

**SUMMARY MINUTES OF THE AUGUST 21, 2002**  
**BIG CANOE POA BOARD OF DIRECTORS MEETING**

Following an Executive Session, the meeting was brought to order in Regular Session at the Canoe Lodge by Jim Deach, President at 9:30 a.m. In attendance were Linda Greer, Bob Tippet, Bill Byrne, Mickey Gallagher, Anita Michele, Troy Ledbetter, General Manager and Debbie Pickett, Recording Secretary. There were three property owners in attendance.

The minutes of the July 17, 2002 meeting were reviewed and there were no changes to the minutes. A motion to approve the July 17, 2002 minutes was made, seconded and passed. A motion was made, seconded and passed naming Anita Michele, Secretary of the POA Board.

Mr. Deach stated that as an Elected Director of the Board, he wanted to thank Anita Michele for the work she has done for the POA and wished her good luck in her new position with the Developer. He continued saying that he looked forward to working with her as a Director on the Board. The Elected Directors stated that it has been a pleasure working with Ms. Michele during her years with the POA.

#### **FINANCIAL REVIEW**

The Financial Narrative produced prior to the meeting for the Board's review was attached to the minutes. Ms. Michele stated that the POA operated \$51,800 better for the month of July and \$411,700 better YTD.

Of the \$411,700 better than budget YTD, approximately \$150,000 will be spent during the year as planned. Property transfers were better than budget (45 vs. 25) in July; yet they are still short 59 (19%) below last year's total to date (245 vs. 304). Nine homes were finished in July and now pay \$160 a month in assessments versus \$107 for lots. For the second month in a row, lot sales rose dramatically (17 in the last two months, 27 year to date). We are finally exceeding budget in both home and lot dues.

The month of July was excellent for Golf Operations. They were on budget for the month and \$34,700 better YTD. We had perfect weather with practically no rain. For the second month in a row, golf set a new all-time high for rounds played. June 2002's 4,171 rounds didn't stay on top for long. Total rounds played in July were 4,621; this was an increase of 216 over budget. YTD rounds are up 8.4% versus last year. YTD revenue surpassed \$1 million. Cart-fee-only-rounds (cardholders) were 284 better than budget. Green fee/cart fee rounds (non-cardholders) were 68 worse than budget. The cart fees revenues were less than budget as was tournament income. This was offset by greens fees revenue, weekly cards and 10 play guest cards. Golf merchandise gross revenues are down about 25% for the month and about 12% year to date. However, costs of goods sold year to date are lower than budget. The net effect is a \$4,000 improvement over budget.

Golf Maintenance was \$2,000 better than budget for the month and \$12,000 worse YTD. The savings in July were in chemicals and fertilizer purchases. An unbudgeted expenditure of about \$15,000 to replenish all the bunkers with sand was made in June. Ms. Michele stated that the course is in good shape especially given the lack of rain and number of rounds played.

Fitness Center was \$2,000 worse for the month and \$18,800 worse YTD. Additional July annual card sales were \$1,100 better than budget. We have collected \$217,000 of the \$230,000 budgeted this year for card sales. Daily fees paid in July were \$5,000; YTD daily fees are \$23,000, about \$3,500 short of budget. Massage fees and contractor rental fees are better than budget. On the expense side there was a large repair expenditure on the heating and air system. Also, window tinting was added to the pool area. It is hoped the repairs and window tinting will hold down future utility bills and optimize the pool temperature.

Tennis was \$ 1,500 better for the month and \$3,400 better YTD.

AECD was \$7,500 better for the month and \$52,600 better YTD. Architectural & Environmental Control Department submittals were again significantly better than budget by \$6,000. There are currently 96 houses under construction.

Swim was \$9,800 better for the month and \$30,500 better YTD. With perfect weather and practically no rain, attendance records were also set at the outdoor pool during July. On the Fourth of July attendance was 1,084 up from 990 in 2001 and 867 in 2000. Through the end of July, the swim club has hosted 24,550 people, up 50% from 2001 and 28% from 2000. An average weekday serves 242 while the counts jump up to about 420 on Saturday and Sunday. Annual card sales and daily sales are both running well ahead of budget for this period. YTD Revenue is \$18,000 greater than budget while expenses are \$12,000 less. However on the capital side, we do have to pay approximately \$8,000 for the saline system. Ms. Michele stated that Linda Gelarden has done an excellent job managing the Swim Club this summer.

Lakes and Marina was on budget for the month and \$27,900 better YTD. The boat rental program has been quite a success with many more homeowners now able to enjoy the lake; however, with this success has come damage to the boats and down time for repairs. The boat rental program repair costs are running a 25% of revenues year-to-date. Currently 3 of the 4 boats are in service. Overall fishing revenue is \$10,000 better than budget with boat rental revenue \$6,000 better than budget. Expenses are on budget. On the capital side, \$10,000 that was not budgeted had to be spent to replace dock floats that had become waterlogged (due to age) and were no longer holding up the dock.

