector Jason Kary, Vice President Steve Vanni and homeowner John Torkildson.
4. **PRESIDENT’S WELCOME, INTRODUCTION OF BOARD & STAFF AND REPORT**

Mark Pierpoint introduced staff and board members. He explained that Mike Robinson couldn’t be here today, so he would cover the financial topics. He followed a Power Point slide presentation he had prepared for everyone to view the topics, with graphs and figures to aid interpretation.

Mark updated everyone on what has been going on in 2017. He discussed the painting project that is underway. The third and final phase of the painting project will be completed in 2018. The other major project was the tennis courts. He discussed the snow removal contract for 2017 – 2018 and the purchase of the Bobcat to help keep the snow removal contract at a reasonable rate. He discussed labor and labor rates being impacted by the increase of short term rentals in the area. He discussed other impacts of the increase in short term rentals, including increased home values, the increased number of people staying 1 or 2 nights and the impact this has had on parking. Mark thanked Sunny for her written comments regarding the problems with the short-term rentals and the impact on Lake Forest Glen and the parking issues. The Rules & Regulations and the Vehicle Parking

Policies were discussed and clarified, along with the increase in fine amounts for parking related infractions.

The short-term rental issues will be discussed further by the board, and will be put back on the agenda for 2018.

Insurance Risk assessment inspection has been completed and Lake Forest Glen passed with flying colors, which is great for our annual premium.

Mark turned the discussion over to Alan to discuss the tennis courts. Alan showed a picture slideshow of the demolition, construction, painting, with an aerial picture of the completed courts.

****Action: We will make the slideshow available on the new website in 2018.**

Alan went on to discuss the painting project. Painting is a project we do every 6 or 7 years. 2018 will be the last year of the 4-year project and then we will wait another 3 to 4 years and start again. Prior to starting the painting project, we went through and replaced a lot of bad siding and trim and spent approximately \$40,000 on the siding and trim replacement project. In addition, we replaced the shingles on approximately 15 entire units.

The storage lockers/storage containers by the maintenance shop were also painted to match the color of the units. In addition, we enclosed the space between the containers to house the Bobcat and had a garage door installed. One container is used for storing bikes and extra tires for homeowners.

The asphalt project has been completed. The engineer said to wait 3 years to seal the new asphalt which we did. The seal was completed this year.

****Action: Alan to follow up with the engineer regarding the next steps, and how often we need to re-seal.**

Mark thanked Alan for his updates. Mark discussed the "rolling project list" which typically rolls over through the next year, however there is nothing on the list for 2019. He stated that this was deliberate as we believe Lake Forest Glen is up to date, locked down and maintained adequately.

Mark turned the discussion toward the financial forecast for the next 10 to 15 years. The board has been maintaining a consistent approach to the finances and treat it as if it is our money. We don't want to create future problems, which is why we keep up on the maintenance consistently. It costs more if we do not keep up on the maintenance, and we don't want to be in a position where we do any special assessments. Having said that we've had a few challenges during the last year, that were unforeseen for our forecast. The cost of labor has gone up and will continue to go up. This is the biggest shift in the budget.

5. GENERAL MANAGER'S REPORT

- A. **Alan did a presentation on the tennis court/pickleball court project.**
- B. **The 4-year painting project will be completed in 2018.**
- C. **The storage lockers have been moved and made available for homeowners to store bikes and seasonal tire sets.**
- D. **The asphalt project has been completed.**
- E. **We are working on creating a new website. We anticipate the site to be completed and functional by the beginning of 2018.**

Homeowner comments/questions:

Lari Sheehan, unit 113 – stated she is a new homeowner, and wanted to know how many employees Lake Forest Glen has, if the HOA pays/offers health insurance, and if the HOA offers retirement fund account access.

Alan responded, stating we have 4 full time employees, Juan, Omar and Jessica are all paid hourly, Alan is paid salary, the HOA offers and pays for health insurance, and offers access to retirement fund accounts and offers a 3% match. He also stated that this last winter we had to hire extra people to help with snow shoveling, which accounts for about \$1,500.00 of the extra labor costs.

