

Mt. Shasta Forest Property Owners Association, Inc.

424 Main Street, Suite C P.O. Box 216
McCloud, CA 96057-0216

**Minutes of
Board of Directors Meeting
June 13, 2009 – 10:00 a.m.**

MSFPOA, Inc.
Bd. of Dir. Mtg.
June 13, 2009

Call to Order: The meeting was called to order by President Jerry Perkins at 10:00 a.m. Board members present were Peter Ritt, Rick Stevenson and Ralph Dalessio. Jim Echnoz was absent. Other persons present were Nick Mitchell, Clarice Nutt, Bruce Lambert, Joan Dillon, Penny Stevenson, Racquel Ritt and Dan Selby.

Agenda: Motion by Rick Stevenson to approve agenda; seconded by Peter Ritt; 3 ayes; 2 absent.

Public Comment: Joan Dillon presented several questions:

1. Results of the telephone survey from Frontier Communications. Rick Stevenson answered that there were about 45 questionnaires returned and it was split down the middle with about 20 for and 20 against. Q: Was it ever published? A: In the minutes. Q: Don't you think the people that answered should have been made aware of it? A: Don't you think it should have gone into the newsletter? Yes. I know what you're getting at.

2. We were a Mutual Benefit Corporation with Private roads. Now we are a 501(c) 4 which now opens the roads to public use in the subdivision. Why? Always were a non-profit status ruled by the membership. Nick Mitchell answered that the membership doesn't make up the non-profit status. We were paying over \$5000 a year in taxes. By getting the 501(c) 4, dropped the Federal which was a little over \$3000 in taxes; we pay taxes on the interest in reserves. Q: But now doesn't the 501(c) 4 open our roads to the public? Jerry Perkins replied they are but our roads aren't posted that way, it's not published and the caretaker and myself confront people as they are almost always speeding; Nick continued that all the larger associations in the county have gotten the status for that reason and they still have private road signs up. That has been turned into the IRS and they still O.K.'d it. Joan replied that the people need to know that the primary reason was for taxes. Q: Do you know what I'm getting at? A: Nick Mitchell replied: Yeah. And also it was approved – I mean this board approved to get it, but in the past it was approved by another board but they didn't get it. Dan Selby asked what would you do now if logging trucks come traveling down the roads? Before the only roads allowed were Lava Drive, Widow Springs and the trailhead. Now you can't stop them if they go anywhere through the subdivision, you can't stop a logging truck. Jerry replied that they have stopped them and told them to go the way they have their permit. Dan said that eventually this would become public information and then what are you going to do? Another thing is the snow mobiles. He asked to see the minutes of the board to instruct Nick to go through with this rather than bring information to the board. We don't see this stuff. I'm not on line. There is never anything on the kiosk pertaining to the minutes of the meeting. No. Is it put in the newsletter? No. You are to provide information to every member of this Association whether it's on-line or not and it's not

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provided to the people that are not on-line. Why? Rick Stevenson said they can come to this office at anytime. Dan replied it needs to be posted here or on the kiosk. It's not for me to drive downtown when the subdivision's out there. Why is it not being done? You have caretaker that can pick this up; board members could take this out; it's not being done.

3. Why are we "out-sourcing" our newsletter? Can it be done in our office in McCloud cheaper and why can't it be mailed from McCloud? Nick Mitchell replied that it could be mailed in McCloud and before when the Association did it, we had one of the big printers that allowed that big – 791 copies. Joan replied that it could be done here and this copier could do it. We have always had committees. Why did you do away with all the committees? Rick Stevenson replied that the board didn't do away with them, people just didn't volunteer for them anymore. Joan said she thought it should be done here. Rick asked how much does the board want to spend for this extra costs. Joan asked is it going to be extra? Rick replied it would be extra hours, extra postage. Joan asked what is it costing now? Do you have the figures as to what it costs now and what it would be here? I want a comparison. Rick replied O.K. Nick said that the only reason took over the newsletter was because it wasn't getting out on time. Jerry said they did try for 2 years to find someone to do it and they couldn't find anyone to do it. Peter Ritt replied that at his work they did it all in-house. But you want it done right and on-time without mistakes and have people in place to do it. As I see it, if you leave it up to the membership, there's very few people that offer help and if you don't get the help, who is going to take that total responsibility.

4. Why can't the figures that are spent for expenses be done on a profit & loss statement for the membership? Simple bookkeeping. Who or what makes up the consultation fees? Is there a breakdown of the cost of approximately \$35,000? Rick Stevenson replied that it's been grouped on the - Nick replied that some of is consulting website, office, tax prep,- Rick said you could come to the meeting – Nick said the newsletter is supposed to be a summary. Joan replied she just wants it separated out and put in the newsletter. Why aren't we doing fund accounting? Allocation in the budget minus paid to the date showing a balance in the fund. Put it on fund accounting instead of accrual. Nick said Davis-Sterling requires accrual accounting. Joan replied that Davis-Sterling says to refer to your governing document which is CC&R's and your bylaws. Nick said that governing documents are for some things but not on financials. Dan Selby added that the information needs to be made open for the members and be placed on the kiosk.

5. Do we have a bond for our financial officer? The management company does all the receiving and depositing of our monies and paying of bills. Our bylaws state that our treasurer is to be covered by bond. Nick replied that "they" were additional insured under the associations' policy and that his company is bonded but not himself personally. I can get a bond if that's what you want.

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Secretary's Report: Peter Ritt made a motion to accept the secretary's report; seconded by Rick Stevenson; passed 4 ayes; 1 absent.

Financial Report: The financial report shows a balance of \$2,548.62 in checking account; \$202,450.06 in reserve accounts; \$5,424.00 in accounts receivable; and expenses of \$2,052.52.

