

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

1. Call to Order, Pledge of Allegiance, Prayer and one minute of silence

The meeting was called to order by Charlotte at 7:04 p.m. at Emigrant Hall.

PRESENT: Charlotte M. (President), Dennis R. (Vice President), Charlene M. (Secretary), Rudy P. (Treasurer), Newman B., Ed D., Richard J., Dan K., Kevin N., Paul R., Dennis R., Mark S.

Also attending: Iona Y. (Administrative Assistant)

Landowners: Debbie B., Claudette D., Leo & Dorothy K., Val & Chrystal O., Chuck & Sally M., Andrea S., Robert S., Joe T., Linda U., Ia W., Regina W.

Guests: Tim M.

2. Set Agenda

3. Visiting Landowner Input Period

Concern was expressed about non-standard bookkeeping instructions that were given to the accountant that were artificially lowering finance charges. This was the first time the board had heard about this issue; the landowner will send the correspondence she had with the accountant to the board. Questions were also raised about differences in accounts receivables totals on the balance sheets from month to month; \$1,800 spent on administrative office supplies; the procedure of the Project Review Committee to notify landowners about work to be done on their property; the actual law that required everyone who was recording the meeting to state that they were (Montana Law MC 45-8-213 Privacy and Communications); and if an area of land that was plowed to park the grader would be reseeded. Comments were also made about a landowner bringing his driveway up to GLA governing documents standards to address the water run-off problem affecting the adjacent property.

4. Officer and Committee Report

4.1 President's Report – CM

Charlotte had nothing to report at this time.

4.2 Project Review Committee Report – GD / KN

4.2.1 NG 31-W, Sones Boundary Adjustment

Sones requested a boundary adjustment to acquire a 75-foot section of land. The landowner who currently owned the 75-foot portion had not signed the application and was out of town. Sones needed to obtain the landowner's signature. Once this was submitted, the board could proceed with an e-mail vote to allow Sones to complete the boundary adjustment through Park County.

4.2.2 SG 42-A Quesenberry Garage

The proposed 2-level building would serve as a garage on the first floor and a shop with a bathroom on the second. There were already two dwellings on this property. The landowner confirmed that the second floor would not be used as a dwelling.

Motion: Ed motioned and Gerald seconded to approve the Quesenberry project under the conditions that the proper permits be obtained and the land be reseeded.
Motion carried unanimously.

4.2.3 Additional dwelling assessments

Kevin asked board members and landowners alike to send input to the project review committee on any properties that may have a dwelling not currently being assessed. The project review committee would also follow-up on completed projects more diligently. If newly-constructed dwellings were roughed in or dried

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

in - if doors and windows were in and the structure was livable - the property owner would be charged the additional assessments.

Charlene was recently approached by resident Tom B. who owned two properties: one in North and a second, adjacent property that is not part of Glastonbury. Tom offered to pay a road usage fee to allow him use of our roads for the land not in Glastonbury. Otherwise, his legal access was through Story Rd. The board discussed having an attorney draw up an easement that specified the terms of Tom's road use (non-commercial).

Action Item: *Mark will consult with Tom B. about the specifics of his use, including payment, and then ask the attorney to draw up a contract.*

4.3 Treasurer's Reports – RP

4.3.1 Profit & Loss, Balance Sheet, Deposit/Check Details, Customer Balance Summary – September 2016

Rudy reported we were over the amount anticipated in collections and had surpassed 2015 in collecting past due assessments. The only out-of-ordinary expense was for recalculations, which amounted to nearly \$5,000. A typo was recognized under number 2 in unpaid dwelling assessments. Rudy will mail the corrected statement to the board. **Motion:** Rudy motioned and Ed seconded to include the September 2016 treasurer's report: balance sheet, profit & loss statement, and profit & loss budget performance with the minutes. **Motion carried** (10 in favor, 1 opposed - Kevin, 1 abstention - Dennis). Discussion: Kevin asked for clarification on the profit & loss statement line item 2050 for \$1800 spent on office supplies and Mark requested detailed information on yearly expenditures on software fees. **Action Item:** *Rudy to research all items in question.*

4.3.2 2017 Budget planning

The 2017 budget planning meeting was scheduled for Oct. 19 at 7p.m. at Liberty Hall. Committee chairs were asked to consider this year's expenses, where they were with this year's budget, how to potentially save funds, and anticipated special projects for 2017 when calculating proposals for next year's budget.

4.4 Finance Committee Report – RP

4.4.1 Update on liens

Rudy reported the recalculation process was finished and he was now refreshing past liens in order of accounts that owed most to least.

4.4.2 Update on lien recalculations of past due accounts by accountant - 3 accounts that increased after recalculations

Rudy was waiting for a response from the attorney for an opinion on the statute of limitations regarding how far back recalculations could be applied to accounts.

4.4.3 Collection Procedure, review draft

The Collections Procedure was revised at the committee level with landowner input and was now ready to be voted on by the board. The procedure had one 30-day review and comment period from landowners. It was discovered that an older draft from 9/7 was mistakenly included in the handouts; Dan agreed to resend the 9/21 version to the board for email vote. Once approved, the draft would be included in the election mailing for another 30-day landowner review.

