

**Seven Lakes West Landowners Association
West Side Park Community Center
General Meeting
January 23, 2007**

Call to Order

President Jim Meikle called the meeting to order at 7:30 p.m. Present: Hugh Beckwith, Mary Anne Fewkes, Ray MacKay, Bill Mamel, Jim Meikle, Betty Milligan, Jo Nicholas, Virgil Reid and Blaine Rowland. Also present: Tony Robertson, Community Manager. President Meikle asked for recognition of any new residents to the community.

President's Comments

President Meikle shared several items of interest for the community. A lot has transpired since our last meeting in November. The holidays occurred, Lakeway pond sprung a leak and is now filled, Tony Robertson suffered a heart attack but will be returning in February. During that time Michael Finney also resigned and the Board appointed Bill Mamel for one year remaining. Bill is know as a past president of the community as well as teaching architectural drafting in a college, curriculum writer for brick laying and other areas as well as being a surveyor during the summer months. When he was president of the college, he negotiated with the city of Minneapolis in regards to the roads surrounding the college. He also wrote architectural standards for the community in which he resided. In SLW, Bill designed his house and landscaping program. He brings experience and technical knowledge to the Board.

Treasurer's Report

Treasurer Virgil Reid shared two handouts on the Fund Status and the Profit/Loss Budget Performance. He explained that he projected that at the end of the year the cash on hand will end with \$1,161,000 which is about what the year started with. In March we'll have additional monies from boat sticker collection.

Virgil then shared the budget for 2007-08 which is proposed for \$1,141,000—which is \$88,000 more than last year's budget. This includes a dues increase of \$35.00 for SLW and Morganwood residents and lot owners. The bad news is that there is no net increase in the reserves because while \$166,000 will be added to the reserves, \$140,000 will be spent on paving a portion of Lakeway Drive and \$40,000 will be spent on a Dam project that was moved up from 2008. These amounts will be deducted from their separate reserve accounts. Information on the budget will be mailed in the ballot mailing at the end of January. Virgil then entertained questions from the audience.

Questions:

1. Does the Board anticipate the reserves hitting zero in the future? Virgil stated that the reserves will be treading water next year because of the road paving project, but that the long-term trend for the reserve balances is up, not down.
2. In the budget for this year was an amount for moving towards an in-house maintenance and it is not in the projected budget—why not? The upfront investment is substantial and it was decided that it could not be accommodated in this budget given the other needs.
3. What were monies used for this year? Association purchased two lots at the back gate and is negotiating another parcel of property.
4. When WSP was being built, based on projections, no dues increase was to happen until 2010 according to a notice given at that time. Did the Board compare the number at that time with new budget? Virgil stated that he did not have that information.
5. The Board approved an audit to cost \$8000 or about. The new Treasurer will choose the firm to complete the audit. The fiscal year ends April 30th. The audit will begin sometime after that.
6. Will the audit go back other years? Possibly, the Board can make that decision, however, the budget is built on one year. To go back more than one year will cost more money.
7. Clarification on the positive for the reserves in 07/08—there will be no activity in the contingency reserve, however there will be in dam and roads funds.
8. There is a concern about taking things and not replenishing. Are we looking at a 3-5 year financial plan with dues increase? The Long Range committee has worked on a 5 year plan. This year the Board started looking at two years at a time.
9. Based upon a dues increase, have we looked at expenses to see where we can cut? Virgil stated yes. We made changes in employees.
10. Sure if we look hard there are opportunities to cut in the expenses area—Virgil agreed there are opportunities

Betty Milligan asked to follow up on the statement in regards to the in-house maintenance program. Last year Tony Robertson and Betty sat down with the check registers to see what out sourcing of landscaping, etc, expenses totaled. That figure was \$258,000. The idea of in-house maintenance would save the community money. She hopes the future boards will examine this possibility. Virgil stated that he also hopes new board members will examine this opportunity. However, we will have up-front costs to begin the program before savings are seen.