John Torkildson, unit 54 – requested that Mark repeat the information regarding the changes to the rules and regulations because he missed it while counting the ballots. He also asked about the numerous items stored by their neighbors in the common area. There is even a rabbit buried there. Mrs. Torkildson also brought up that their neighbors 2 dogs run around without leashes, the owner just opens the door and lets the dogs out unsupervised, if the Torkildson's front door is open the 2 dogs try to come into their house, they try to get into their car and the 2 times she has tried to speak to them about it they say that their family is very good friends with Alan. She also stated that she had written a letter about 2 months ago regarding the problems and never heard back from anyone.

Mark responded first, stating that it was mainly to clarify the parking rules within the association. We had some real challenges with parking over the summer, in the context of the shifting in the rental market, and the impact of that. We seem to have a lot of people who show up from wherever for 2 days and they bring 3, 4 or 5 cars with them and suddenly there is no space left. The main clarification was how many vehicles you can have parked in front of your unit, and the 3 maximum vehicles per unit at any time. Clarified the use of the overflow lots, the trailer and boat parking, that all recreational vehicles must be registered with Alan, and lastly that we have doubled the fines for parking violations. Mark also stated that we would look into the issues regarding the storage of items in the common area. Alan responded, stating that the comment about the neighbors being "good friends" of Alan's was not accurate. He said he knew what unit they are speaking about and that he would speak to them. Also, he stated that over the winter due to the amount of snow and the issues that went along with it, we had not been as focused on the dogs on leash rule as much because our attention was needed elsewhere. He stated that we will now begin enforcing the leash rule more aggressively.

Jessica searched through emails, phone messages and their file for the letter Mrs. Torkildson stated she wrote and was unable to find any correspondence from her. There was however a phone message from Mr. Torkildson regarding the items stored in the common area and Alan spoke with him in person regarding the issue.

Sunny, unit 189 – Asked Alan how the infractions will be enforced. She stated that most of the infractions happen on the weekends, or at night when the office is closed and that she is surrounded by short term rentals. In addition, she asked about the issue with the dumpsters being full all the time due to all the short-term rentals. She asked about implementing a supplemental fee on all short-term rentals to compensate for the extra garbage.

Alan said to somehow get the information to him, he needs a license plate number, vehicle description, time of incident etc. He said the best way would be to snap a quick picture of the vehicle and/or the license plate and provide that information to the office, or to Alan himself.

Mark responded regarding the supplemental fees for short-term rentals, stating that this is something that will need to, and will be discussed further.

Reg Howard, unit 116 – Asked if we keep records of the volume of visitors we have from summer to summer and winter to winter. Do we know how many people run through here? He said that the reason he asked is that with the dues increasing each year, the only way we will be able to protect ourselves a little, is to keep these places rented, so he wonders how successful this complex really is. He also asked if the association has ever thought to advertise Lake Forest Glen as vacation destination.

Alan responded stating no, because we don't handle the rentals we have no idea. During the holidays there is a lot more than usual but we wouldn't have any idea on the numbers. He also stated that he believes this complex is very successful. Some people rent them out on a short-term basis, some do a long-term lease of a year or more, but the majority of them are still second homes and are not leased out in anyway. Those that do lease them out, depend on some occupancy and they do depend on that income. We try to accommodate everyone's situation. We have never had any call and complain that they don't get rentals, and it seems to be very popular.

Mark went on to say that you could do a search of VRBO and Airbnb sights and search Lake Forest Glen and see how many are rentals. He stated that he did his own search and it came back with somewhere around 35 or 36 units were available for short term rental. One of the things that will need to be discussed further, is where we have these short-term rentals, 1 or 2 days, should we be charging a surcharge, because those people are dragging our resources. We only have garbage pickup once a week and with the influx of short term rentals the trash bins get overfull and the guys have to do dump runs with the excess trash, or move trash around from dumpster to dumpster to accommodate the excess trash. We are looking at this very carefully, and although we are not ready to move forward with a plan at this time, it is something we will continue to discuss at great lengths. Mark stated that association has not thought about advertising Lake Forest Glen as a vacation destination, we ride on the back of Tahoe City when it comes to that. We have talked about this over the last 10 years that the office does not do rentals, like some of the other HOA's. If you look at the ones that do, their dues are significantly higher, we would have to increase the dues to pay for full time people to do that kind of work. We have chosen not to that for those kinds of reason, and said really it is up to the individual homeowners to do that and it seems to be pretty successful. The rates are fairly competitive.