4.5 Secretary's Report – CRM

4.5.1 BOD meeting Nov 7, location

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

Emigrant Hall would not be available on November 7th since it was a County polling site the following day. The board chose Friday, November 4th at 7p.m. for the next meeting at Emigrant Hall instead.

4.5.2 Voter Eligibility on August 27

Voter eligibility for the August 27 vote was figured incorrectly due to incorrect payment due date and use of an incorrect report. Usually, voting was done at the annual meeting in November, and landowners needed to be paid up (0 balance) to be eligible to vote. However, the August 27th special meeting fell between the 2nd and 3rd quarter payment cycles and that's where the mistake occurred. Landowners should have been paid up through their third installment to be able to vote. On August 27th there were twenty-three ineligible landowners **who were listed as eligible to vote** and two of them voted. To correct this in the future, the customer balance summary report would be pulled as close as possible to the election day and **reviewed** to see who still owed. Landowners could also vote if they paid up on the day of an election.

4.5.3 Special Meetings of Members, Oct 22, 27 & Dec 8

The specific purpose of the meetings would be to discuss limiting board discretionary powers, as per a petition submitted on August 8. Kevin would manage the key from the General Store; Charlotte would preside over the meeting; Mark & Dennis would also attend.

4.6 Election Committee Report – CRM

4.6.1 Report on committee meeting, Sept. 28

Charlene addressed the claim made at the last board meeting that trustees or representatives of a trust or corporation could not run for the board or ombudsman. Corporations and trusts paid assessments and were allowed to vote. Current board members Ed D. and Kevin N. were serving as the appointed representatives of a corporation and a trust. The attorney had been asked for her opinion on the matter, but had not yet responded.

4.6.2 Name new co-chairs for Nov 12 meeting

Charlene, election chair, was up for re-election. New co-chairs were needed for the annual meeting November 12. **Motion:** Charlene motioned and Kevin seconded for Dennis and Charlotte to take over as co-chairs of the election committee for the November 12th meeting. **Motion passed unanimously.** It was determined from discussion that at least one of the two people in each verifier and sign in team should not be related or associated with a candidate and that none of the people counting the votes should be associated with candidates.

4.6.3 Nomination forms: late submissions and an incomplete form

There is nothing in the Covenants **that requires** strict adherence to a 30-day deadline for submitting nominations for board elections. The idea of a timeline was meant to give people something to shoot for because reasonable time was needed to type, print, prepare, and mail the information by 30 days before the election. Two nominations were received past the deadline and another had yet to be submitted in full. These and other nominations would be accepted as long as they were submitted within a reasonable timeframe.

4.7 Road and Weed / Mgmt Committee Report – PR / ED / DR

4.7.1 SG guardrail repair

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

Ed reported that Adkins was down to one employee and could not perform the job. Dennis would make phone calls to find a contractor; Kevin suggested Mountain West Holdings Corporation.

4.7.2 Update sand delivered, snow fence and snow poles

Charlene ordered 700 feet of snow fence for South and 400 feet of wire. Steven H., who would install the poles and reflectors, was asking for help with poles. Joe T., the new back-up snowplow driver, agreed to help. Sand was delivered in September and stored in the Quonset hut; Walter W. reported the truck was ready to go.

4.7.3 Fall grading

Ed reported Adkins was grading right now and Lower South was done. Six loads of road base were going at very beginning of Arcturus and it was yet to be decided where the remaining 3 loads would go. Adkins would do all the grading and then bring gravel in; Ed expected at least 10 loads. In North, Paul reported the grading was completed under budget. The contractor had a roller on the back of the grader, so he graded and rolled at the same time. Since it rained, money was saved on the use of a water truck. Five loads of gravel were used.

Aza Z. had agreed to install the signs on Arcturus, but changed his mind concerned he might hit power lines. Dennis suggested calling 811 to have the ground marked where the power lines were hidden. **Action Items: Ed will call 811 to determine where power lines are under Arcturus; talk to Aza about completing job; donate two 25 mph speed signs to North. On Friday 10/7 Kevin and Ed will mark Arcturus where the signs will go; Claudette D. will help determine where to put signs in North.**

4.7.4 Snowplow truck

Despite committee recommendation to set the budget at \$15,000, Ed introduced the idea of putting 50% of unallocated savings into a heavy equipment fund and using monies for a down payment on a new truck. The pros and cons of using a used snowplow truck versus purchasing a new one were discussed. The greatest concern was that used trucks were cheaper up front, but would require maintenance and end up costing more. One landowner suggested focusing on confirming a list of drivers with trucks instead, since funds were not available at this time.

Action Item: Paul will call Pouwel Gelderloos to see if he can be the main back-up driver. Paul will also call all drivers with snowplow trucks to confirm.

4.8 Communications & Technology Committee Report – DR / MS

There will be a committee meeting on Thursday, Oct. 6 at 7pm at the Seaver residence focusing on devising a procedure to keep better track of document requests.