Food and Beverage was \$7,300 worse for the month and \$20,700 worse YTD. Revenues of \$91,700 were about \$21,500 worse than budget; however, YTD revenue at \$550,000 is within \$200 of budget. Cost of Goods Sold were better than budget in July. Labor and operating expenses were \$1,200 worse than budget. The restaurant manager anticipates cutting back labor costs somewhat beginning in August and adding new menu features such as Weight Watcher entrees. Sales are strong in the evening hours versus last year; however, golf's success (with the accompanying lack of parking) and increased local competition has cut into the lunch traffic.

Grounds Maintenance was \$22,700 better for the month and \$159,800 better YTD. The department was short employees and hours. Road fees were \$4,700 better in tandem with increased AECD submittals. There were some July savings in road maintenance, landscape maintenance and equipment repairs, some of which will be spent as planned in 2002. Facilities Maintenance was \$1,500 for the month and \$14,300 better YTD.

Security was \$1,700 better for the month and \$25,00 better YTD.

General and Administrative was \$19,300 better than budget for July and \$80,100 better YTD.

On the revenue side interest income and transfer fees were up again. For the first time this year, dues from both houses and lots were better than budget.

### **GENERAL MANAGER'S REPORT**

The General Manager's Report produced prior to the meeting for the Board's review was attached to the minutes.

Mr. Ledbetter identified a potential problem with the Disharoon Dam spillway, which also functions as the rockslide, stating the spillway has deteriorated to the point that we must either make significant improvements or construct a new spillway. There is leakage around the rockslide that could be causing erosion problems to the Disharoon Dam. Mr. Ledbetter stated that he feels this problem must be addressed. He relayed that he feels an engineer ought to be retained to determine what needs to be done to correct the problem. It was agreed that Mr. Ledbetter should contact an engineer to give the Board a preliminary estimate of costs for engineering studies. Mr. Ledbetter will also identify some companies that could either make improvements to the current combination spillway/slide or contract to build a new spillway. We must have a spillway in some form for the Disharoon Lake overflow. Work with the engineers must be done before any additional recommendations can be made such as whether the spillway/rockslide combination can be repaired or could the area be reworked so that water flows down the spillway year round but not down the slide (causing unnecessary abrasion).

Mr. Ledbetter reported that during the month of July, Dawson County EMS responded to 12 calls with five patients being transported and there were seven refusals.

Pickens County is in the process of constructing a recycling center on Cove Road. Construction should be completed in approximately two months. He reported that there will be a charge of \$1.00 for bagged trash, pick-up loads will be \$20.00 and there will be no charge for sorted recyclables. An analysis on Garbage, Recycling and Janitorial expenses was provided for the Board's review. If the open top were eliminated, the saving would be that the compactors would cut down on the number of loads that would be hauled away along with labor savings. Also, due to volume there is a need to add another compactor for household trash. It was agreed that the Board would make a decision regarding the possible elimination of recycling at Big Canoe when the center on Cove Road has been completed. Ms. Greer will provide an update on the recycling matter at the Town Hall Meeting.

Mr. Ledbetter informed the Board that the styrofoam underneath the docks at the marina has been replaced. The old styrofoam had become water logged and was coming loose from the docks. This was a \$10,000 capital expense that was not budgeted.

Letters have been sent out to violators who were caught going 40 mph or above. They have been informed that this resulted in a \$50 fine and that these fines have been added to their POA statement.

To comply with state regulations, a steel retainer has been placed around the gasoline storage tank at the golf cart barn. "No Smoking" signs have been posted at this location.

In order to increase the Lake Sconti employee and overflow parking, a section of the service road will be paved to accommodate additional vehicles.

As of this date, Mr. Ledbetter reported that we have had no response from the Georgia Department of Natural Resources regarding Lake Petit Dam, nor has the State contacted GeoSyntec.

Mr. Ledbetter relayed that all striping of roads has now been completed with the exception of the remaining roads on the paving list, which will be resurfaced in 2002.

Facilities Maintenance is in the process of updating the kitchen area in the maintenance building, which is used as an employee break room and will also be used by the Emergency Management Committee during emergencies. They are painting the room and cabinets and installing new tile on the floor.

The AECD has now registered almost 2,000 sub-contractors in the new security program. Security is checking cards and patrolling for violators after approved work hours. Mr. Ledbetter stated that he feels this program has reduced the number of violations.

Effective August 19, 2002, changes were made to the menu at the Lake Sconti Restaurant. The buffet has been eliminated, but a daily special will be provided. Also featured on the menu will be some Weight Watchers entrees.

Marcos Ivanowski has joined the staff at Tennis as the first full-time, year-round Staff Tennis Professional. He was originally from Brazil, but has spent the last four years in Gainesville, Florida where he taught tennis for USPTA Pro Frank Namorati. His addition will add to the staff services available to property owners at Big Canoe Tennis.

