



**BOARD OF DIRECTORS MEETING**

**August 19, 2023**

**9:00 A.M. – ACL CLUBHOUSE, 14A457 CANYON CLUB RD, APPLE RIVER, IL 61001**

**Join Zoom Meeting**

**<https://us06web.zoom.us/j/87280659074?pwd=VkxkZ0V0YVNnT0NkeG1KV0VPcnZMQT09>**

**Meeting ID: 872 8065 9074**

**Passcode: 909510**

**AGENDA**

- 1.0 CALL TO ORDER – 8:00 A.M.
- 2.0 EXECUTIVE SESSION – 8:00 A.M
- 3.0 RETURN TO OPEN SESSION – 9:00 A.M.
- 4.0 PLEDGE OF ALLEGIANCE
- 5.0 APPROVE/ADOPT MINUTES FROM THE JULY 15, 2023, AND JULY 18, 2023 BOARD MEETINGS
- 6.0 TREASURER’S REPORT
- 7.0 COMMITTEE/COMMISSION REPORTS
- 8.0 GENERAL MANAGER’S REPORT
- 9.0 PRESIDENT’S REPORT
- 10.0 PROPERTY OWNER COMMENTS (3 MINUTES PER MEMBER)
- 11.0 ANY ADDITIONS TO THE AGENDA
- 12.0 CONSENT AGENDA
  - 12.1 COMMITTEE/COMMISSION CHANGES
  - 12.2 BOARD LIAISON ASSIGNMENTS TO COMMITTEES/COMMISSIONS
- 13.0 UNFINISHED BUSINESS
  - 13.1 MEMORIAL PAVILLION CONSTRUCTION
- 14.0 NEW BUSINESS
  - 14.1 DESIGNATED SIGNERS FOR ACLPOA ACCOUNTS
  - 14.2 GM EXECUTIVE RECRUITER FIRM
  - 14.3 FORMATION OF SAFETY & SECURITY AD HOC COMMISSION
  - 14.4 FLOOD MITIGATION LABYRINTH SPILLWAY
  - 14.5 COVE FOOD & BEVERAGE AD HOC COMMISSION CHARGE
  - 14.6 BOARD POLICY FINANCIAL DOCUMENTS – FIRST READING
  - 14.7 OLD FIREHOUSE ROOFING REPAIR/BIDS

PLEASE CALL THE ASSOCIATION OFFICE IF YOU ARE UNABLE TO ATTEND.

Mike Harris, Interim General Manager, ACLPOA



# Memorandum

**To:** Board of Directors

**Date:** August 19, 2023

**From:** Board of Directors

**Memo:** 2023-040.5

**Topic:** Board Liaisons

Campground---Nolan

Conservation---Deb

Deer Management---Mark

Golf--- Mark

~~(??)Lake Monitoring, subcomission of conservation---none currently~~

Legal---Deb

Maintenance--- Carmel

Recreation---John

Rules & Regs---Mark Brian

Safety & Emergency Planning---Laura

Strategic/Long Range Planning--- Carmel

Tellers---Laura

Trails---Bill

Nominating---Bill

Board Policy---Laura Brian

Food & Beverage---Mark

Employee Handbook--- Mark

Flood Mitigation---~~Bob~~ Laura

Memorial Pavilion---Laura

Multi-Sport Complex---~~Brian?~~ John

Zebra Mussel---Laura

AECC --- Bill, Mark

Deb / Don't know / Age 8  
Mark / Mark / Day 4

Nolan Miller

# Memorandum



**To:** Board of Directors

**Date:** August 14, 2023

**From:** ACLPOA

**Memo:** 2023-49

**Topic:** August Consent Agenda – Committee/Commission Changes

**Recommendation:** To appoint Anthony Frieri to Golf Commission; Gary Hannon to Budget Commission; Bob Cook, Rich Krasula, Ken Lopez to GM Search Commission; Dianne Carr, John Diehl, Michael Gardner, Lori Hewitt to Cove Food & Beverage Ad Hoc Commission; Norman Vandigo to Maintenance Commission; Barry Kren and Jim Cleary to Flood Mitigation Ad Hoc Commission; Jon Duddles to Legal Commission.

VOTE RECORDED:

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

**Motion:** \_\_\_\_\_ Passed \_\_\_\_\_ Failed

# Memorandum



**To:** Board of Directors

**Date:** August 2, 2023

**From:** Memorial Pavilion Ad Hoc Commission

**Memo:** 2023-41

**Topic:** Memorial Pavilion

**Issue:** The Apple Canyon Lake Memorial Pavilion has been marketed to ACL members since 2008. For the sole purpose of building this pavilion, the designated fund has received monetary donations from individuals, groups, and from the Recreation Commission. The money sat idle for a number of years, from 2016 until fall of 2022 when the Board of Directors enacted this commission with the charge of providing an action plan for timely completion of this project. Fundraising resumed in 2023 with the selling of engraved pavers that will form the path from the existing walkway to the pavilion. Complete bidding and construction of this pathway to be in 2024.

**Recommendation:** *"to approve building of the Memorial Pavilion west of the Mann Lookout Tower. Construction to be done by: Mike & Nick Sproule Construction, Galena, Il for the concrete pad at \$10,800, Pine Grove Contractors, Cuba City, WI for the structure at \$40,000, and Pierce Electric, Stockton, IL to run electric to the site for \$3245. Total funds needed: \$54,045 Currently, our designated fund is at \$57,742.50."*

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

**Mike & Nick Sproule Construction**

PO Box 6161  
Galena, IL 61036



Estimate

ADDRESS  
Apple Canyon Lake  
Attn: Carmel Cottrell  
14 A 157 Canyon Club Drive  
Apple River, IL 61001

ESTIMATE #                      DATE  
8062                                02/27/2023

DATE	ITEM	DESCRIPTION
02/27/2023		Estimate for 30' x 50 Pavilion Concrete at ACL
02/27/2023	Labor	Core off black dirt and pile onsite
02/27/2023	Concrete Services	Frame up and pour 30 x 50 concrete pad
02/27/2023	Materials	Install gravel in area and compact
02/27/2023	Concrete Services	Pour 5" concrete with broom finish
02/27/2023	Concrete Services	Install wire mesh for reinforcement
02/27/2023	Concrete Services	Bring all concrete in with Bobcat
02/27/2023	Materials	Install dirt along side
02/27/2023	Labor	Clean up jobsite when done
		Note: No permits figured in estimate
		Note: No concrete piers figured in estimate - slab poured on grade

We are fully bonded and insured. Estimates are valid for 30 days.

TOTAL

**\$10,800.00**

Variable Clauses\* If solid rock and/or extremely rocky conditions are found during excavation extra per hour equipment charges will apply and be considered a change order to be agreed with general contractor and owner. If frost is encountered there will be an extra charge for equipment/labor. If this estimate is a concrete project, no winter costs have been figured in this estimate. If those items are needed a change order will be discussed and additional costs will apply.

Accepted By

Accepted Date

"Serving All Your Septic, Excavation, Trucking & Quarry Needs"  
Office 815-777-2499 Mike's Cell 815-541-6781 Matt's Cell 815-541-8212  
Visa/Mastercard Accepted 3% charge applied Terms are net 30 days.  
M&N will be entitled to all costs and expenses for collection of accounts past due and owing,  
including, but not limited to Attorney's fees incurred  
Page 1 of 1

- \*Metal Roofing
- \*Siding
- \*Pole Sheds

# Pine Grove Construction

11768 County Rd. H  
Cuba City, WI 53807

FREE  
ESTIMATES

PROPOSAL SUBMITTED TO <i>Carnel Cottrell</i>	PHONE	DATE <i>6/7/23</i>
STREET	JOB NAME <i>Apple Canyon Lake</i>	
CITY, STATE, AND ZIP CODE	JOB LOCATION	

We hereby submit specifications and estimates for:

*24' x 44' (Post to Post dimensions) with 2' overhangs on all sides giving a 1' perimeter of the concrete pad.*

- *The Trusses will be custom made using an arched bottom cord.*
- *Trusses will be notched and bolted into the posts.*
- *Ceiling Height will be 9' and Post Spacing at 8' O.C.*
- *Exposed Ceiling will be of 2" x 4" Tongue and groove pine for strength and aesthetics.*
- *all posts will be wrapped in Rough Sawn Cedar along with the fascia.*
- *The roof will be Pro-Rib Style Ag Panel the color of the customers choosing.*
- ≡ *NO Concrete or Electrical included in this quote.*

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

*Forty Thousand*

Dollars (\$ *40,000* )

Payment to be made as follows: *1/3 @ the signing of contract, Next 1/3 when material arrives, Last 1/3 when done.*

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.

