

2022 Honoco Inc. Annual Meeting -May 14, 2022

Meeting Minutes

AGENDA

- Call to Order – President
- Introductory Remarks – President
- Quorum & Voting
- Adoption of 2019 Annual Meeting Minutes – President, Membership Vote
- Call for Reports
 - President’s Report, Mail-in Voting/Proxy Initiative Report
 - Treasurer’s Report, Emergency Fund Motion, Membership Vote
- New Business
 - Officer Elections
 - President – Term, Nominees, Membership Vote
 - Secretary – Term, Nominees, Membership Vote
 - Treasurer – Term, Nominees, Membership Vote
 - Annual Plan/Budget – BOD Remarks
- Updates/Future Issues – BOD Remarks
 - Bridges
 - Water/Sewer
 - NYSEG Trimming
 - Virtual Meetings
 - New Vision Cable-Code Regulations
- Membership Forum
 - Member Remarks, Discussion
- Closing Remarks - President
- Mtg. Minutes – Kellogg
- Call for Adjournment - President

CALL TO ORDER/INTRODUCTORY REMARKS

Steve Green (President) called the meeting to order at 12:30pm following registration of attendees by Doug Wolf (Secretary). Steve welcomed everyone to the 65th Annual Meeting of the Association and introduced Deb Kellogg as recording the minutes for the meeting. Members were asked to identify themselves during discussion so that Deb could enter the speakers into the minutes. In the interests of everyone’s health and Covid safety, Steve stated he would try to keep the meeting as short as possible this year.

QUORUM/VOTING

The first order of business was to establish a quorum and voting procedures. Doug Wolf (Secretary) reported a total of 38 members in good standing attending the meeting which met quorum requirements for conducting association business.

Members were given a voting card during registration which would be held up during voting for the secretary to count and report on results. Should it be necessary, confidential balloting was requested on BOD elections by writing in candidates on the cards and turning them in to the secretary for counting.

At 38 members, a majority vote by 20 members will carry a motion.

ADOPTION OF 2019 MEETING MINUTES

Next order of business was the adoption of the 2019 annual meeting minutes.

The minutes have been available for review on our website for over two years now, Considering these are ancient history, Steve Green moved for adoption of the 2019 annual meeting minutes as they are stated on the website. Marty Loveless seconded the motion. The motion was voted on and passed unanimously.

CALL FOR REPORTS

The next order of business were the President's and Treasurer's reports.

The President made the following report:

On March 31st of last year we sent out an email to everyone which cancelled the annual meeting for a second year due to the pandemic mandates and described our plan for conducting the business of the association under state business corporation law.

Steve read the plan section of that email which all members received.

The Association has the following objectives for 2021:

- 1) Repeat the work of last year with the full surface application of #2 stone to all gravel sections of the road and fill #2 stone in all potholes in deteriorated asphalt sections of the road. This work represents the majority of 2021 dues expenditures for the year. We expect to begin work in April.
- 2) Maintain a list of contractors available for rapid clearing of road blockages following emergency weather events. Expenses for these events will be drawn from the Storm Emergency Fund reserve as necessary. Debris hauling will be at the option/expense of the parcel owner where blockages occurred.
- 3) Secure a snowplowing contract for the 2021/2022 season
- 4) Begin attorney consultations for dues recovery from delinquent parcel owners. We have reached the point where it is financially in our favor to initiate this action as well as send the message that withholding annual dues presents the real risk of personal legal and financial liability.
- 5) Trial a donated surveillance system aimed at reducing speeding on Honoco. More on this in a future attachment.

We accomplished all of those objectives and managed to do all of them within budget.

Also this past year we attempted to resurrect our vote by mail/proxy initiative which we started in 2020.

Our second mailing on this issue went out in the fall of 2021.

The goal of the voting initiative was to accomplish two objectives-one to provide a mechanism for member input for those that cannot (or will not) attend the meeting, and second to provide a means of member input in situations like the pandemic that prevent us from having a meeting.

Unfortunately we didn't get enough responses in order to incorporate the proposals into the bylaws, so the only way to provide input or vote on association business continues to be by attending this annual meeting.

However, state laws have changed since we last met and we will have more to say on the voting issue later in the meeting.