New Boating Rules

Mary Anne Fewkes shared several items of interest for the community.

1. Thanks to Ron McGaughey for painting the BBQ grill at Johnson's Point. The Sports Club built the grill for the community and requests that people who use the grill to make sure they empty the ash box.
2. Thanks for Bud Sales and Jim Haggard for conducting a forum on proposed boating rules. Much input was received.

3. The new proposed rules were shared in the newsletter as well as minutes and website. These recommendations came out of the Lake Management team. Because of community input received, they will be returning back to the drawing board in regards to boat lengths and horsepower. She requested anyone with suggestions to email or call her to give input. She had received an email that suggested one boat length for all and one horsepower for all. Lake Management committee will come to the board with recommendations. She then entertained questions from the audience.

a. What brought this about? Lake Management team looked at the lake and dam and a long range plan of 5-10 years on its uses. They wrote a report with recommendations and the Board is now examining the recommendations.

b. Since the day the community member had moved here, privileges have been taken away. The lake is a recreational lake. Mary Anne stated that privileges have not been taken away. We are examining the recommendations for the future of the lake. Boat companies were contacted and now we're sitting down to reconsider our first publication with community input. The Sports Club members also gave input to the committee.

c. Who are the members of the Committee? Bud Sales, Paul Kirst, Rich Greer, Bob Fewkes, and myself.

d. Do any of the committee members have water sport boats or just sailboats? Mary Anne stated some do have both. The community member volunteered to be a member of the committee. Mary Anne will contact him for the next meeting.

e. The Seven Lakes Times stated that a compliance officer for Lake Auman would cost \$8000, however, the new budget stated \$10,000 and we were told about Option B only, what's Option A? Option A was a person paid hourly, we provide the boat, gasoline and insurance as well as uniforms. Option B was cheaper because we'd hire an off-duty law enforcement person with personal boat and uniform.

f. Has the individual been selected? No

g. What will be the qualifications—ie, CPR, communication device, second person on boat? A second person on board is a good suggestion. They will be qualified in CPR and have communication device.

h. Will their job be to issue tickets or safety? They will help monitor safety on the lake. We have had some near misses in the past. For example, we had a great July 4th celebration, however when it was over many boats were heading home at the same time and many without running lights. He will assist on holidays.

Mary Anne asked if anyone had further suggestions to contact her. We're working towards safety on our lake.

Infrastructure Status Report

Ray MacKay shared several items of interest for the community.

1. Pee Dee EMC is planning to bury their overhead power lines along Longleaf Drive, from Teague Drive to Fox Den Drive. The underground line will be located on the northwest side of Longleaf and they are in the process of acquiring some right-of-way easements. They hope to begin this work in February or March.

2. Significant progress is being made toward getting the paving on White Drive completed. Lakeside Development has secured bids for this project and is in the process of collecting the money for the work from the various financial participants involved. Work should begin in February.
3. The grinding that is occurring around WSP is for clearing scrub oaks and underbrush in the WSP woods in anticipation for future picnic grounds and walking trails.
4. The 2007 Seven Lakes Phone Directory is out and available at the SLWLA office.
5. Ray asked if anyone had seen the Yard Waste sign—it disappeared last night. Also, as he reported in November, the Yard Waste Transfer Site will be closing at 4 p.m. on Saturdays in January and February while the weather is cold.

Nominating Committee

Hugh Beckwith reminded the audience that Candidate's Night is on January 30th at 7:30 p.m. There was a slate of six candidates, now there are four—Betty Milligan and Dale Erickson withdrew. He encouraged everyone to attend this event.

Recreation

Betty Milligan shared several items of interest for the community.

1. Tennis—a ball and tennis basket has been purchased for community members use. You may attain the basket at the WSP building. Take advantage and use this for your tennis performance.
2. There are two new picnic tables at the playground area for your enjoyment and use.
3. The Wine Tasting event took only six days to sell 104 tickets. It's on February 9th at 7:00 p.m. at WSP.
4. The Recreation Committee thanks the community for their tremendous support for all of their activities that they enjoyed planning.