Authorized Signature *Douglas Hall*

Note: This proposal may be withdrawn by us if not accepted within *30* days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

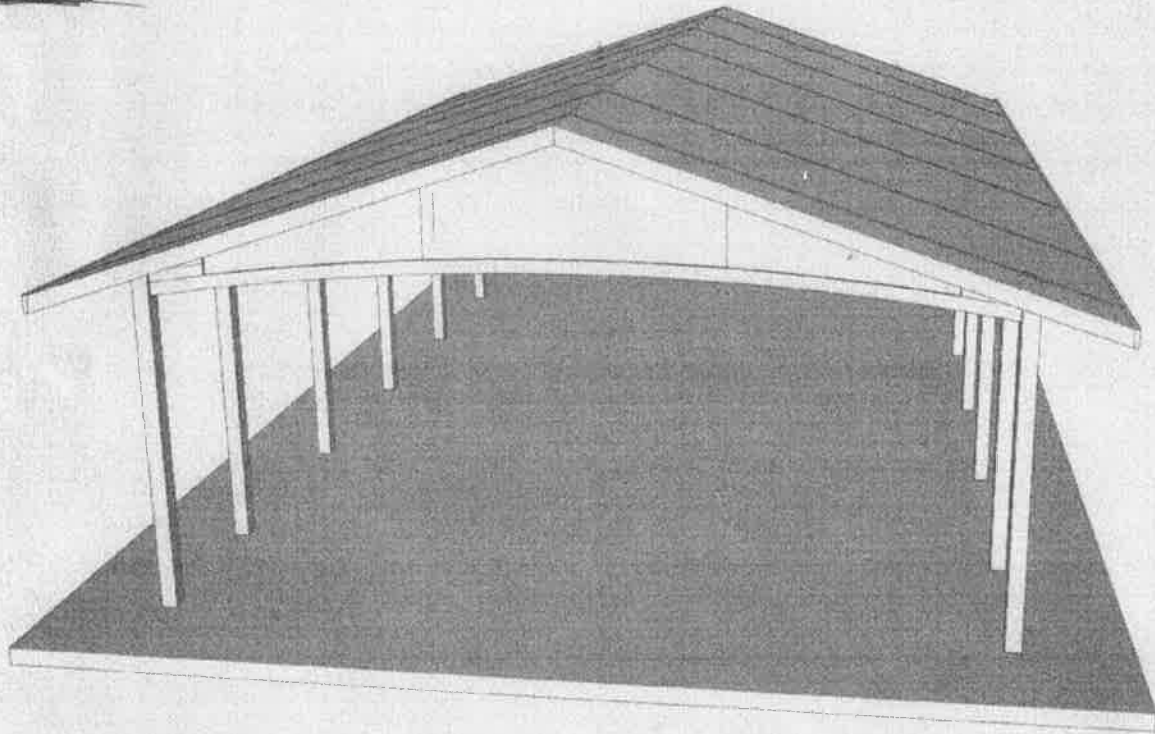
Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

# -Simple Sketch-Apple Canyon Pavilion

- \* will have a Cupola on top
- \* All posts will be wrapped in Rough Sawn Cedar
- \* All face boards will be Rough Sawn as well
- \* bowed bottom Cord of trusses
- \* Steel Roof

~~Stone~~





Kevin R Pierce Electric, Inc.  
10424 E Greenvale Rd  
Stockton, IL 61085



# Estimate

**ADDRESS**  
Carmel Cottrel

**ESTIMATE #** 1256  
**DATE** 08/07/2023

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DESCRIPTION	QTY	RATE	AMOUNT
Wire Memorial Pavilion in EMT conduit, All outlets are GFCI protected with Weatherproof In-use covers. Power is from breaker box on pole approx 10ft away Underground conduit to pavilion and up through slab. Total of 6 120V outlets on 3 separate circuits Total of 1 single pole Switch Total of 3 LED surface mount canopy lights  Conduit must be put in ground before concrete is poured - needs to be coordinated with the excavator and concrete contractor.	1	3,245.00	3,245.00
TOTAL			<b>\$3,245.00</b>

Accepted By

Accepted Date

ACL Memorial Pavilion  
START

Budget

November 18, 2022

<i>Revenue Source(s)</i>	<i>\$ AMOUNT CONFIRMED PENDING BALANCE</i>		
<i>Memorial Fund (11/30/2023)</i>	39,737.60	39,737.60	39,737.60
<i>Bill Mader Memorial (2010)</i>	2,205	2,205	2,205
<i>Fundraising - Pavers (08/04/23)</i>	3,200	3,200	3,200
<i>Grants/Donation</i>			
<i>Campground Donation (071523)</i>	12,700	12,700	12,700
<i>Board of Directors MTG Nolan M</i>			
<b>Total Revenue Budget</b>	<b>57,742.60</b>	<b>57,742.60</b>	<b>57,742.60</b>
<b>BID Estimates</b>	<b>\$ AMOUNT</b>		
<i>Building Contractor Thistle – Geoff</i>	<del>89,325.00</del>		
<i>Stocks 30 x 42</i>	<del>58,321.00</del>		
<i>Eliminate (-)</i>			
<i>Concrete Piers- \$4900.</i>			
<i>Excavation of piers-\$2700.</i>			
<i>Labor for piers \$1000 = (\$8600)</i>	<del>49,721.00</del>		
<i>Building Contractor F &amp; S</i>	<del>50,872.00</del>		
<i>Building Contractor Matt Ware</i>	<i>Incomplete</i>		
<i>Pine Grove Contractor AMISH</i>	<b>\$40,000.00</b>	<b>40,000.00</b>	<b>40000.00</b>
<i>Concrete Contractor – Sproule – Matt 30x50, donating piers</i>	<b>\$10,800.00</b>	<b>10,800.00</b>	<b>10800.00</b>
<i>Concrete Contractor – Wiene – Matt 30x50, 30x60</i>	<del>\$10,980.00</del>		
<i>Concrete Contractor –Thistle Geoff 36x46</i>	<del>\$13,824.00</del>		
<i>Concrete Contractor – Schueller</i>	<del>\$36,630.00</del>		
<i>Electrical Contractor bid - Pierce</i>	<b>5,000.00</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>EXTRAS</b>			
<i>Lighting/Fans GRANT</i>			
<i>Permits</i>	200.00		
<i>Furniture GRANT</i>			
<i>Landscaping walkway Korte</i>	14,000.00		
<i>Pavers Top Block and Brick</i>	6500.00		
<i>Vincent Memorial engraving</i>	4300.00		
<i>ACL BOD (2024 Budget request to complete entire project if needed)</i>	<b>25,000.00</b>		<b>(25,000.00)</b>
			<b>57742.60</b>
			<b>(55800.00)</b>
			<b>1,942.60</b>

Ask BOD/Budget (August 2023) for \$25,000.00 to complete pathway and pavers. Extras can be paid for with grants from Foundation & Recreation monies.