Steve then called for the Treasurer's (Bob King) report:

Members receive quarterly updates to our financials, and we will use those in lieu of preparation of a yearly summary which essentially contains the same information

Those reports document all of the income and expense activity for each quarter and I don't release one until I have fully reconciled it against all of the Ledger records and our bank statements.

Historically Honoco has run on deficit spending. We traditionally run out of money near the end of the year and count on the next year's influx of dues to make up for last year's expenses, because we seldom have ever operated to a plan or budget.

This just means you have less money to start with for the current year's expenses, which leaves you in the same hole at the end of the year so it is a vicious cycle.

We decided to try to change that when we took office in 2019.

When we looked at weather-related events on Honoco, we identified time of year expense areas where all of the money goes. The spring repair of the road to manage the freeze/thaw damage to the road over the winter, the spring/summer unanticipated damage from severe storms, and the fall/winter repairs and snowplowing in order to maintain Honoco as an all-weather road which we are required to do.

The goal has always been to manage the money to make sure that we had those events covered, and we have successfully done that every year since 2019.

For last year's plan and budget which ends on May 31st of this year, it looks like we will end up with a small budget surplus of about \$1400.

As of this meeting we have collected \$28,000 in dues for this year's plan and budget which begins on June 1st and runs til next May 31st.

Before concluding the financial report i want to share my concerns regarding the storm emergency fund.

The fund was set up after a spring 2017 storm that caused near total depletion of our financial resources and a scramble to recover ingress and egress on the road.

A subsequent review of that storm and many storms before that suggested we needed to create a reserve for storm emergencies, which we all eventually agreed should be capped at \$10,000.

We began accumulating in that fund in 2018, and unfortunately quickly began to tap into the fund declaring all sorts of “storm emergencies” because as usual we ran out of money in the regular plan budget account.

We definitely need to keep that emergency fund whole and not subject to misuse. Those of you who have experienced some of our severe storms realize that we can use up the entire fund in a single storm event.

King presented a motion to incorporate into the records of this meeting language which holds future bods accountable to preserve the original intent of this fund.

The motion stated:

I propose that from this date forward the BOD must demonstrate that utilization of funds from the Storm Emergency Fund Account are 1) specifically related to an immediate storm event which has occurred, 2) that the funds are only directed at emergency road clearance measures in order to reinstate ingress and egress following that event, and 3) that remediation expenses to prevent future occurrences are not included. Those expenses, if any, are managed through either the General Maintenance Account, of by individual parcel owners, or both.

General discussion followed resulting in an amended motion proposed by Steve Morse and seconded by Tina Morse.

The amended motion reads as follows:

... from this date forward the BOD must demonstrate that utilization of funds from the ~~Storm~~ Emergency Fund Account are 1) specifically related to ~~an immediate storm~~ a major emergency event which has occurred, 2) that the funds are only directed at emergency road clearance measures in order to reinstate ingress and egress following that event, and 3) that remediation expenses to prevent future occurrences are not included. Those expenses, if any, are managed through either the General Maintenance Account, of by individual parcel owners, or both.

The amended motion was voted on and passed unanimously.

OFFICER ELECTIONS

Next on the agenda were the election of all three board positions. Because we were unable to conduct annual meeting elections for the last two years due to Covid restrictions all three board positions needed to be managed into staggered positions to bring us into compliance with the association bylaws and NYS corporation law.

As a result, the board terms are as follows:

The president position shall be elected for a one year term until june 2023 and eligible for an additional three year term after that

The secretary shall be elected for a two year term until june 2024 and eligible for an additional three year term after that

The treasurer shall be elected for a three year term until June 2025 and eligible for an additional three year term after that

Steve Green read the nominations received for the three positions. They were as follows:

President – Paul Caforio

Secretary – Bonnie Petrosino

Treasurer – Tom Holland

Steve Green asked if there were additional nominations for any of the positions and a general discussion followed regarding objections to individuals that are seasonal residents being elected to board positions. After considerable debate, Steve Morse was nominated for the President's position and seconded by Bill Button. A confidential vote was taken for Paul Caforio vs. Steve Morse and the results were 26 votes in favor of Steve Morse, 12 votes in favor of Paul Caforio. Steve Morse was elected President. Following that vote, Bonnie Petrosino withdrew her nomination for Secretary. Deb Kellogg was nominated and accepted. Since there were no additional nominations for either the Secretary or Treasurer positions, Deb Kellogg and Tom Holland were elected by acclamation. All three elected board members will begin their terms in office on June 1, 2022.