4.9 Governing Document Committee Report – DK

4.9.1 Covenant 11.06

Dan felt the vote to change Covenant 11.06 was due to lack of attendance, which resulted in lack of votes, at the August 27th Special Election. Ideas about educating the membership; encouraging landowner participation by holding more Governing Documents Committee meetings; offering more options on the ballot; and getting feedback to find out what landowners wanted were discussed as ways to generate more votes in the future. Concerns were raised that if the vote was presented again without education and outreach, the result would be the same.

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

4.9.2 Decide what to vote on in November

Discussion included the unprecedented number of candidates up for election and the magnitude of the mailings that would be required to address all the bylaws and Master Plan changes proposed. Dan felt Covenant 11.06 was the most important.

Motion: Dan motioned and Rudy seconded to put Covenant 11.06 up for vote at the Annual Meeting. **Motion failed** (5 in favor, 4 opposed - Ed, Kevin, Dennis, Mark, 3 abstentions - Richard, Charlene, Charlotte).

4.9.3 Agree on what is sent in the cover letter on the items to be voted on

No governing documents would be included in the November elections.

4.10 Legal Committee Report – CM / DRDK

4.10.1 Attorney letter on hardships - Continue motion from Sept 12

According to the attorney, granting a hardship discount should be based on some type of verifiable criteria and offered to all. Charlene noted that the hardship discount currently in effect does neither. The motion was restated. **Motion:** Charlene motioned and Kevin seconded to discontinue any further discounts as of 2017. The board discussed having a donation fund for those who qualify for an 80% tax waiver with the Montana Department of Revenue and creating a committee or subcommittee to manage hardship cases. Charlene withdrew the motion. **New Motion:** Kevin motioned and Dennis seconded that all hardship discounts cease starting 2017 and a new procedure and review process to evaluate people that are requesting discounts be made. Rudy requested an amendment to the motion to grandfather in the current landowner receiving the discount. The amendment was denied. **Motion failed** (5 in favor - Ed, Charlene, Kevin, Dennis, Mark, 3 opposed - Newman, Gerald, Rudy, 4 abstentions - Richard, Daniel, Paul, Charlotte). The board decided to delegate this issue back to the finance committee.

4.10.2 Attorney letter on interest rate

The attorney believed the board had the authority to determine interest rates and also vote on an interim interest rate (the interim defined as the time between now and when the landowners vote on it). It was decided to write out a motion and run it by the collections attorney. **Action Item:** *Dan will write up a proposed motion with an interim interest rate and Dennis will send it to the attorney.*

5. Approve Meeting Minutes of September 12, 2016

Motion: Rudy motioned and Dennis seconded to approve the minutes with the correction of the typo: "labeled" to *tabled*. In discussion, Ed and Mark pointed out that the issue described under 4.6.2 was not about the amount of gravel that was delivered to South, but how the total amount was distributed onto South roads. Ed felt the contractor fulfilled the Statement of Expectations, which stated how much gravel was distributed per road; Mark felt there was no way to truly measure how the gravel was distributed. **Amended motion:** Rudy amended the motion and Dennis seconded to include the rewording of the first sentence under 4.6.2 to read: "Disagreements continued regarding the distribution of gravel from the pile on Dry Creek Road to the individual roads in South Glastonbury". **Motion carried** (9 in favor, 1 opposed - Ed and 2 abstentions - Dan and Kevin).

6. UNFINISHED BUSINESS

7. Visiting Landowner Input Period

One landowner asked why the customer balances due for September 30 was different from the total accounts receivable. Rudy explained that the accountant filtered out accounts with negative balances (credits) to shorten the report from six pages to two, and then ran the report

Glastonbury Landowners Association, Inc.
Board of Directors Meeting Minutes – Final
October 3, 2016

again and the amount did match the total on the balance sheet. Rudy offered emailing the full 6-page report that included the minus balances (and credits) to the board and interested landowners. Another landowner explained that if past receivables changed for a month, it was standard practice to issue a new, corrected report for that month with the old one and an explanation on the report; that reports from January 2016 to present were no longer valid and each month should be redone; that only the balance sheet (only 1 report) going back to January needed to be redone because the past year was already in the records; and that the accountant could include an asterisk and separate line items to break down the credits, recalculate credits to simplify the report, and show that the totals do match.

Landowners were also of the opinion that deferred maintenance was just as harmful to property values as foreclosure and continuing to offer a discount to someone who couldn't afford to maintain their property contributed to the decline of the neighborhood; that if the board decided to continue offering hardship discounts, there should be a hardship committee made of non-board members.

8. NEW BUSINESS

Ed announced fall grading was underway and donations for gravel were welcome.

~~**9. Begin Closed Session**~~

~~**9.1 Discuss one specific landowner assessment discount**~~

~~**9.2 Discuss hardship issue**~~

10. Adjournment

The meeting was adjourned at 11:04 p.m.

11. Next Board Meeting: Friday, November 4, 2016

Section 9. Closed Session Meeting Minutes were not approved on 11 04 2016