<i>REVENUE Source(s)</i>	<b>\$ AMOUNT CONFIRMED PENDING BALANCE</b>		
<i>Memorial Fund (11/30/2022)</i>	39,737.60	39,737.60	39,737.60
<i>Bill Mader Memorial (2010)</i>	2,205	2,205	2,205
<i>Fundraising - Pavers (08/08/23)</i>	3,200	3,200	3,200
<i>Grants/Donation</i>			
<i>Campground Donation (071523)</i>	12,700	12,700	12,700
<i>Total Revenue Budget</i>	57,742.60	57,742.60	57,842.60
<i>BID Estimates</i>			
	<b>\$ AMOUNT</b>		
<i>Pine Grove Contractor AMISH</i>	\$40,000.00	40,000.00	40000.00
<i>Concrete Contractor – Sproule – Matt 30x50, donating piers</i>	\$10,800.00	10,800.00	10800.00
<i>Electrical Contractor bid - Pierce</i>	3,245.00	3,245.00	3,245.00
<i>Total Bids</i>			(54,045.00)
			<b>3,797.60</b>
<i>EXTRAS FOR 2024</i>			
<i>Lighting/Fans GRANT</i>			
<i>Furniture GRANT</i>			
<i>Permits</i>	200.00		
<i>Landscaping walkway Korte</i>	14,000.00		
<i>Pavers Top Block and Brick</i>	6500.00		
<i>Vincent Memorial engraving</i>	4300.00		
<i>ACL BOD (2024 Budget request to complete entire project if needed)</i>	<b>25,000.00</b>		<b>25,000.00</b>

# Memorandum



**To:** Board of Directors

**Date:** August 11, 2023

**From:** Ashlee Miller

**Memo:** 2023-047

**Topic:** Designated Signers for ACLPOA accounts

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**Issue & Analysis:** The designated signers for all ACLPOA accounts at Apple River State Bank and the CDs at Apple River State Bank, must be updated following the 2023 Annual Meeting.

**Recommendation:** To designate Ashlee Miller, Financial Manager; and Maddy Bernhardt, Accounts Payable; and Board of Directors members Nolan Mullen, President; William Becker, Vice President; Mark Kosco, Treasurer; Laura Pratt, Corporate Secretary; John Anderson; Bob Ballenger; Carmel Cottrell, Brian Holt, Debra McNamee as designated signers for ACLPOA accounts and CDs at Apple River State Bank.

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

# Memorandum



**To:** Board of Directors

**Date:** August 10, 2023

**From:** GM Search Ad Hoc Commission

**Memo:** 2023-45

**Topic:** Engagement of an Executive Search Firm

**Issue:** For the past several weeks the GM Search Ad Hoc Commission has discussed and implemented every hiring tool at its disposal. Unfortunately, the process has not yielded one viable candidate to date. In an effort to broaden our search and to successfully fill the position of General Manager, we are requesting the Board to approve retaining an Executive Search Firm. The Commission diligently researched several such firms, has interviewed two very qualified firms that specialize in HOA's, and has concluded the best way to move the hiring process forward is to engage the talents of the firm we unanimously felt could find a GM well suited for ACL.

**Recommendation:** "to approve retaining the services of Management Matters, LLC to manage the recruitment, screening and hiring process for the General Manager position, and to approve a maximum of \$60,000 to complete this process."

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_



# Memorandum

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**To:** Board of Directors

**Date:** August 10, 2023

**From:** Legal Commission

**Memo:** 2023-43

**Topic:** Ad Hoc Formation

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**Issue:** No such ad hoc currently exists.

**Recommendation:** To approve the formation of a new Ad Hoc Commission:  
*RESOLVED, that, as previously discussed with the ACL Board, the Legal Commission hereby recommends that the Board establish an ad hoc commission (comprised of Board members, ACL owners, the head of ACL Safety, and if possible persons with law enforcement, fire, and/or emergency response backgrounds), with a limited, time-based charge to review the function, training and authority of the ACL Safety and Security Department, compare the findings of this review with the descriptions of ACL Security currently set forth in the ACL governing documents, and, based on this comparison, recommend revisions to the governing document descriptions and/or changes to the ACL Security functions, in an effort to reconcile the governing document descriptions with the actual activities of ACL Security.*

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

# Memorandum



**To:** Board of Directors

**Date:** 8/10/2023

**From:** Flood Mitigation Ad Hoc Commission

**Memo:** 2023-46

**Topic:** Phase 2 approval monies for Labyrinth Spillway

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**Issue:** Crawford, Murphy & Tilly (CMT) engineering consultants have completed the first phase supplying plans and specs for the new proposed Labyrinth Spillway. The original agreement executed 5/2022 was for \$249,200, which included a contingency of \$22,700. Engineering services to date amount to \$277,113 or \$27,913 over contract. This includes \$44,603 paid to subconsultants. The contingency (all but \$1,380) has been committed to a new geotechnical firm that had to be hired and an ACL request for a local source of clay borrow material. Twelve other line items have taken additional effort to date that were not in the original scope of work. See attached CMT report dated August 9, 2023 for detail.

Phase two scope of work includes the bidding process, preparing opinion of construction costs, surveying and designing a ramp down the North side of dam for construction purposes, along with eight other smaller issues to be done before advertising for bids. CMT proposes to furnish the additional services on a time and expense basis up to an amount not to exceed \$52,000. This amount includes services already performed and services yet to be completed. It is also recommended we hire another engineering firm, Freese and Nichols engineering who have engineered 15 labyrinth spillways, to perform a review of the plans, specifications, and hydraulics report. Estimate cost for these services is between \$5,000 to \$10,000. Average of \$8,000. It is understood that expenses for phase 3 which includes engineering services for construction oversight and project administration will be forthcoming later.

In summary, CMT proposes to furnish the following services on a time and expense basis not to exceed the following amounts for Phase 2.

Bidding Phase services \$29,000

Design Phase Services Amendment including ramp \$52,000

Review by outside Engineering Firm \$8,000 (est)

Total amount of all services \$89,000

**Recommendation:** To approve an additional \$89,000 for Phase 2 of the project as detailed in the CMT report dated August 9, 2023.

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_





Crawford, Murphy & Tilly

2750 W Washington Street  
Springfield, Illinois 62702

August 9, 2023

Apple Canyon Lake Property Owners Association  
Attn: Mike Harris, Interim General Manager  
14A157 Canyon Club Drive  
Apple River IL 61001

Re: Apple Canyon Lake – Labyrinth Spillway, Channel and Dam Crest Improvements  
Engineering Proposal

Mike:

We are providing a proposal for engineering services for the following scope of work.

- Construction bidding phase
- Amendment to the design phase agreement
- Review by outside engineering firm

We will submit a proposal for the engineering services for the construction observation and administration phase at a later time.

#### Bidding Phase Services

The bidding phase includes the period of time starting with assembling the final construction documents for distribution through the preparation of the construction contracts between the POA and selected contractor.

Services include the following:

- Finalize documents to distribute to bidders.
- Receive and respond to inquiries from construction contractors and suppliers. The services of Shannon and Wilson are included for geotechnical questions.
- Prepare agenda for and attend a prebid meeting at Apple Canyon Lake. Prepare notes to distribute to planholders.
- Prepare addenda for plan and spec revisions. Distribute to planholders.
- Review and evaluate construction bids. Contact bidders for additional information if needed. CMT does not plan to attend the bid opening unless requested.
- Make recommendation to ACL POA for award of the construction contract.
- Prepare construction contract documents for execution by the Owner and Contractor.

We propose to provide the above services on a time and expense basis not to exceed \$29,000. The amount includes Shannon and Wilson Engineering services up to an amount of \$2,000.

Crawford, Murphy & Tilly

Centered in Value

## Design Phase Amendment

In June, the CMT services furnished to ACL POA reached the upper limit in the May 2022 agreement. We have continued to work on certain aspects to get the plans and specifications submitted to IDNR for the dam safety construction permit and to address various items.

A summary of the amounts of services provided through August 8, 2023 is as follows.