The Swim Club has had a very successful summer. Linda Gelarden, the Waterfront Director, has arranged the lifeguard schedule so that the paddleboats, canoes and rockslide will be open from 4:00 p.m. - 6:00 p.m. through Labor Day. The pool will be open (swim at your own risk) through the end of September.

## **OLD BUSINESS**

The Board next reviewed the status of the list of outstanding items.

The Board again discussed the proposal for signage at the gates. At the current time there are banners put up two or three times a year. Mr. Byrne stated that he would study this proposal further and make recommendations on an alternative plan.

The Board also discussed the overall signage program again. It was reported that the entrance sign for Lake Sconti Golf Club and Restaurant has been ordered. The graphics committee has made no further recommendations. Mr. Byrne stated that he would follow-up on this item with Bryant McDaniel and Nancy Zak.

Mr. Deach again referenced the letter that was sent to the Developer last October regarding the dispute over amenity funding allocations. Mr. Deach stated that Ms. Zak had agreed to reply to the letter by the end of August. Mr. Byrne stated that Ms. Zak should have the letter ready by then.

The Board discussed the need to develop a major decision protocol for the Board; the intent when proposed was to make sure the Board received input from the community before making decisions. It was agreed to drop this from the agenda as the Community Council is now being used as a sounding board to the Board, along with pulling together past Directors for advice.

Mr. Deach inquired about the status of the Architectural Control Resolution. Mr. Byrne stated that he would follow-up on this item and bring it to a conclusion.

The Board was next updated on the status of discussions regarding the Amicalola Electric Membership Corporation's easements. Mr. Deach stated that he, Linda Greer, Jim Owens and Troy Ledbetter met with an attorney who specializes property law and utility companies. The Board has provided information to him to research. Ms. Greer stated that they were very encouraged with his initial response. The Board will be updated on further legal opinions in this regard.

The subject of Multi-owner membership policies for amenities was again discussed. Mr. Ledbetter stated that after researching the files, he had located information regarding the different types of memberships as follows:

Family Membership - Limited to two families. Each member of the immediate family is allowed to use the amenities. Each family pays a monthly POA assessment or annual maintenance fee.

Single Membership - Limited to two single individuals. The individual is entitled to use the amenities. Relatives of single members are considered guests and must pay guest fees to use the amenities. One monthly POA assessment or annual maintenance fee is paid.

Corporate Membership - A Corporate Membership is available to recognized business entities in which the corporation may designate a maximum of two officers by name who will be given the right to use the amenities. Corporations must provide their federal employer identification number in order to qualify for this type of membership. The

families of the officers designated are considered guests and must pay guest fees to use the amenities. One monthly POA assessment or annual maintenance fee is paid.

Family, individual and corporate memberships cannot be further subdivided with the selling of a partial interest in a lot or interval week.

Immediate family is defined as husband, wife and children less than 21 years of age living at home.

The policies and procedures listed above are subject to change at the discretion of the Property Owners Association.

Mr. Ledbetter stated that the POA staff will continue to follow the policies shown above.

Ms. Greer continues to work on the Buckskull By-Laws. She stated that she would be meeting with a Buckskull resident to discuss the formation of the Association. The legal entity already exists for an association. If the owners do not elect officers and operate the association, the POA may assess the owners for Buckskull Association dues.

Mr. Deach stated that he and Ms. Greer are working on the selection of attorneys for recommendation to serve as the Board of Arbitrators for 2003.

## **NEW BUSINESS**

Mr. Deach announced that the POA Nominating Committee has named Jim Milton and Bill Mostellar as candidates for the Property Owners Association's Board of Directors.

The Board next discussed the matter of the West Nile Virus. Ms. Greer stated that she has been asked why we do not spray for mosquitoes and if this is a possibility? The Board discussed the situation and agreed where stagnant water is standing the POA would rectify the situation. The Board also suggested that property owners use a spray containing "deet" when they wish to use repellent. In general, health officials do not recommend spraying at this time. If there are areas of concern in Big Canoe, owners should contact the POA Office. The Board will consider this matter further should the need arise.

There was discussion by the Board concerning a request for consolidation of two adjoining lots. Pickens County has deemed both unbuildable by the county as stand alone lots. It was pointed out that per the Covenants and Restrictions, only the Developer has the right to consolidate lots. One of the lots is considered unbuildable due to the grade and the other one has a stream running down the middle of the lot. After hearing the facts, the Board concurred with the Developer's decision that these two unbuildable lots should be consolidated and one fee would be paid.

The next meeting of the Board will be held September 18, 2002. A motion was made and seconded to adjourn the meeting. A motion passed and the meeting adjourned at 11:10 noon.

This report is an incomplete and unofficial summary of information provided to the Board and the Board's activities at this meeting, which is produced prior to approval of the official minutes for purpose of timely property owner communication.