*Motion by Ralph Dalessio to approve the financial report as given; Peter Ritt seconded; 4 ayes; 1 absent.

Correspondence: Email from Mrs. Desmond re dues; Don Plehn re break-ins; letter to member regarding an infraction re defensible space; member telephoned re letter; USFS re commercial use of Pilgrim Creek Road; report of blogs on website. Telephone call received by Joan Dillon re a water truck on a property that may be used by the Association.

Committee Reports:

Road Committee: Jerry Perkins that we are in the process of fulfilling several contracts. Dan Selby reported that he has completed 1.5 streets to go and all the pins have been found. There are 2 cul-de-sacs that need to be moved; has not received payment for supplies and is accruing interest on his credit card. Nick Mitchell said it had been paid and mailed. The check apparently was lost in the mail. A check was issued in the amount of \$650.00. Dan suggested that the signs sitting out near the streets after brushing be moved back to the new line – 20' to 30' - and avoiding damage during winter time plowing. Bruce Lambert has been following the brushing progress; Hitchcock Construction has had to remove some of the chips from the ditches;

DRC: Trees on 1 K 08 have been cut; member wanted to sell them. 1 R 01 requested a permit to install a driveway; Bruce Lambert investigated the request. 1 C 01 requested a permit to cut down 1 cedar tree that was dead and it would fall. 1 J 08 is developing his property and requested putting in a dry hydrant on his property. Commercial advertising signs will be removed as they are in the right-of-way. Dan Selby suggested that a notice be put in the newsletter.

Fire Safe Committee: The McCloud Fire Council met and will complete the work left from 2008. Burning of the piles of brush will be done as weather permits. Volunteers will be contacted for their assistance. The council expressed concerns regarding an "escape route" for members in the Elk Springs Drive area in Unit 3. There will be a ZIB meeting on Monday, June 15.

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Caretaker: Trash pick-up is being considered. The problem is trouble of attracting bears. Discussion regarding possible days of pick-up for garbage. Further information will be obtained. We need 10 stop signs; posts; Unit 4 needs street signs; Clarice will prepare the signs. Caretaker is replacing the shingles on the kiosk and painting of the sign on the entrance road.

Website: Activity on the website for information has increased including approximately 40 hits for the newsletter. Pictures are on the web regarding the construction work.

Old Business:

1. Nick Mitchell advised the board that the newsletter was mailed on May 1, 2009. The next required newsletter is November 30th. Discussion regarding sending more newsletters per year. The cost of mailing is increasing. Resolved: In 2010 the newsletter will be published quarterly.

2. Clarice reported that the Association has been offered by the USFS the original McCloud Forest Service Station. It was built in 1935 and is unique due to the use of pine only. There are no knots in any of the wood. Special permission was given from Washington D.C. to use the pine. All other stations in the United States were built of cedar. The station is now considered “excess government property” and will be torn down. We, as a non-profit organization, may have it. It can be easily moved. The building measures 36’ x 21’ including the porch and is 603 square feet. It can be used for the office and a community meeting room. It would need some renovation. The Association would need to register with the state and then paper work can begin. Hitchcock Construction could move it. Costs would be for the moving and renovation. An estimate of \$10,000 to \$12,000 could be required.

The lease for 1 F 08 is in the process of preparation by the Siskiyou County Attorney. A 100 year lease can be signed. The building can be placed on that lot. The building can be used as a command post for Cal Fire, Board of Director meetings or any other recreational or social community meetings.

The lot would need to be developed with the well, septic system, driveway and parking area, etc. and the garage for the water-tender. Total costs of the developing the lot and buildings is estimated at \$150,000.

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New Business:

1. Funds in Reserve Account:

*Ralph Dalessio made a motion to transfer \$4000 from the reserve account to pay for dust abatement; seconded by Peter Ritt; 4 ayes; 1 absent.

2. Annual Meeting Plans and Ballot Counting: Joan Dillon reported that ballots are coming in and the counting will be held Thursday, July 2 at 10:00 a.m. at a Board of Directors meeting. Lin McClellan and Susan Howard will assist her.

3. Send 2nd Half Assessment Early: Nick Mitchell stated that contracts need to be paid soon. Nick was instructed to mail the statements next week.

4. Due payments for next year: Discussion regarding having the assessments in two payments or go back to one payment at the first of the year. It appears that the same number of members were late in paying their dues with the semi-annual billing as when they were collected annually.

*Motion by Peter Ritt to go back to the annual billing as of January 1, 2010; seconded by Ralph Dalessio; 4 ayes; 1 absent.

5. Fund Accounting: Discussion regarding the financial report for members. A distinct report of expenses can be made. Peter Ritt said he thought it would be a problem if put on the kiosk. Members should come to the office for that information. Information should be transparent.

*Resolved: Minutes and notice of meeting will be placed on kiosk.

6. Porta-potties: Clarice reported that a porta-pottie has been placed on 2 A 14.

7. Permits for Pilgrim Creek: Clarice is consulting with USFS for a permit for plowing next winter. All commercial hauling must have permits. USFS is anticipating that the snow mobile park will not be kept open during the winter of 2009-2010 due to lack of funds from the state. An agreeable solution to both of the problems between USFS and the Association for the coming year. Other considerations will need decisions in the future regarding the availability of Pilgrim Creek Road for fire suppression during the winter months.

Date was set for the next Regular Board Meeting for July 2, 2009 at 10:00 a.m. for the purpose of counting the ballots.

Date for the Annual Membership Meeting is set for July 3, 2009 at 4:00 p.m. with the bar-be-cue to follow.

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Executive Session: No business.

No further business, the meeting adjourned at 12:37 p.m.

Respectfully,

Jim Echnoz, secretary
Transcribed by C.L. Nutt