Maria Borovinskaya, unit 165 – Asked how many units are owner occupied. In addition, she asked about expanding the playground by the family pool, and suggested adding a swing. She asked about adding recycling bins, and asked about the light at the entrance to Lake Forest Glen, stating that it is very dim.

Alan responded stating there are approximately 40 full time primary resident owners, approximately half of the complex is just second homes where just family members use the home, and the other portion of that half is short-term & long-term rentals or something to that affect.

Mark responded to the question about expanding the playground, stating that ideas are welcome at any point and we take them in to account, we investigate and decide if it makes sense.

Steve also responded to the question about the playground, stating that for about 10 years we investigated it, and one of the problems with swings is we don't have enough room. When the kids swing they have to have a certain amount of space for them to land if they jump off, and it has to be a certain surface they can land on, and so the ratio in that area was not enough space for swings to work, plus the liability was another issue with the swings. We definitely considered swings, but it was one of the things we left off the list because we didn't have the room and the liability.

Mark responded to the question about recycling bins, stating that we have a single string recycling system here where you put all your recycling in the blue bag, put the blue bag in the dumpster and it is then pulled out at the dump and sorted accordingly. In addition, during the summer Alan provides bins next to the shed for recycling.

Alan responded to the question about the light at the entrance, stating that street light is owned by the power company, but he will check it out.

Shine Folgner, unit 181 – Stated that she thinks we need a written posted policy about smoking marijuana at the pool/hot tub.

Mark stated that we will take a look at it. We do have signs currently posted that state there is no smoking in the pool/spa area.

Dawn Luke, unit 183 – expressed concerns about the doggie clean up bags and stations. She stated that people are just leaving full bags right at the bottom of the sign instead of throwing them away. She asked if there is any way we can post a sign there that says to throw them in the dumpster. In addition, she asked about when we plan to work on the perimeter fence. She also asked if there is anything that can be done about the Swallows around their unit.

Alan responded to the question about the perimeter fence, stating that we did fix the damage from last year, and we just fix it each year at this point. He stated that it took him a while to find the grape stakes type of fencing, it is difficult to find. We had to replace 2 or 3 posts this year and a lot of rails, it was about 85 pickets, got it patched up where its solid but instead of replacing the entire thing, at this point our plan is to just maintain it. In addition, Alan discussed the issue with the Swallows. He stated that they pick certain spots to nest and for whatever reason they seem to like the Luke's unit. He said what works is when they show up and start making nests, he is allowed to knock the incomplete nests off, which seems to discourage them after a while, sometimes it takes 2 or 3 times and then they are gone for the summer. It's a short period of time, and if he put the spikes up he would have to take them down to paint or do other maintenance. Some years they don't even show up, this is the first year they showed up in the last 3 years. We just have to deal with it when they show up.

Darcy Seals, unit 49 – Asked about the parking lot above us at the entrance to Lake Forest Road off the highway. She asked if we know who owns it and how we can get them to clean up the mess behind the fence.

Alan responded stating that he has made a few inquiries, and that he will make a few more. The lot is part of the corner property and not part of the easement for the conservancy, and believes it is has the same zoning as we do, a high density residential.

Cheryl Larsen, unit 234 – considering the recent fires everywhere she asked about the standing dead trees around the complex that are worrisome, and if there is a plan for the removal of them.

Alan stated that he called his tree guy about the 2 on Lake Forest Road, and the one at the end of the parking lot by the Larsen's unit is the conservancies tree. He stated that he will try to get the conservancy to cut it down but sometimes they like to keep the dead trees for hawk habitats because they tend to like dead trees.

Val Elder, unit 66 – Thanked the Board for considering the letter she wrote to give a bonus to Juan and Pedro after the horrible winter we had.

Don Folgner, unit 181 & 182 – Complemented Alan and the board on how great Lake Forest Glen looks. He stated that he fully supports the idea of additional costs being implemented on short-term rentals since we have to put up with the excess garbage and the parties that go on. He stated that his wife's family had to leave the pool area because people were smoking marijuana. He stated they had to call the security service twice this year. They don't do that very often, they wanted to be pretty tolerant but there were parties going on at 2 or 3 in the morning and they didn't respond. They had to call them twice after an hour delay, and when they finally did get here they sat out front of their unit for about a half an hour before they went in and did anything. He stated that they do not go out and talk to the people parting because they have had retaliation. He recommends that we really need to look at this security system because they are not responsive.