Jim Meikle then thanked Betty for all that she had done for the community.

Questions/Concerns

1. Statement on behalf of the candidates was read by Jim Haggard. It read as follows:
“On or about the 18th of January you, the 7 Lakes West Landowners Association Board, voted 5 to 3 in favor of appointing Bill Mamel to a vacant Board position. Your action in this matter is very questionable in view of the following:
 - You ignored the potential capabilities of the four board-approved candidates who were running for positions on the Board.
 - You ignored several direct communications to you regarding the appointment issue—two of those communications from Board candidates.
 - You ignored the potential harm your action would generate within the community.”

What is so puzzling about your action is that there were alternative courses of actions that would have been totally acceptable to the entire community. First, you could have asked any of the four candidates if they would consider appointment to the position, or, accept one candidate's offer to fill the position. Second, you could have allowed the community to pick the person through voting results in the upcoming election—the same process used in the 2006 election cycle that picked one of the current Board members.

Again you ignored these very logical, very legal alternatives in favor of an apparent political power play. A power play guaranteed to create a ground swell of public dissatisfaction. A ground swell that has included resignation of key committee members, withdrawal of one highly qualified Board candidate from the election, and serious consideration by the remaining candidates to also withdraw from the election process.

Your action has sent a signal to the community that the slate of new candidates is not qualified nor desired as members of "your" Board. We, the candidates, find your flagrant disregard of common courtesy troubling. Frankly, we consider your position that we aren't good enough to serve on the Board, a personal insult.

The appointment of Bill Mamel to the Board was unnecessary, uncalled for, and flat out wrong. And no amount of explaining will change that simple truth."

Signed: Dale Erickson, Jim Haggard, Kathy Krist, Ed Tuton. Jim explained that he appreciated the comments, however, the intent of the Board was quite different. It was not interfere with the elections, there was an on-going concern of what was going on with the ARC issues and negotiating with the developers that needed responses. Other candidates were considered. Jim explained that he was sorry that candidates felt that way and had so badly misunderstood the Board's action—it was not an insult to the candidates.

2. Joe Kristek explained that on Saturday, four ATVs came out of Morganwood toward the dam. He tried to stop them to no avail—they disappeared in Morganwood. On Sunday, he took a walk into Morganwood and saw the tracks that lead to the end street and out to Route 73. He then returned and filed a report to the security gatehouse. He wanted to know is Board is aware. Blaine Rowland stated that he had received the report and he and Ray MacKay will be pursuing this ongoing situation. They will put posts where they can to try to eliminate this problem and thanked the community member for his report.
3. Tony Rocco stated that he had resigned from the ARC committee because of the Board's appointment of Bill Mamel. He expressed his disappointment with the appointment and the Board's performance in general.
4. Linda Tableman wanted to know why the Board did not address the position at the elections and whether the members of the ARC had been asked if they could get along until after the elections? Jim stated that he had spoken to several members and other community members. Linda then stated that the Board's decision has caused turmoil. She expressed her disappointment with the Board's leadership and performance and called for open Board work sessions.
5. Pauline Taylor thanked Betty Milligan for all her hard work for the community.
6. Barbara Lewis then asked why the Board does not adhere to the Sunshine Law and conduct open board meetings. Jim explained that we satisfy by publishing

minutes of all meetings and hold public meetings monthly. She then asked if all board members were present for all meetings and thinks the board should use better judgment to keep good members that were lost.

Adjournment

There being no more questions or comments from the audience, the meeting was adjourned at 8:40 p.m.

Jo Nicholas, Secretary

UPDATE February 5, 2007

PLEASE NOTE: In your ballot letter it stated ballots may be turned in at the annual meeting on March 28—THAT IS INCORRECT! The Annual Meeting date is scheduled for Sunday, March 18, 2007. Please mark your calendars for that date! I apologize for the misprint.