Agreement amount executed May 2022	\$249,200	
Engineering Services to Date (August 8, 2023)	\$277,113	
Effort to date above contract amount	\$ 27,913	
CMT labor and expenses thru 8/4/23	\$232,510	
Subconsultants to date (with markup)	\$ 44,603	\$

### Subconsultant services furnished and upper limits (with markup)

Horst Continuing Education	\$3,960 out of \$3,960
Tullis Hydraulic Engineering Consulting	\$1,320 out of \$5,280
Shannon and Wilson	\$39,322 out of \$43,890

A breakdown of the CMT effort by tasks is on the page following the letter. The breakdown tasks were previously furnished to you. Horst and Tullis have completed their services. Shannon and Wilson Engineers have completed their services unless IDNR has geotechnical review comments.

The original agreement between POA and CMT had a contingency amount of \$22,700. However, most of the contingency has been committed as shown below. The remaining amount of contingency is \$1,380. Originally, we anticipated the contingency would be available for items besides geotech services which might arise.

- After the agreement was executed, the original geotechnical firm was unable to execute the work and a different geotechnical subconsultant was hired. The amount of the geotechnical agreement was increased by \$17,320 (without markup). The scopes in both agreements were similar except that soil testing of the local borrow source was added to the Shannon and Wilson scope for an amount of \$4,000.
- The POA approved an additional amount of \$4,000 for CMT to locate a local source of clay borrow material and incorporate the source into the construction plans and specs.

The items which have taken additional effort to date that are not in the original scope are as follows.

- Revised the labyrinth spillway size and hydrologic modeling to increase spillway capacity following responses from the Dam Safety Permit Section of IDNR.
- Greater effort was required to develop the hydrology and hydraulic modeling because we were unable to calibrate the HEC-HMS model to the HEC-1 run by IDOT DWR 1982 due to insufficient records in the report or available from IDNR.
- Review and evaluate Horst approach of calibrating to Streamstats. Discussed with IDNR.
- Adjusted the crest elevation of the new labyrinth spillway based on a more detailed analysis of the existing spillway crest.

- Extensive analysis of the approach channel hydraulics and labyrinth wall heights of 6, 8 and 10 feet. A height of 8 feet was selected.
- Developed a new concept to have tapering side walls for the channel downstream of the labyrinth spillway. The change improved the hydraulics of high flow rates.
- Coordination with Township Highway Commissioner.
- Designed the outlet of the spillway channel to preserve the appearance of the current waterfall at lower flow rates.
- Added a drawdown gate in the spillway wall.
- Added a low flow notch in the new spillway based on hydraulic analysis to be similar to the notch on the existing spillway.
- Determined source and obtained higher resolution aerial photos for construction drawings.
- Developed method of preserving existing survey markers on dam crest. Added details to the construction drawings.

The following work remains to be done prior to advertising for bids.

- Receive and respond to review comments from IDNR Dam Safety Section.
- Submit request for Thompson County Floodplain Permit
- Revise plans and specs to incorporate POA responses to various questions
- Add notes regarding grouting of native rock and for placing large riprap at bridge foundation
- Respond to comments (if any) from the Township Road Commission. One concern is the bridge foundation and whether to determine the depth of the existing bridge foundation.
- Add requirements to plans and specs regarding lake drawdown
- Contact JoDaviess County Extension Service for turf seeding recommendations for dam crest
- Develop requirements and schedule for prebid meeting, advertising and opening of bids
- Update EAP and O&M Plan
- Prepare opinion of construction cost
- Survey and design a ramp down to the north side of the new spillway (see below)

The POA has requested that a ramp be constructed to the spillway area from the higher ground to the north. The area of the proposed ramp will need to be surveyed and plan sheets prepared. If this work proceeds, we recommend surveying further out into the lake bottom for the approach channel while the survey crew is onsite. When the lake bottom was surveyed in April 2022, the approach channel was expected to be 6 feet deep and is now 8 feet deep. The survey will help the Contractor to prepare a better estimate of the rock removal cost.

We propose to furnish the additional services listed above on a time and expense basis up to an amount not to exceed \$52,000. The amount includes services already performed and services yet to be completed.

#### Review by Outside Engineering Firm

CMT is proposing, if the POA is interested, that an engineering firm who has designed approximately 15 labyrinth spillways perform a review of the plans and specifications and hydraulics report. The engineering firm is Freese and Nichols Engineering. The firm has told us that they are willing to perform the review of the project and provide the benefit of its lessons learned on other labyrinth spillway design and construction projects. We are awaiting a response from the firm for a proposal. We estimate that the fee for performing the review would be in the range of \$5,000 to \$10,000.

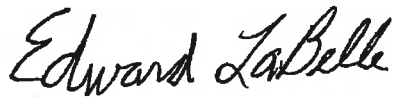
In summary, we propose to furnish the following services on a time and expense basis not to exceed the following amounts.

Bidding Phase Services	\$29,000
Design Phase Services Amendment (including ramp)	\$52,000
Review by Outside Engineering Firm	\$ 8,000 (estimate)
 Total Amount of All Services	 \$89,000

Please review the information and let us know if you have comments or revisions. We are available for a conference call to discuss the scope and respond to questions. We will prepare a Professional Services Agreement for signing after the POA has determined the scope of services to include.

We look forward to continuing to provide engineering services to Apple Canyon Lake Property Owners Association.

Sincerely,  
Crawford Murphy and Tilly



Edward LaBelle P.E., CFM  
Senior Project Manager

**Apple Canyon Lake – Property Owners Association  
Labyrinth Spillway, Channel and Dam Crest Improvements**

**Breakdown of Design Engineering Services by Task through August 8, 2023**

Task	Description	Budget	Actual	Over/Under	
1	Meetings with ACL POA and CMT	8100	8,969	869	
2	Hydrologic & hydraulic modeling. Drawdown calculations. Develop labyrinth spillway layout.	37000	68,293	31,293	
3	Environmental survey and report. Joint Waterways Permit appl.	26,600	20,084	(6,516)	
4	Structural design and plan sheets	38,500	32,870	(5,630)	
5	Construction plan sheets for site layout, spillway, channel, raising dam crest and erosion control.	64,400	83,043	18,643	
6	IDNR dam safety permit application. Update of EAP and O&M Plan	12,500	10,800	(1,700)	
7	Site visit other than environmental survey	3,100	3,913	813	
8	Prepare Opinion of Construction Cost	4,500	0	(4,500)	
9	Project Management	9,400	9,819	419	
10	Shannon and Wilson rock boring and geotechnical report & specs	39,900	39,323	(577)	
11	Contingency amount	5,200	0	(5,200)	
	<b>TOTAL</b>	<b>249,200</b>	<b>275,212</b>	<b>27,913</b>	
	Subconsultants Included in Item 2 above (w/ markup)				
	Horst Continuing Education Services	3,960	3,960	0	
	Tullis Hydraulic Engineering Services	5,280	1,320	(3,960)	


# Memorandum



**To:** Board of Directors

**Date:** August 10, 2023

**From:** Cove Food & Beverage Ad Hoc

**Memo:** 2023-42

**Topic:** Cove Food & Beverage Ad Hoc Commission Charge

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**Issue:** Current charge needs to be revised.

**Recommendation:** To approve the new charge for the Cove Food & Beverage Ad Hoc Commission: The Ad Hoc FB Commission has been established for the purpose of supporting the F&B management team in the following 3 specific areas: 1) Identify and analyze metrics and provide reporting and recommendations based on that analysis for the Cove, Pro Shop and Marina. 2) Devise a system to objectively capture and share customer and employee feedback. 3) Act to remove operational issues that impede progress.

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

# Memorandum

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**To:** Board of Directors

**Date:** August 5, 2023

**From:** Board Policy Ad Hoc Commission

**Memo:** 2023-48

**Topic:** Board Policy: Financial Document

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**Issue:** The Board Policy Ad Hoc Commission has rewritten the Financial section of our Board Policies in an attempt to streamline our documents, making them easier to read and understand. This document was reviewed by the Association's legal counsel and the Association's auditor.

