

LAKE COMO BEACH PROPERTY OWNERS ASSOCIATION
ANNUAL SPRING MEMBERSHIP MEETING
MAY 19, 2019,
1:00PM

WELCOME

PLEDGE

ATTENDANCE: Ed Gritzner, John Winters, Judy Zebrowski, Paul Todd, Debbie Bromeland, Tina Invergo, Bernadette Moran, Rick Kiezkowski, Bill Legge, Doug Adams, Bill Finkel, John Sullivan, Ruby Chambers, Allen Searles, Stephanie Nicewarner.

APPROVAL OF AGENDA

Motion to approve agenda by John Winters, seconded by Doug Adams. ALL IN FAVOR, SO CARRIED.

OFFICERS REPORTS

SECRETARY MINUTES: Transcribed by Judy Zebrowski May 20, 2018. Motion to approve by Allen Searles, seconded by Rich Kiezkowski. Discussion – Motion to amend and correct Article 8.01 by Tim Kelly, seconded by John Winters. ALL IN FAVOR, SO CARRIED.

==Article 8.01 – Mr. Decker introduced his proposal by indicating the Association’s accounting system is error-proof and indicated it and procedures in place prevent fraud or misappropriation of Association money by anyone on the Board accordingly. To reduce the cost of annual audits, Mr. Decker proposed to replace words “certified public account” with “independent qualified accounting firm.” Motion to approve proposed amendment by Bill Finkel/Rich Kiezkowski 2nd. Discussion – Ron Moretti – What is qualified accounting firm? Audience member (unknown) added there is no such thing as a “qualified accountant.” Gene Decker – Need better language in bylaw. Tim Kelly – 3207 Violet – The difference between us and other small business is you spend our cash, you handle our cash and this makes the Board fiduciaries. Our Bylaws establish certain standards to protect against fraud and misappropriation, such as certain tri-annual Reviews and Reconciliations and fourth year “full” audits and even these will not prevent fraud or misappropriation as occurred in Dixon Illinois where they had full annual audits each year. Last audit we had violated the Bylaws in two ways: It was not a Review and Reconciliation by a CPA, but a mere Compilation Report; and, we have not had a “full audit” per the Bylaws for at least five – if not more – years. Plus, the Association’s accounting processes also fail to comply with Generally Accepted Accounting Principals (GAAP) as required by the Bylaws. Mr. Decker acknowledged his unwillingness to follow GAAP and, instead, indicated his cash basis accounting was good enough. Mr. Kelly went on to highlight that he found material errors of \$10,000 or more in just the prior year’s Compilation Report and asked the Board to comply with the Bylaws. Mr. Kelly also indicated the Bylaws prohibit the Board from taking any compensation in years that the Bylaw reporting standards were not complied with. VOTE Yes 0 OPPOSED 110 – MOTION FAILED==

TREASURER’S REPORT: Paul Todd – Petty cash \$600.00. Main checking \$92,318.89. Pier checking \$34,400.46. Lake shore \$1,028.90. Prepaid assessments \$9,699.88. Clubhouse account \$22,570.84. Total \$160,618.97. Motion to approve Treasurer’s Report by Allen Searles, seconded by Doug Adams. ALL IN FAVOR, SO CARRIED.

STANDING COMMITTEES

FINANCE COMMITTEE: Allen Searles - \$115,000.00 for dues and assessments.

2019/2020 budget presented. Motion to approve budget by Bill Legge, seconded by John Winters. ALL IN FAVOR, SO CARRIED.

PIER COMMITTEE: Bernadette Moran - 4 new pier spots last year, 7 new spots this year.

2017/2018 Audit = John Chamberlain. Assets at end of 2018 \$257,000.00. Chamberlain opinion on audit: No changes need to be made. No irregularities found. Everything properly accounted for. Tim Kelly – segregation of duties? Chamberlain – None of his clients has sufficient staff to complete segregation of duties. Motion to accept 2017/2018 audit by John Sullivan, seconded by John Winters. ALL IN FAVOR, SO CARRIED.

