MKL Community Inform Meeting May 20, 2010

Outlined below are the questions/responses that came up during the Inform Meeting to the community:

- 1. Comments regarding the Water Company and associated costs:
 - In response to the footnote regarding the potential cost of replacing the entire piping system for the water company, a community member strongly believed that this is not probable. The majority of the system being cast iron, and if laid properly, based on his research there is no reason to believe that systematic failure is probable. He did agree that the galvanized pipes would require replacement over time. Additionally, this member believes that repairs should be handled more judiciously from a cost perspective and often radial breaks can be dealt with using a clamp.
 - It was noted by the FC that potential repairs to Alpine are budgeted for and that in the future we will have to deal with what to do about the horizontal water tank.
- 2. The majority of the comments regarding the lots centered on how the lots were selected. The FC explained more than once that it tried to find a non-emotional way of selecting the lots. Below are community comments with FC responses noted:
 - Wouldn't lots further away from 287 be more valuable?
 - Wouldn't lake front lots be more valuable?
 - Ken Heiden noted that the lot next to his house failed to percolate and therefore couldn't be considered one of the most valuable. (This implies that percolation tests done today would have the same results. Also, septic improvements today may negate earlier findings)
 - Assessed value is not necessarily relevant to market value. The FC responded that there is an expense associated with having the lots appraised and it did not have the money to spend.
 - One community member suggested looking at existing township information to try to find additional information to help improve the

lot selection criteria. MaryBeth Garry volunteered to help do this. An FC member suggested the possibility of sending out a list of the lots to get community feedback. This comment did not generate much response.

- A community member noted that saving ~\$20K annually in taxes was not a good value when compared to keeping the increasingly valuable land assets available.
- One community member said that we were considering putting too many lots into an easement.
- One community member suggested putting the lots into temporary easements instead of permanent easements while we explore other options. The FC responded that tax breaks on the temporary tax easements are not as good as the permanent easements. Additionally, the FC noted that it was looking into farm easements as an option for some lots.

3. Additional land questions/comments:

- One community member asked about selling lots to adjacent homeowners. The FC response was that there is currently a process in place for this to happen.
- One community member suggested combining lots to create more value. The FC response was that this would incur cost.
- One community member proposed allowing members of the community to lease the lake lots at the tax rate to keep them available and to allow residents who do not live on the lake the ability to build a dock. A couple of community members resonated with this idea. The FC response was that community members "had permission" to picnic on vacant lots.
- One community member asked if we could sell the ball fields for houses, but exclude the lots from MKL. The FC noted that there is no other access to the ball fields so they could not be prohibited from using our roads to access the lots.
- A question was asked regarding the regulatory constraints to adding additional houses to MKL. The FC responded that there are no constraints regarding the number of houses because we currently manage to the higher regulatory level required for additional houses.

- 4. Regarding the Membership Fee, the comments from the community are below:
 - One person asked why it wasn't 0.5%. FC responded that we looked across the range of percentages commonly used.
 - Most people agreed that it would help to improve the financial viability of the community.
 - There were a couple of comments that it would become a negotiating point in the sales process and need to be planned for accordingly.
- 5. There were a few comments regarding borrowing:
 - Chris Allyn sent a <u>letter</u> stating his preference for using loans which was publicly read to the Inform Meeting attendees. (The <u>letter</u> was sent in a separate email to FC)
 - Regarding incurring additional debt, the FC noted that our dues already include a significant amount for loan repayment. The amount of dues may need to increase to pay for any additional debt taken on.
 - A community member asked about the idea allowing members to be able to prepay at a discounted amount for future projects, much like what was done with the roads. The FC response was that this is possible.
 - The idea of offering Private Bonds came up and there was a general sense of it being positive, but it did not generate much discussion.
- 1. Miscellaneous comments/questions/suggestions:
 - How many people are behind in their dues ie how much money is not being collected in the dues process. FC response was that this is minimal. It doesn't negatively impact our finances overall.
 - A community member asked if we could "give" the roads to the township for maintenance. The FC response was that the township would not take them.
 - A community member noted that the roads and water pipe repair are our two largest expenses and are negatively impacted by the large trucks that use the roads during construction projects. It was suggested that we implement a construction fee to cover the "wear and tear" of the trucks. The FC response was that this would be

- difficult to administer and that it would be difficult to set an appropriate fee based on the range of projects.
- One community member asked if there was anything we hadn't thought of and are there things that we could be sued for that we haven't thought of. The response was if we thought of it, it was included.

The meeting started around 7:15 pm and ended around 8:45 pm.

Community Attendees:

Betitna Bierly Sarah Churgin Jim Irving Guy

Bowden

Bobbi Coulter MaryBeth Garry Mark Baumgarten Nancy

Barrett

Roe Bowden Cindy Kuchler Ray Negele Dave

Denson Ken Heiden

Tim & Lisa Fitzgerald Colleen & John Roberts

Mick & Cassy Merenda

Don & Teeny Kuhn

Fenton & Ruth Chaney

Finance Committee Attendees:

John Murray Rick Barrett Austin Godfrey Lori Denson Bob

Yingling