**Recommendation:** No motion required at this meeting. For presentation and discussion only.



## Introduction

***This collection of Board Policies is intended to guide the Board of Directors (herein referred to as the Board), employees, and Owners/Members with best practices for operating Apple Canyon Lake Property Owners' Association (herein referred to as ACLPOA or Association).***

## 1 Procurement & Disbursement Policies

### 1.1 Disbursements

Dual signatures are required for all check disbursements. Two Board members will sign all checks. However, in the event of an emergency, and a second Board member is unavailable, the General Manager is also authorized to sign checks. Only pre-numbered checks shall be used and always in sequence. Signing of blank checks is strictly prohibited. Checks must be made payable to specific payees based upon appropriate documentation; and never to “cash” or “bearer”. Access to blank checks must be limited to persons authorized to prepare checks. Blank check stock must be locked in a secure place when not in use. Any voided/spoiled checks must be marked “Void” and shredded with the signature portion removed.

Automated Clearing House (ACH's) and Electronic Fund Transfers (EFT's) for utilities, payroll, and periodic bills may be authorized, and be fully accounted for and reconciled in the monthly financial reports. For all ACH's and EFTs, the Finance Manager must initiate the payment and send written notification with supporting documents to trigger an action that a payment is ready for approval. Only the General Manager or a board member may approve an ACH or EFT.

Credit Card Usage – The following employees may be authorized to use the corporate credit card, with the following restriction: \$2500 limit per manager, per cycle. An electronic notification (alert) with the credit card company will be enabled, notifying the Financial Manager and the General Manager of any transaction over \$500.

- Security Manager
- Food & Beverage Manager
- Recreation & Communication Manager
- Office Manager
- Maintenance Manager
- General Manager

The Finance Manager will reconcile the credit card statement monthly for further review by General Manager and submittal to the Board in the monthly financial packet.

## Board Policy – Financial Management Section

### 1.2 Purchasing

It is the policy of the Board of Directors to control and approve any single expenditure in the following manner.

- A. For single expenditures up to \$5,000, it is the responsibility of the General Manager to use good judgment and prudent business procedures in making purchases. Splitting single purchases into separate transactions in order to avoid the spending limits is not acceptable.
- B. For single expenditures over \$5,000, the General Manager must seek at least three competitive quotations when practical. Any non-budgeted expenditures over \$5,000 must be brought to the Board of Directors for approval prior to purchase. The Board of Directors will evaluate proposals with the following considerations:
  - Purchase goods and services at the lowest cost consistent with specified quality and service levels
  - Promote full competition from vendors through a standardized bidding process. For contracts and services, formal written proposals will be reviewed by the Board after an approved solicitation process is followed.
  - Comply with all local, state, and federal regulations
  - Maintain continuity of supply to support the various services provided by the Association
  - Maintain standards of quality in materials
  - Avoid duplication, waste, and obsolescence with respect to materials and equipment
  - Maintain the minimum investment in materials inventory needed to provide cost effective services.

#### **Exceptions:**

- **Emergency Purchases** - The acquisition of goods and services when following the normal acquisition procedures would create an unacceptable delay in resolving an emergency situation. A delay is unacceptable if it would create an environmental hazard, place the Association members at risk, lead to increased damage to facilities or create a significant inconvenience for Association members. Examples include major roof leaks and the unexpected failure of critical equipment of facilities. For purchases that qualify as emergency, the need for multiple proposals is waived, and work may be completed on a time & material basis. Board approval will still be required if over \$5,000.
- **Equipment Repairs** – in the event a piece of equipment is inoperable and requires repair in excess of \$5,000, the Board Treasurer and Board President may authorize the expenditure provided it is ratified by the Board at the next meeting.
- **Travel & Training** (acceptable provided it is within budget)
- **Payroll** (acceptable provided it is within budget)
- **Utilities**
- **Health Insurance Reimbursements**
- **Contract Payments** (provided they do not exceed approved limits)
- **Capital Project Payments** – When the Board approves a capital project, they will include provisions for change order approval levels appropriate for the project & timeline.
- **Debt service**
- **Temporary Employment Service Payments**

## Board Policy – Financial Management Section

- Payments required by State & Federal Law
- Inventory purchases for pro shop, marina, and Cove

## 2 Cash & Banking Management

### 2.1 Investment Policy

Funds provided to the Association are to be used for the maintenance and improvement of the quality of life in the lake development. Therefore, the investment of funds is not a primary function of the Association, and the conservation of fund principal is paramount when considering investment opportunities.

The Association recognizes its responsibility to participate in and support local financial institutions within the northwest Illinois community. Unless the overriding considerations of security of funds and types of investments preclude the use of local institutions the Association will invest with local financial institutions first.

**OBJECTIVES:** The objectives of the Investment Policy are:

1. Provide the available cash necessary to pay bills and expenses on a timely basis.
2. Maximize return on funds not necessary for cash flow needs.
3. Protect the principal invested.

To accomplish these objectives, the following rules must be observed:

- a. Placement of investment funds and their subsequent management should not involve payment of special investment management fees.
- b. Measure cash flow requirements by estimating expenditures and income fluctuations based on historical data and any known variances to determine monthly cash flow needs.
- c. Provide for expenses, in excess of related revenues, through appropriately maturing investments.
- d. Investments will be made by the General Manager through FDIC insured financial institutions in the US or Federal Agency Securities or in an insured savings, with prior approval of the Board of Directors. Deposits must not exceed the amount insured by FDIC unless secured by US or Federal Agency Securities.
- e. The General Manager is designated as investment officer and is responsible for the execution of this policy, acting with the guidance of and answerable to the Board of Directors.

The Board of Directors must receive at least quarterly reports of all investment transactions and a portfolio maturity summary.

### 2.2 Access to Accounts

Board President and Board Treasurer must, at a minimum, receive bank statements directly. Ideally, they will also have read-only access to online accounts, but will not have individual ability to generate transactions. Documents will not be shared outside of the Board of Directors.

## Board Policy – Financial Management Section

### 2.3 Transfer Management

Transfers from reserves or capital funds must be made upon approval of expenditures with approval from the General Manager or Board of Directors. All transfers from these accounts will accompany appropriate back up, whether it is the approved budget or respective minutes reflecting Board approval.

### 2.4 Cash Handling

The Board of Directors requires that cash be handled in accordance with generally accepted accounting principles (GAAP) and specific recommendations provided by the Association's independent auditors. Receipts and records of all cash transactions must be maintained for accounting and auditing.

It is prohibited to leave cash in an unsecured location overnight. All collected money must be submitted to the Association's office no later than the next business day on which the money was collected, and the money must be secured in a designated location. If there is no access to the Association's office and its designated secure location, then money must be secured overnight in accordance with the procedures established by the Association.

Cash will be accounted for and deposited in a financial institution in a timely manner.

Whenever possible, cash will be counted and cross-checked by two (2) personnel.

### 2.5 Financial Institutions

All funds will be held in FDIC insured financial institutions and balances will stay within the limits for FDIC insurability (currently \$250,000)

Primary bank accounts must be approved by the Board via resolution. CDs, however, may be opened with Board Treasurer and Board President authorization.

The Association may maintain at least one (1) safety deposit box at a bank selected by the General Manager. The Board authorizes the General Manager or Finance Manager to sign the signature card for access to each safety deposit box.

### 2.6 Borrowing

Upon an affirmative vote of five members of the Board, consistent with the voting provisions set forth in the Apple Canyon Lake Bylaws, the General Manager or Finance Manager will prepare the data and applications regarding the borrowing of funds needed for the immediate operation of the Association. Such borrowing must be in accordance with the provisions of the ACLPOA Bylaws and applicable statutes.