Alan and Mark stated that at 1 or 2 o'clock in the morning, the best thing to do is call the Sheriff.

Cathryn Okasaki, unit 147 – Thanked Alan and the board for all the improvements. She addressed the topic of security, and reiterated that homeowners should call the sheriff. In addition, she brought up her letter she wrote to the board regarding hiring a colorist for Lake Forest Glen. She said that she hired a colorist out of San Francisco to paint her own building and it completely changed the look of the building and upped its value dramatically. She stated that she believes the Glen has had the same colors for over 40 years. She suggests that the next time we are going to paint that we think about bringing in a colorist. She also stated that the front doors are outdated by decades. They are gutting their unit and doing renovations and want to put a beautiful door, and would like the board to allow her to do this. She stated she believes that if done with good taste they should be able to put whatever door they want in. She wants a door that lets light in to the interior.

Alan and Doug responded stating that the colors were changed about 12 years ago, they used to be more of an avocado green.

Mark stated that it was changed to a browner pallet during the previous painting round, which was around the same time the new roofs were installed, so approximately 10 years ago.

Doug responded regarding the doors, stating that we need to have some sort of uniformity. If one person paints their door pink and then another paint theirs green and blue, we will be back to the "Ghetto in The Meadow". He stated that he has looked at other doors, and we can't force homeowners to update their doors. Originally, they were the 6 panel doors without windows. We have a number of doors, screen doors and storm doors which provide a whole slew of doors to choose from.

Mark responded stating that she is allowed to submit her ideas and the board would review them.

Wayne Paulk, unit 73 – stated that it seems to him that the Rules & Regulations are the key here and a major problem. He stated that he is not going to lay it on renters because the homeowners are responsible to notify their relatives, their kids and anybody that they

rent to personally to know the rules and regulations. If the people don't know that, what are they going to do, they are going to break the rules and regulations. He asked if the real estate people were notified of the news of the newest rules and regulations, or if it was just the homeowners.

Jessica responded stating that everyone was notified. All the property managers we work with frequently were notified along with all the homeowners.

Mark agreed that everyone is responsible for making sure the rules are followed. In addition, he stated that there are updates going on in terms of the website as well. There is some information there now, and we are working to clean it up in terms of if you are renting, what you should know, and have the basics there at least. What we have tried to do with the shortened form of the rules and regs now, is really tried to work it out and make it as clean and simple as possible, because no one is going to sit and read through the CC&R's.

Colleen Morrow, unit 226 – Asked what the best way to contact the office is for non-emergency type things, is it a phone call, an email, sliding a note through the door. Stated she has done a couple different things and doesn't hear back, but hasn't really pushed it either. During the snow removal, where is the Bobcat going to be used since we have the fixed price contract to do the big stuff, is it going to be used to do the walkways or through the complex. She also stated that she had some suggestions, maybe drive through at night and looking at the security lights to see what's working, what's not, what bulbs are flashing and turning themselves off. She said the one at the family pool turns itself on and off. She also said a small improvement she would like to suggest, is that it would be really nice to have a backboard at the tennis area for a single person to just exercise and practice. She said they would use the tennis courts a lot more, since they are all on different schedules, if they could just have some way to just go out and hit a ball. And it could be built out of the Trex type of material is no maintenance once it's put in. Also, she addressed some of the people that talked about the vacation rentals, especially the really, short-term ones, she said she didn't know if we already have this policy, especially without reading all the CC&R's, but some places have as part of the contract for renting, they have to sign and agree to the rules and regs. It's an extra step for anyone who is renting but it might at least give us a legal standing to deal with some of the problems.

Alan responded stating the office number is either answered by himself or Jessica if we are there, or it goes to the answering service and he gets a text, we also get a hard copy on the fax, or you can email us, we review that every morning. In addition, he stated that the Bobcat will be used in different areas of the complex. We will be able to widen the roads, blow the snow back instead of having to push it all the way to the end, that is one area that will be very significant. In the overflow parking lots it is often difficult to get the plows in there and that builds up and then the parking lot starts getting smaller, so we will be able to blow that initially out and away and keep those spots wider and deeper. Then at the end of the buildings, typically the end of buildings they get full of snow and then the parking area for the last unit on the building gets smaller and smaller, so hopefully we will have time to blow those back and keep those widened. He also stated that we do drive through and check the lights, and that we replaced about 30 fixtures this summer, including the one at the family pool. Alan agreed that a backboard on one of the tennis courts is a great idea. He also said that since we have no control, or don't know really what's going on at all with the rentals, we can suggest the addition to the rental contracts but would have no way to check it.