OLD BUSINESS

Proposed bylaw changes. Motion by John Sullivan, seconded by Paul Todd to table 1305/1305A until May 2020 meeting. Discussion – John Sullivan; opposed to pier rights to children. Legally violates contractual rights of everyone on the pier waiting list. Violates their right to stay on the pier waiting list. Bill Finkel pier committee: 1305 (the current bylaw) states if a person passes away the spouse will get the pier. After that it's done. The second spouse passes away, the pier is gone. We're proposing is that the spouse will keep the pier; one child at one time to gain that pier. Last year we had 4 piers become available. This year we have 9 piers. On this change that we're asking for you to vote on is if you're on the waiting list and your over #50-75 on the list and over 50 years old, you pass away and your child can get the pier. If you're on the waiting list and you pass away and you're #20 on the list, your child, as the way it's written right now, gets the house and is on the pier waiting list #175 and probably won't see a pier in their lifetime. The way we're proposing is they would also take your spot on the waiting list. There were three ballots handed out: Ballot 1 is 1305, the original bylaw as it stands now; Ballot 2 is 1305A a rewritten bylaw change/proposal suggested by the pier committee (it was tabled at last year's meeting to be reworded correctly with legal advice); Ballot 3 is the same as Ballot 2 (1305A) but worded differently. Ed Gritzner proposed to toss 1305; page 2 and 3 are the same but worded differently; vote on 1305A. Joan Ward: Are we authorized to do this; Ed says yes, we're a property owners association. John Winters made a motion to scrap ballot 1305, seconded by Bill Finkel. ALL IN FAVOR, SO CARRIED. Steve Koch, attorney: property belongs to association; people who have piers lease the spot. You lease it not own. These are privileges, not rights, for members. Gene Decker: wants someone from pier committee to explain two items; 1) residency requirements for child heir, 2) out of 140 piers, 30-40 are LLC's or trusts. If that's your situation you have named one trustee or one representative. Right now when that person dies you lose the pier. There is no succession planned for you. Doesn't address LLC or trust. Ed Gritzner: any Board member with proxies you need to forfeit your proxy they can't be counted. (under bylaw 9.05). Everyone from the Board except John Winters must turn in their proxies and abstain. Bill Finkel quotes bylaw 9.03. Howard Platt made motion to table vote on 1305A until meeting next year seconded by Paul Todd. No discussion. ALL IN FAVOR, SO CARRIED. Jim Halsey: with the new vote please have the attorney write/check the verbage.

Update of issues raised at last year's annual meeting regarding alleged bylaw and financial discrepancies: Tim Kelly – Denying alleged misappropriation of monies. Disclosed bylaw violations last year he thought should be addressed to the board. Does not believe these violations were intentional. Audit finished. Multiple association accounts being gathered into one by Paul Todd, according to bylaws. Bylaws require 3 on finance committee; we've only had 1 for awhile. Need more for checks and balances to safeguard our money. Tim Kelly proposes that we ratify the alleged prior violations of the association including the alleged taking of compensation with the clear request that the bylaws be respected – motion made by Jim Halsey, seconded by Jim Cusack on Tim's proposal. Back and forth discussion. Call for motion to stop debate on motion made by Tim Kelly, motion made by John Sullivan, seconded by

Stephanie Nicewarner. ALL IN FAVOR, SO CARRIED. Vote on motion made by Tim Kelly, a standup vote. 54 in favor, 11 opposed. SO CARRIED. Board members opposed: John Sullivan, Judy Zebrowski, Srephanie Nicewarner, Rich Kieszkowski, Debbie Bromeland.

NEW BUSINESS

Proposed bylaw changes by Tim Kelly: motion to adopt change to bylaw I.01 by Alice Winn, seconded by Jim Halsey. Discussion: Ballot incorrect. Motion made to table all bylaw amendments proposed by Tim Kelly and send to bylaw committee by John Winters, seconded by Stephanie Nicewarner. No discussion allowed. Tim Kelly withdraws all his proposed bylaw amendments. John Winters withdraws his motion to table. No discussion on withdrawal. Vote -All in favor of withdrawal. Motion to table/send Tim Kelly's proposed bylaws changes to bylaw committee by John Sullivan, seconded by John Winters. ALL IN FAVOR, SO CARRIED.

Finance Committee: Our bylaw indicates finance committee members are elected, not appointed. We need to be able to appoint; election is another 2 years. Have only 1 committee member. John Sullivan proposed a motion that we change the bylaw to allow the executive board to make recommendations to fill the positions that are open. Second by Doug Adams. Discussion: Sandy Searles indicated motion has to be made 90 days before annual meeting. Tim Kelly previously offered to be on finance committee. John Sullivan's motion passed – ALL IN FAVOR, SO CARRIED. Welcome to the finance committee, Tim Kelly and Jane McGowan.

Unimproved roadway – Jeff & Chris Kahle. Motion by Tim Kelly, seconded by Gene Decker to approve request for easement at Washington & Maple. ALL IN FAVOR, SO CARRIED.

Swearing in New Officers, Directors, Pier Committee: Vice President, John Winters; Secretary, Judy Decker; Directors 1 & 2, Tina Invergo, Rich Kieszkowski, Bill Legge (Candy Coffey needs to attend 3 board meetings before being sworn in as Director); Pier Committee: Marla Walsh, Bernadette Moran, Greg Ruswick,, Gene Decker. (Bill Finkel left meeting before being sworn in.)

Open Discussion:

Mike Seick motioned to reinstate fall membership meeting, Marla Walsh seconded. Discussion: Judy Z., current bylaws state that fall meeting was eliminated. Submit a new bylaw 90 days before changes can be made. Stand up vote to reinstate: 24 IN FAVOR, 10 OPPOSED. SO CARRIED.

ADJOURNMENT:

Motion to adjourn by Allen Searles, seconded by John Sullivan. ALL IN FAVOR, SO CARRIED.

This meeting complies with Wisconsin Open Meeting Laws and is accessible to those individuals with disabilities.