## 3 Financial Reporting

### 3.1 Accrual basis

In general, ACL uses an accrual basis of accounting. In this, we allocate expenses in the month they are incurred. For income, we allocate when it is payable and due.

Other minor exceptions include:

## **Board Policy – Financial Management Section**

- Depreciation for new purchases/expenditures made during the year is calculated during the year end process.
- Paid time off is reconciled yearly.

### **3.2 Distribution Schedule & Requirements**

In order to exercise proper oversight of Association Operations, the Board will receive the following financial reports monthly prior to the 15<sup>th</sup> of each month:

- Month end fund balance sheet
- Statement of Revenue and Expenses with a comparison of Budget
- Accounts Receivable Summary Report
- Bank Reconciliations and Bank Statements
- Credit Card Statements
- Statement of R&R, Capital Fund, and Designated Fund Activity

### **3.3 Annual Audit & Tax Preparation**

Prior to year-end, for review and selection by the Board, the Finance Manager will solicit proposals from specialized third-party CPA firms to conduct a complete annual audit, prepare the annual financial reports and file the annual tax return. The Board may enter into a multi-year agreement if they so choose. The Audit is expected to be started within the first quarter of the fiscal year and should be completed no later than June 1 of any given year.

Once finalized, the Audit will be available to all owners for review per Association Bylaws.

## **4 Fund Accounting**

### **4.1 Capitalization & Depreciation Policy**

Generally, fixed capital assets that cost more than \$5,000 with a useful life of longer than one year are depreciated/amortized utilizing a straight-line method. HOAs generally also do not capitalize fixed assets unless they a) can dispose of the property and retain the proceeds of the disposal or b) has the ability to generate significant cash flows from members or non-members. For example, common area is not depreciated, but purchasing of the farmland is.

For improvements in excess of \$5,000 to existing assets to be considered for capitalization, the improvement must fall into one of the following categories:

- It extends the life of the asset
- It enhances the overall value of the asset
- It adapts the fixed asset to be used in a new way

### **4.2 Fund Management**

All funds should be segregated and held in separate bank accounts. Interest accruals for each fund must benefit the fund in question and will be allowed to compound. Annual contributions to respective funds should be transferred no later than March 31<sup>st</sup> of each calendar year. For

## Board Policy – Financial Management Section

fundraising activities related to Designated Fund activities, transfers should be made within 45 days of the closure of the activity generating the funds.

### 4.3 Operating Fund

Funds that are assessed and ultimately disbursed from the Operating Fund are generally for day-to-day expenses. All Association expenses will generally be paid out of the Operating Fund, including any repairs to fixed assets. As a general rule, if the cost to repair something is twenty percent (20%) or less of an asset's original capitalized value or if the value of the asset is less than \$5,000 it will be expensed through the Operating Fund.

### 4.4 Replacement & Renovation Fund Management

#### 4.4.1 Reserve Study & Fund Methodology

Reserve Study is a listing of all assets the Association is currently responsible for and lists the major repairs/renovations periodically required as well as anticipated replacements. All items listed in the reserve study include original cost, expected useful lifespan, and anticipated future costs (using inflationary future value). The Reserve Study also includes a calculated funding plan that determines annual assessment requirements required to ensure adequate funding is available for the next 30 years.

Reserve Study is updated annually by the Finance Manager to reflect new purchases and disposals for future replacement. Every 3 years, a complete evaluation (ideally by a Reserve Study Specialist) is done to ensure future costs are in line with realistic expectations.

Borrowing from this fund for anything other than the items listed may be done by resolution of the Board and include opportunity cost of lost investments during the time of the loan. Short funding the fund in any given year will also be done via Board Resolution with a plan to make up the intended shortfall.

#### 4.4.2 Qualifications for Funding from the R&R Reserves

Funds that are assessed and ultimately disbursed from the Replacement and Renovation (R&R) Fund are set aside for a specific purpose which primarily includes the replacement or renovation of all assets identified in the Reserve Study. New equipment with an original cost of five-thousand dollars (\$5,000) or more will be purchased through the Capital fund or Operating fund and will then be added to the Reserve Study for future replacement.

When an item is replaced using R&R funds, it is expected that the asset that was originally replaced be properly disposed of, either through trade-in, auction, or other means.

### 4.5 Capital Fund Management

#### 4.5.1 Qualifications for Funding from Capital Fund

Funds set aside in The Capital Fund will be used to acquire new fixed assets and to fund capital projects. A new fixed asset is defined as an asset that is not currently included in the Association's Reserve Study. Once a new fixed asset is acquired with Capital Fund funds it will be added to the Reserve Study and future replacement and renovations to the asset will be funded through the R&R Fund. A capital project is a long-term project to build, improve, or develop a capital asset. This type of project is typically large scale, involves a significant and consistent flow of investment and upon completion provides significant value to the

## Board Policy – Financial Management Section

Community. In order to determine its funding source, the Board will on a case-by-case basis determine whether a project is to be considered a capital project.

Any capital acquisition over \$100,000 will be disclosed to Owners by the Board within thirty (30) days. The disclosure will include the purpose of the acquisition and any special assessments, if needed to complete the transaction. Publication in the Annual Budget will satisfy this requirement, when applicable. CICAA requirements will be followed.

Any land acquisition, under consideration, will be disclosed to Property Owners within fourteen (14) days of onset of discussions. No final decision or commitment will be made (in writing or verbally) for a minimum of 14 days post disclosure to Property Owners.

### 4.5.2 Updating and Funding Plan

The Strategic Long Range Planning Commission, along with the Budget/Audit Commission will advise the Board on how best to incorporate new acquisitions and capital projects into the planning process in order to adequately maintain Capital Fund reserves.

## 4.6 Designated Fund Management

Designated funds are funds generated through fundraising activities from various commissions for specific projects or assets. Approval of expenditures will still require Board approval but are restricted to those that they were originally intended to fund. Should a project be cancelled, the Board will determine the best use of these funds.

# 5 Accounts Receivable & Collections

## 5.1 Payment Plans

The Board may create a payment plan or options for Owners to pay their annual assessment (dues) and fees. A per lot payment plan processing fee will be charged and added into the payment plan agreement. If an Owner chooses to participate in a Board of Directors approved payment plan, all payments will be automated clearing house (ACH) withdrawals initiated by the Association office. Other methods of payment will not be offered as part of the payment plan. The Board approved annual assessment and fees payment plan will be published in The Apple Core.

## 5.2 Bad Debt

Dues are assessed on January 1 and due on March 1 of each year. Bad debts are charged to operations in the year in which the account is determined uncollectible. For accounting purposes, an account is considered uncollectible when the property is in active foreclosure or bankruptcy.

## 5.3 Fees, Interest, Fines, Legal Action

### 5.3.1 NSF Fees

When the Association receives a returned check that is marked “insufficient funds”, the General Manager or Finance Manager will provide an opportunity for the payer to make proper payment or to arrange for a satisfactory payment schedule. If payment is not received within thirty (30) days, the payment schedule is not adhered to, or the monies do not appear to be

## Board Policy – Financial Management Section

collectable, the Board of Directors authorizes the General Manager to remove the assessed fee or charge from the Association's Accounts Receivable and to take appropriate action against the person(s).

### 5.3.2 Late Fees & Interest

All assessments and fees are due January 1<sup>st</sup>. All amounts are considered delinquent if not paid by March 1<sup>st</sup>. On March 2<sup>nd</sup>, a late fee determined by the Board's annual fee schedule is applied for any amount owed on either the annual assessments or OARF. Similarly, any fine or fee assessed, that is not paid within 30 days will also be assessed as a late fee adopted by the Board (Non-assessment late fee).

Interest, the rate to be determined by the Board, is accrued and added monthly on all balances owed until paid in full. Interest, however, does not compound.

Any account still delinquent on May 15<sup>th</sup> will be turned over to legal counsel for legal collections including, but not limited to, foreclosure.