****Action: Look into to cost of installing a backboard on one of the tennis courts**

6. FINANCIAL REPORT

A. Discuss estimated final 2017 costs, and projected 2018 costs.

In Mike Robinson's absence, President Mark Pierpoint covered the budget items with the aid of a power point slide presentation.

Lake Forest Glen brings in approximately \$1,000,000.00 a year in terms of cash flow, and we spend about \$400,000.00 on operational expenses, salaries etc. and about \$500,000.00 plus goes into our reserve fund.

Mark also showed information on how much money was saved on projects just in the last year, which amounted to several thousand dollars. Alan works things out with contractors and pricing, as well as doing much of the work in house. He discussed how over the last several years we have managed to come in under budget, however we have had a few challenges during the last year, things that were unforeseen from our forecast, which put us approximately \$14,000.00 over the forecasted budget. Which when looked at individually seems like a high number, however when you look at in terms of a budget in-excess of \$900,000.00 it is really very small. The items that caused the increased budget were various snow and equipment elements, truck repairs, but the biggest single thing is the increasing labor costs. This is not expected to go down, in fact we've plotted out over the last decade or so what the increase trends have been, and when you look at it over the last 10 years the labor rates have basically increased about 3% each year. When you look at it we were actually tracking at about 2%, so think of that compounded over the 10 years the increase this year has been pretty sizeable, and that really is down to the difficulty of getting the right quality labor, and secondly, wanting to retain the quality labor that we have. So, we decided we had to do some shifting particularly for our hourly rates. So that is probably the biggest shift you will see in terms of the budget.

Now where does it go, total amount of money coming in is \$963,000.00 which is essentially all the money that comes from the dues. Mark took a moment to thank all the homeowners because they help contribute to this, we have zero outstanding dues at this point. Over the years we have managed this up and down, with some real challenges back in 2007, 2008 period, well relatively real challenges for us compared to some of the other places where it wouldn't be a big deal. This makes life hugely easy for us, not only do we not have to go and chase people, we don't have to incur legal fees, we don't have to do a whole bunch of other stuff so that really helps. The other \$5,000.00 listed as other income is what the current interest rates are, we are not getting a lot back on our investments which is unfortunate but as Mark has said before, we are not allowed, nor should we be allowed to invest in the stock market because we can't take risk with the money. We will see what happens with inflation.

Then you look at where we spend the money, where does it really go, what are the big things. You have the whole admin piece, which is really the labor and so on, you've got utilities, pool and tennis at 7%, and 34% on repairs and maintenance. This is the brake-down, roughly \$500,000.00 we spend each year.

The other portions, the replacement funds, for the long-term investments in the big assets we have. Roughly \$560,000.00 goes into operating budget, and the balance of the remaining \$400,000.00 or so goes into this "savings account" for the future, or replacement fund.

Mark asks Mike every year to get back to him on how well did we forecast, and what was our actual performance against that plan at the beginning of the year. Last year in 2016,

Mike and Alan really excelled themselves, they came in, in green (which means they came in under planned budget) over all they came in 1% below plan last year, all green in every category. For 2017 we came in over plan and were red in every category, however the worst case was 4% on the repair and maintenance which was largely driven by some additional labor charges that we had, mainly due to the huge winter we had, but overall the balance is within 2% in terms of the total. We had budgeted just under \$550,000.00 and we came in at \$562,000.00.

Some things we don't have control over, like our insurance, which is around \$62,000.00 a year. The other big ones are around utilities, we looked at electric, we talked about solar and other various things. Solar just does not make sense for us, we cannot get this thing to pay back within a 10-year period at this point in time, and given all the other challenges of solar in Tahoe, which would mean cleaning the snow off the panels etc., we have put it on the back burner at this time. Also, we are a non-profit, we don't pay taxes, so we can't get any tax breaks on solar. This would be different if you were buying it yourselves, you could clam tax back on them, it's quite easy in California.

