

## **Emerald Green Property Owners Association Special Meeting, Sept. 11, 2022**

### **Present:**

Dan Brumbaugh  
Tom Ganz  
Ilana Kaufman  
Patrick Kennell

Chris Loomis  
Alex Rey  
Zack Siegel  
Hal Simon

Meeting called to order by Patrick at 9:00am followed by a moment of silence for Sept. 11.

### **Opening Remarks**

- Patrick addressed the community, laying out the new board's hallmark goals as accessibility, transparency, communication, accountability (financial and otherwise). He also outlined the board's work during the week following the election:
  - Selection of officers
  - Treasurer met with accountants, contractors, etc. to get a firm understanding of facts and numbers on the Entertainium project.
  - President met with management to review operations, as well as reviewed legal and insurance issues with EGPOA counsel.
  - Board met in a workshop to download numbers on the Entertainium project.
- He highlighted that Michael Hoyt is working on EGPOA email addresses for individual board members so that the community can reach out.
- He expects the board to continue to hold biweekly meetings (in addition to workshops) as it formulates a revised capital plan.

### **Committees**

- The Board intends to form 8 committees:
  - Oversight (security, aesthetics, insurance)
  - Long-Range Planning (construction, building, and permits)
  - Bylaws
  - Finance
  - Human Resources
  - Lakes
  - Community Events
  - Welcoming
- Interested property owners should reach out either to Board members or the EGPOA office to sign up. The Board plans to seat these committees at its next meeting.
- Patrick acknowledged the work of the Lake Communities Alliance (LCA), and stated that EGPOA will support LCA by sharing relevant information with the community.

**Commented [1]:** We need to notice this: FB and email encouraging volunteers (including for both committees and...minute takers). I can prepare a draft.

### **Pool & Entertainium Project**

- Patrick framed the discussion objectives:
  - Gain a better understanding of where the project currently stands
  - Set goals for completing the Entertainium
  - Identify other future capital needs

He said "once we know both our current state of play and our goals in our capital financial planning, we will know how much money we will need to come up with to meet those goals . This will determine how much money we will need and any adjustments needed for a capital assessment plan we will present. the Board will formulate a revised assessment plan based on the information it gathers and the goals it sets. He acknowledged the urgency of the situation, but also the need to gather accurate information and give people a chance to weigh in before finalizing a plan.

- Patrick noted we are still gathering information. We are acting with urgency but not rushing into a plan, just for the sake of having a plan.
- It's important to know that the numbers you will hear today that we are throwing around are not final. If you see something on Facebook, don't believe it. Don't believe a figure to something is formally announced.
- Patrick noted there are contracts in place for this project.
  - Specifically, an AIA contract with the main contractor for the Entertainium project who subcontracts out a lot of work.
  - One vendor works as an on call vendor for site work, who has been on call for many years.
- Dan detailed the estimated \$482,514.60 needed to complete the Entertainium. This figure includes \$216,000 owed to contractors for work that has been performed.

Gym	
Spray Foam	\$1,900.00
Sheetrock	\$800.00
Paint	\$5,500.00
Trim	\$3,200.00
Entrance	
Spray Foam	\$791.40
Sheetrock	\$380.00
Paint	\$3,000.00
Trim	\$1,600.00
Main Building	
Spray Foam	\$1,737.60
Sheetrock Walls	\$1,850.00
Sheetrock & Wood	\$2,800.00
Glass	\$19,000.00
Paint	\$12,000.00
Trim	\$16,000.00
Railings	\$40,000.00

East Wing	\$11,050.00
Electrical	\$103,000.00
Flooring	\$22,905.60
Carpet	\$10,000.00
Security & Networking	\$75,000.00
Site Work	\$150,000.00
<b>TOTAL</b>	<b>\$482,514.60</b>

- These estimates do not include gym equipment, painting/treating flooring, or HVAC in the main building.
- Dan said he anticipates paying off the golf course loan in 15 months (\$158,000 balance).
- Dan said the possibility of rising interest rates, along \$15,000/month in debt service on the Pool & Entertainment loan, add to the urgency of passing a new assessment plan.
- Dan said his goals for a revised assessment plan include:
  - Completing the Entertainment and paying off outstanding bills
  - Paying off project debt
  - Putting essential reserves in place, including for dam repairs, that will ensure the Board doesn't have to come back to homeowners for additional monies
  - Opening the Entertainment with gym equipment and other amenities
  - Stabilizing property values by restoring EGPOA's financial security
- **Flooring.** Debate centered on painting (not as durable but cheaper) vs. epoxy treatment (longer lasting, more expensive). Held on decision to gather more information.
- **HVAC.** This is for the main building only. The building is well insulated with spray foam and does have fans. Debate centered on timing (whether to add now or wait and see); heating/cooling; health & safety concerns around air quality/COVID/sick building syndrome. Board will do a workshop with Dan Woodruff before making a decision.
- **Gym Equipment.** Current options are (1) leasing 21 pieces of equipment for 60 months at \$1689/month. Lease to own with an option to trade in. Total cost \$101,340. (2) Buying equipment at \$87,000 (\$47,000 for strength and \$39,000 for cardio). No equipment maintenance costs are included in either option. No free weights included. Discussion centered on the pros and cons of leasing vs. purchasing. Tom and Chris are going to reach out to Joe Bachana to do more due diligence.
- **Security/Networking.** Earl Silas is going to look into these costs. PN Alarm also has offered assistance.
- **Opening Date.** Michael said remaining steps to open included steps, bathrooms, flooring, and gym equipment.
- **Other Capital Needs.** Patrick asked Michael about other capital projects. We need to figure out what can wait and what needs to be baked into an assessment plan now.
  - Davies Lake Dam repair and hydro grouting on LLM Dam. Tom to follow up with Michael on latter issue.

#### Revised Assessment Plan

- Dan reiterated his priorities for a revised assessment plan: fund completion of the Entertainmentium, pay down debts aggressively, fund reserves, and stabilize the real estate market. He said the Board should do this transparently and inclusively.
- Dan introduced his revised assessment plan:
  - \$150,000 bank draw on remaining loan funds (\$75,000 now and \$75,000 with CO)
  - \$500 one-time member assessment, and a \$700 annual assessment for a term of 10 years beginning in May 2023 (\$7500 total); OR a \$7000 lump-sum.
- Dan said cash flow does not depend on any homeowners paying the lump-sum assessment. Plan as a whole does not depend on any income from the Water Company.
- Ilana asked about cash flow to complete the project before the end of the year, and about a prioritization list for paying contractors.
- Hal spoke about the need for effective communication to the community and board unity around a revised plan.
- Chris asked Patrick to get a written opinion from legal counsel confirming that this plan conforms to bylaw requirements for a simple majority vote.

**Meeting was adjourned at noon. Next regular Board meeting is on Sept. 18, 2022 at 9:00am.**