### 5.3.3 Fines

The Association has the right to impose fines for violation of any published rule or regulation. However, prior to assessing any fine, the Owner or Member must be given the opportunity to be heard by the Appeals Commission. As such, when a Member has allegedly violated a rule, a notice will be sent with the proposed fine, offering a 14 calendar-day period for the Member to request a hearing (exercising their right to be heard). Failure to request a hearing will result in the automatic application of the fine. Once the Member has been heard, the final determination of the fine will be made via recommendation from the Appeals Commission to the Board.

### 5.3.4 Legal Action – Collections (adopted by Resolution 2/18/2023)

1. **Turnover of Delinquent Accounts to Association Counsel.** Accounts that are past due as of May 15<sup>th</sup> of each year will be turned over to Association counsel for further collection activity.

2. **Payment Plans Upon Accounts Being Turned Over to Association Counsel.** Upon turnover of an account to Association counsel, no payment plans will be accepted.

3. **Negotiation of Amounts Due.** No late fees, fines, attorneys' fees or other amounts will be negotiated or removed from delinquent accounts without the specific recommendation of Association counsel or as required by court order.

4. **Collection Process to be Followed by Association Counsel.** Upon receiving a delinquent account from the Association/management, Association counsel will conduct a tract search of the Property to verify current ownership. Counsel will also review bankruptcy records to verify that the Owner is not currently under the protection of an automatic stay imposed by a bankruptcy court. Counsel will also review property tax records to verify that the Property is not subject to any pending tax sale proceedings.

Upon completing these searches and determining that further collection is appropriate, counsel will proceed with preparation of a lien against the subject delinquent Property, which will be recorded with the Jo Daviess County Recorder. Upon recording of a lien, counsel will prepare and send the Owner a 30-day demand notice, which will include a copy of the recorded lien. Should the delinquent account not be brought current in accordance with the demand, counsel will proceed to filing a lien foreclosure action. Any such action filed will seek judgment for



Board Policy – Financial Management Section

foreclosure for all unpaid common expenses, attorneys' fees and court costs as well as an order to sell the Property via judicial sale.

If suit is filed and the court ultimately awards the Association judgment and an order for sale, counsel is to schedule the judicial sale upon expiration of the redemption date as set forth in the judgment for foreclosure and sale order.

5. **Judicial Sale Bidding Process to be Followed by Association.** On the date of sale, the Association will submit a bid to the Jo Daviess County Sheriff for the value of the Property, as determined by the Association, but in no event shall the Association bid an amount greater than the current delinquency. However, the Association has full discretion to decrease or increase the bid amount if circumstances warrant such a change.

6. **Deed in Lieu Process.** Upon turnover of an account to Association counsel, but prior to expiration of the right of redemption in the lien foreclosure proceeding, Owners will be provided an opportunity to convey ownership of the Property to the Association via deed in lieu of foreclosure. Prior to the conveyance of the Property to the Association through a deed in lieu, the Owner(s) are required to pay the entirety of the outstanding balance on their account and pay all past due and currently due and owing property taxes. Once paid, the Association will accept a deed in lieu of foreclosure. The Association will not accept a deed in lieu involving a Property that is otherwise encumbered with an interest that may be superior to the Association's such as a mortgage or federal or state tax lien.

7. **Mortgage Foreclosure.** Upon becoming aware that a Property is involved in a mortgage foreclosure proceeding, Association counsel shall monitor the proceeding's progress and include updates within its monthly status report, as warranted. If the Property is not current on amounts owed to the Association, other than recording the lien and sending the demand described in Section 4, no further collection activity shall be undertaken without the recommendation of counsel and direction from the Board of Directors. Also, upon direction from the Board of Directors, counsel may file an answer and appearance on behalf of the Association in the Property's mortgage foreclosure proceeding.

8. **Bankruptcy.** Association counsel is to take all steps necessary in order to protect the Association's lien rights for unpaid assessments and common expenses. Specifically, with respect to Chapter 13 (reorganization) bankruptcy petitions filed by delinquent Owners, Association counsel shall file a proof of claim setting forth the full amount of the pre-petition delinquency. Counsel is instructed to proceed to the extent necessary in order to assure that the Owner's plan for repayment of his/her debts includes the Association in the full amount of its pre-petition claim.

Should an Owner who is involved in a bankruptcy action fail to remain current on post-petition common expense payments, Association counsel shall file a petition for relief from the automatic stay seeking the ability to pursue the post-petition default. Relief stay petitions will be filed once an Owner is delinquent in accordance with Section 1 above. The Board of Directors may deviate from this policy upon review and consideration of the recommendations of counsel.

9. **Guidance from Counsel.** Association counsel shall provide guidance to the Board of Directors on all delinquent accounts and to that end, should counsel make specific recommendations to the Board that may not be consistent with the policies set forth herein, the Board may deviate from these policies. In providing guidance to the Board on pursuing delinquent accounts, counsel will take into consideration factors such as: i. the amount of the delinquency; ii.

## Board Policy – Financial Management Section

whether there are any pending mortgage foreclosure actions that may impact the Association's rights; iii. whether the property taxes for the Property in question have been paid; iv. the likelihood of successful collection of the unpaid amounts; and v. other factors based upon counsel's knowledge and experience in prosecuting similar collection actions.

## 6 Budget

### 6.1 Budget and Budget Matters - defined

The Association's operation plan is reflected in its budgets. Each year, the Board will cause to have prepared and then review and approve the budget. The budget will be designed to carry out Association operations in a thorough and efficient manner, maintain Association facilities properly, and honor continuing obligations of the Association.

*Budget Matters* is defined as anything associated with annual assessments and fees or special assessments.

### 6.2 Commission Requirements (and Limits)

The Budget/Audit Commission will consist of up to **nine (9) to eleven (11) members, maximum total**, that includes being chaired by the Board Treasurer, an additional Board member, and two or more additional members (no more than 9). Refer to *Committee Practices and Procedures, Statements and Charges* for terms of appointment. It is the duty of this commission to prepare and submit to the Board for approval, an annual budget for the next fiscal year beginning with the first day of January.

#### **Budget Process**

A Budget timeline has been developed to comply with notification deadlines set by the Association governing documents. When followed the timeline will conclude with the Board approving the Budget at its November Board meeting. This provides a one-month cushion for any years the process flows into the month of December.

The Budget timeline is as follows:

- In the June Apple Core and each subsequent month thereafter, a listing of all tentative budget and Board meeting dates will be established and published as a safeguard for all potential budget related meetings.
- Budget Commission review of budget requests July – August as follows:
  - Commission Requests, Reserve Requirements, and Capital Requests – July
  - General Manager current year forecast and upcoming year proposal – August
- Budget presented to the Board – August – September
  - Once the Commission has made their final recommendation (August), the Board will be provided the final recommendation as well as a list of all items changed/rejected and reasoning.
  - The Board will be afforded at least a week to review the budget prior to a workshop meeting scheduled with the Budget Commission representative(s) and General Manager to conduct their final review.
  - At the September Board of Directors Meeting, the Board must take action (to publish, or not) on the proposed budget.

## Board Policy – Financial Management Section

- Approval for notification and publication of the budget to membership 30 - 60 days prior to the Board voting to adopt it requires publication in the October Apple Core. – September Board Meeting or a special Board meeting prior to the October Apple Core deadline.
- Formal approval of the budget prior to the next fiscal year – November Board Meeting

The final budget approved by the Board will be made available to the membership in the form and places required by CICAA and the Association’s Governing Documents.

## 6.3 Budget Administration

The Board places the responsibility of administering and monitoring the budget, once adopted, with the General Manager. The General Manager is authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budget, and any limitations stated specifically in Board Policies. Listings of expenditures, appropriate financial reports, and budget comparison reports will be submitted monthly to the Board to keep Members informed as to the status of the budget and overall financial condition of the Association.