One of the other big purchases in 2017 was the Bobcat. The Bobcat was purchased mainly to expedite snow removal procedures, and to reduce the cost of our snow removal contract. The most we would pay for snow removal would be \$46,000.00, under normal years with less snow we would pay between \$22,000.00 and \$23,000.00. The Bobcat should keep us from ever hitting the maximum again, which was the biggest objective for purchasing it. If you looked at and just paid for all the time that was spent clearing snow this year our estimate would have probably been around \$65,000.00 in terms of the snow removal for this season. The Bobcat can be used year round, and was used for many different projects this summer. Moving rocks, changing some of the grades, looking at some of the flooding aspects that happened this spring, the re-grading of certain areas to try and help that in the future. Those were a couple of areas where we've been able to reduce manual labor, we're constantly looking for efficiencies.

The other way we kind of look at this is, this year we've all been paying \$343.00 a month, where does that go, \$180,000.00 of it goes into that replacement account, the long-term reserves. About half of the money, or a bit more than half of the money you spend every month goes into that savings, that pays for the long-term things, such as the roofs, the siding, those types of things. About a quarter of it goes into running the office, specific repair and maintenance is about another quarter of it, landscaping, utilities, pool and tennis. The bulk of the pool and tennis, aside from when we make a capital upgrade, is really in the electricity, gas etc.

Looking forward, what are the key things we are thinking about. Inflation has been running at the 3% level, we regularly look at what the government figures are, we also have our own cost that we've been tracking, so pretty much we are in good shape, we're not exposed in one shape or form to any major pieces. In 2034 is when we are planning to replace the roofs, hopefully it won't happen before that, but that's quite a way off, difficult to predict for example, what oil prices will be at that point because oil is the major constituent of adding the roof shingles. We did buy all the shingles ahead, at the beginning of the project because we got a great deal on doing that rather than taking a risk and waiting with uncertainty on oil. We think inflation is going to continue at about 3%. Interest rates, we have some reserve accounts but we're assuming only 2%. We wish we could get more than that but that is the state of long term investments right now.

Then we have some estimates for some big projects. The one that is the last big one that we had some big uncertainties around is the Best Management Practices (BMP's). The

TRPA, and the other areas around the lake have really been pushing filtering snow and water around the basin before it filters into the lake. Our last piece on this was how do we collect all the water. We purchased and installed some big filters for the drop inlets. Now where all the pipes come together, we have one final intercept job that we think we have to do to clean that up before it finally goes of our property. We had about \$180,000.00 in our reserve fund for this, that we were basically moving. All the filters came to less than \$10,000.00 with all the work to put those into the drop inlets. We think that this final piece of work we need to do is the \$25,000.00 to \$30,000.00 range, which is a big difference from what we planned. We will know for sure next year when we get that finally done, but the expectation at this point is we will probably only spend about \$40,000.00 of the \$180,000.00 originally set aside, so \$140,000.00 is going to go back into the reserve fund to fund other things like roofs and so on.

The board does it's best to try estimating replacement costs in 25 years when they will have to be redone (asphalt, roofs, etc.) with inflations, but the sobering fact is that we cannot predict what is going to happen in the future. We have worked very hard over the last several years to bring and keep Lake Forest Glen up to date and well maintained. We just finished getting the roads fixed about 5 years ago, we have replaced all the roofs, replaced siding, we will complete the painting project next year, so we are as up to date as we can be. If we were to repair or replace all the above items today, roofs, siding, painting, roads etc. the current estimate would be \$4.7 million dollars. We are trying to project the costs in 2034, running at 3% inflation compounding over 17 years, the estimated cost would be \$8.5 million dollars.

The board is trying to keep the dues increases steady and moderate with the rate of inflation, rather than irregular which makes it hard to plan and budget. The board voted to increase dues next year to \$353/month to keep up with the inflationary increase and continue to avoid assessments.

7. OPEN SESSION

Open Session began at 11:06 a.m.

8. ELECTION RESULTS

Jason Karey, Election Chairperson, reported on the election results:

Alan Nelson was reelected.

Kathy Livermore was reelected

Gary Leach was reelected

9. ADJOURNMENT

Darcy Seals motioned to adjourn the meeting, and Lari Sheehan seconded the motion. The meeting was adjourned at 12:00 p.m., and everyone was invited to the homeowner barbecue at 1:00 p.m.