

Updated BSOA Bylaws! (second of four articles)

This is the second of four articles regarding the BSOA Board and Bylaws Review Subcommittee's proposed Bylaws amendments. In this article the Board and Subcommittee would like to communicate two additional issues that are primary to what will be voted on by the membership as part of this year's Annual Meeting.

This month, the topics are: 1) Board approval of Capital Expenditures; and 2) Maximum Increase of Assessments.

Capital Expenditures, Article 3, Section 3.2.2: The question of capital expenditure restrictions in the Bylaws arose while determining available funds for the upcoming BSOA Ponds and West Fork Restoration project. The current language states that "expenditures of all capital improvement projects in any given fiscal year totaling more than thirty percent (30%) of the Association's average annual operating budget for the preceding three (3) years" must be approved by a membership vote. There is no language in the Bylaws that exclude reserves *previously approved and funded in prior budgets* to cover improvements. As a result, the current language is an impediment to the Board's ability to complete projects in a timely manner. (I don't know how you would want to language this, but it is also an impediment as it is redundant....why would the organization want to go through the process of approval two times? I think this is an important point to make to the membership. Therefore, clarification is proposed, for requirement #2 in Section 3.2.2.

The Board and Subcommittee members believe that the intent of this section of the *Bylaws is to act as a check and balance for Association funds* and limit large assessment increases by requiring membership approval of "assessment" expenditures in any given year proposed for capital improvements projects. Membership approval, however, *should not be required for expending other sources of funding the Association acquires, i.e. grant awards, Resort Tax allocations, or previously approved reserve funds.* Therefore, to further clarify intent, it is proposed that expenditures "of BSOA assessments" for "each" capital improvement project (which excludes pre-approved funds from other sources) be approved by a membership vote and all other existing language in this section remain the same. The BSOA Board would like your opinion about clarifying capital expenditure requirements!

Do you FAVOR or OPPOSE the following language, which clarifies capital expenditure requirements?

Requirement #2: expenditures of BSOA assessments for each capital improvement project in any given fiscal year totaling more than thirty percent (30%) of the Association's average annual operating budget, less reserves for the preceding three (3) years. (The wording of this doesn't seem to capture it for me)

- 1) Favor:
- 2) Oppose:

Maximum Increase of Assessments, Article 7, Section 7.5: Currently, the Bylaws limit the Board's ability to levy a special assessment to finance any Association action or undertaking, in the aggregate not to exceed five percent of the Association's operating expenses. This calculates to \$50,000 in total. Noting that: 1) in past years, the Board and staff have been extremely mindful to remain efficient and frugal with BSOA spending; 2) the annual assessment of \$370 per year has not increased in 8 years; 3) that \$50,000 no longer goes as far as it did 11 years ago and; 4) recognizing that the next Bylaws update most likely won't be done for another decade, the recommendation was to give a second option to the

Board in finding ways to best fund one-time Association actions or activities. Therefore, it is proposed that the following second option be included as a Bylaws amendment: “or twenty percent (20%) of the annual assessment per Unit, Lot or Tract, whichever is greater for that fiscal year”. If approved, the BSOA Board would have authority to levy a special assessment that would not require Membership Approval. However, anything over 20% would need Membership Approval. This calculates to a maximum of \$74 before a vote would be required, based on current annual assessments.

The BSOA Board would like your opinion about providing a second option for the Board to levy a special assessment of up to 20% per membership interest without a vote of the Membership!

Do you FAVOR or OPPOSE giving the Board a second option to levy a special assessment of up to 20% per membership interest without Membership approval?

- 1) **Favor:**
- 2) **Oppose:**

As mentioned in the first article of this series, the Board would like to express its appreciation for your input on the proposed Bylaws amendments. Because it has been 11 years since the last Bylaws amendments, conducting the business of the BSOA has become more difficult due to several outdated requirements and policies in the existing Bylaws. Therefore, in October 2017, the Board created a Bylaws Review Subcommittee made up of five Directors and three Volunteer BSOA Members. This Subcommittee has worked diligently over the past eight months reviewing, discussing and recommending proposed updates to the Bylaws. In May, the BSOA Board approved the proposed amendments, which will be put up for a vote of the BSOA Membership in August 2018, culminating at this year’s BSOA Annual Meeting.

Much work and consideration has gone into the BSOA Bylaws Review and Amendment process this past year. The Board would like to express its appreciation to those contributing Subcommittee members for all their time and effort in making our Association a more efficient and effective organization. Thank you Jack Luechtefeld, Anne Marie Mistretta, Leslie Piercy, Michelle Frederick, Maggie Good, Eric Ossorio, Kevin Frederick and Gail Young!