If during the fiscal year, it appears to the General Manager that actual revenues are less than estimated revenues, including the available equity upon which the appropriations from the Operating, Capital Projects, and Renovation and Replacement (R&R) Funds were based, the General Manager will present to the Board recommended amendments to the budget that will prevent expenditures from exceeding revenues. The General Manager must ensure that such recommendations will be in accordance with CICAA Section 1-45 (d): “If total common expenses exceed the total amount of the approved and adopted budget, the common interest community association will disclose this variance to all its Members and specifically identify the subsequent assessments needed to offset this variance in future budgets.” Budget amendments must be approved by five (5) affirmative votes of the Board.

## 7 Special Financial Policies

### 7.1 501c4 Status

Apple Canyon Lake is a tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare. As such, investments and income generally are not taxable.

### 7.2 Restricted Lots (Adopted 11/21/2015)

The Covenants provide that an Owner may enter into an agreement with the Association wherein the Owner agrees that said Lot shall remain forever vacant open space.

The Board has discretion to deny a request for a Restricted Lot and as a matter of policy should grant this status only to lots meeting the following established criteria:

- Granting the restriction will enhance or preserve the sense of open space
- Granting the restriction will preserve and protect scenic views or natural setting thus enhancing the special character of Apple Canyon Lake
- Granting the restriction will not have a negative impact to the Association finances

## Board Policy – Financial Management Section

- Whether there are any unique physical characteristics of the lot, including slope or soil type that make it impossible for construction.

### 7.3 Donations

#### 7.3.1 Donations from the Association

It is the Policy of the Board to not use Association Revenue to make donations. However, in order to promote good will and standing within the community, the ACLPOA Board will entertain proposals to use facilities for fundraising activities for bona fide non-profit organizations at a reduced or complimentary rate, depending on the use and activity proposed. Beyond use of facilities, it will be the discretion of the General Manager to advertise or promote ACLPOA and its open-to-the-public amenities through advertising sponsorships and/or non-cash donations for fundraising activities (e.g., golf rounds).

#### 7.3.2 Donations to the Association

The Board is appreciative of any donation made to the Association. The Board does reserve the right to specify the manner in which a donation is made, to consider the appropriateness of a donation, and to reject any donation it deems inappropriate. If accepted, the Board will attempt to carry out the wishes of the donor.

#### 7.3.3 Naming/Commemorating Association Property

Apple Canyon Lake properties will not be named after individuals or groups, rather, donations or contributions may be recognized via commemorative signage approved by the Board.

### 7.4 Grants

Grants will be individually reviewed by the General Manager, who will then recommend to the Board the measures required of the Association to secure the most from each grant. All grants require Board approval before being accepted by the Association.

# Memorandum



**To:** Board of Directors

**Date:** August 10, 2023

**From:** Maintenance Department

**Memo:** 2023-44

**Topic:** Firehouse Roof

**Issue:** Firehouse roof leaking.

**Recommendation:** Budgeted \$40,000 but need \$8,000 more so all three flat roofs can be completed.

**VOTE RECORDED:**

MOTION MADE BY: \_\_\_\_\_

YEA: \_\_\_\_\_

MOTION SECONDED BY: \_\_\_\_\_

NAY: \_\_\_\_\_

PRESIDENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_



July 20, 2023

Attn: Ed Ziarko, Building & Grounds Manager  
Apple Canyon Lake  
14A157 Canyon Club Drive  
Apple River, Illinois 61001

In Re: Firehouse Roof 91-191

Dear Ed:

Per your request and with your assistance we have inspected various roofs at the Firehouse. We are pleased to present this proposal for your consideration. We will supply labor, material, equipment and insurance to complete the following work:

- 1) The existing ballast rock or pea gravel will be removed from the roof and the job site.
- 2) At the area of deteriorated roof decking (an area approx. 8' x 40' at the rear of the high northwest roof) the roofing and roof deck will be torn off and replaced with new plywood and insulation fill to match the existing roof height.
- 3) A minimal thickness recovery board will be installed.
- 4) In an attempt to minimize ponding water a tapered insulation saddle will be installed on the northwest roof to divert the flow of water to the scupper outlet.
- 5) A Versico 60 mil TPO membrane roof system with heat-welded seams will be installed.
- 6) All penetration flashings, wall flashings and perimeter edge details will be installed per manufacturer's specifications.
- 7) New, pre-painted 24g commercial grade gutter, downspouts and perimeter metal edging will be installed.
- 8) Freeport Industrial Roofing will warrant this application against leaks for 5 years.

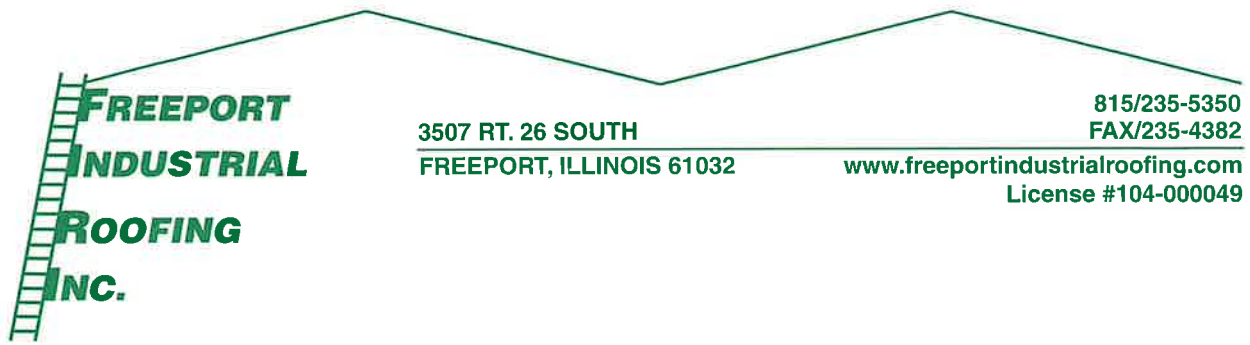
Costs:	Northwest Roof	\$17,950.00
	Northeast Roof	\$13,725.00
	South Roof	\$13,500.00

Special Conditions & Possible Costs Changes:

- 1) Should you elect to complete these roofs simultaneously the application will be eligible for a 15 year manufacturer's warranty at no additional charge.
- 2) Any additional wet roofing or deteriorated decking over and that identified in step #2 above will be replaced on a time plus material basis.
- 3) This proposal does not include any HVAC, plumbing, electrical or additional carpentry or sheet metal work.

Thank you for this opportunity to be of service. If you have any questions regarding this matter please don't hesitate to give us a call.

Sincerely,  
  
Doug Hoefler



July 20, 2023

Attn: Ed Ziarko, Building & Grounds Manager  
Apple Canyon Lake  
14A157 Canyon Club Drive  
Apple River, Illinois 61001

In Re: Firehouse Roof – Northwest Roof  
Leak Repair & Deck Replacement

91-191

Dear Ed:

Per your request and with your assistance we have inspected the northwest roof at the Firehouse. We are pleased to present this proposal for your consideration. We will supply labor, material, equipment and insurance to complete the following work:

- 1) The roof will be thoroughly inspected and necessary repairs completed.
- 2) At the area of deteriorated roof decking (an area approx. 8' x 40' at the rear of the high northwest roof):
  - a. The ballast rock will be removed from the area.
  - b. The roofing and roof deck will be torn off and replaced with new plywood and insulation fill to match the existing roof height.
  - c. New EPDM membrane will be installed and tied into the surrounding roofing.
  - d. The pipe boot flashing will be replaced.
  - e. The ballast rock will be put back.
- 3) The leak areas along the front of the building will be addressed.

Cost to complete this work is quoted not-to-exceed: \$4,950.00

Thank you for this opportunity to be of service. If you have any questions regarding this matter please don't hesitate to give us a call.

Sincerely,  
  
Doug Hofer

Tomorrow