The new BOD is as follows:

President – Steve Morse (2022-2023)

Secretary – Deb Kellogg (2022-2024)

Treasurer – Tom Holland (2022-2025)

PLAN/BUDGET

Steve Green noted that last month we emailed all members a proposed annual plan and budget for review and approval at this meeting, but recognizing that a totally new board will be in place beginning June 1, the plan as it was presented by the present board likely may not represent the new board objectives.

Recognizing that the current meeting is not the forum for problem-solving a new plan/budget for everyone, particularly since the new board had not had a chance to meet, Steve Green proposed that an additional meeting be held to adopt a plan and budget developed by the new BOD.

Steve Green offered a motion to task the new board with developing a budget and plan to be presented to the membership electronically followed by an in-person meeting called by the new BOD to ratify the plan and expenses proposed for the 2022/2023 year. The motion passed without objection.

UPDATES/FUTURE ISSUES

Steve Green presented a number of issues which have developed since our last meeting in 2019.

Bridges:

The town of Genoa, and we are sure that Ledyard will agree at some point, is concerned that “fire lanes” which includes Honoco be in compliance with chapter 5 of NY State Fire Code.

To make a long story short, there needs to be an area 20’ wide every 500’ for vehicles to pass each other. There also needs to be a turnaround at the end of a firelane and bridges must support a minimum weight of 78,000 pounds. A sign must be posted at the bridge(s) that are specific to the firelane signifying the maximum weight the bridge(s) will support. This weight must be determined by a licensed engineer or architect. If these requirements are not met, the town will be unable to issue any permits (evidently for anything) unless you are granted a variance from nys in albany. Good luck with that

The current BOD suggests the new board authorize an engineering firm to provide an evaluation/certification/remediation to establish data acceptable to the towns of both Ledayrd and Genoa which certifies our compliance with chapter 5 of NYS Fire Code.

Water/sewer:

Bob King set up a water/sewer tab on our website that lets you directly contact with Doug Selby, the head of the Cayuga County Water/Sewer Proposal.

Because our website is a “blog” site, anyone who posts on the site is readable by anyone. We linked Doug into our site so that he is notified any time someone posts a new question and he has agreed to respond.

We set this up so that you are not dependent on anyone from Honoco to provide you with information on the water/sewer project. You have the opportunity to obtain your information directly from the source.

Doug will be as specific with you as you want to get and we would hope you ask lots of questions.

NYSEG trimming:

If you have not noticed, NYSEG is again on the road conducting trimming operations on their easement. This happens every 4-5 years and always causes all kinds of angst on the road because you have no options as to what they decide to destroy or when.

We have found that if you can cordially interface with them before they wipe out your vegetation, they are at least amenable to listening. Because bank stabilization is so important on Honoco we would recommend that in the future Honoco proactively reach out to NYSEG so that both organizations can collectively develop a notification plan that works for both us and NYSEG.

Virtual meetings

As a response to the Covid-19 pandemic, New York several times temporarily modified its rules to allow for virtual meetings of members for not-for-profit corporations.

Prior to these modifications, NFPs were not permitted to hold membership meetings virtually, or to hold hybrid meetings in which some members participated virtually, and others in person.

Effective November 8, 2021, these options have been permanently codified into NYS NFP Corporation Law.

Since it appears to be almost impossible to get a majority of the membership to enact bylaws changes, this may mean that there now appears to be a path to bypass our bylaws (since state law supersedes our bylaws) to enact virtual participation by all of our members which we view as a seriously good thing. Press your new BOD to make this happen

New Vision

New Visions cable has installed a fiber optic communications line on the Honoco power poles. Carmen Branca of New Vision has indicated he expects “turn-ups” to start in June.

While we are reasonably sure new vision is aware of code requirements regarding line drops, you should also be aware of the code.

Residents are required to provide a transfer cable access point to your house that is at least 13’6” above the road surface to be code compliant. For most of us that may mean a roof mast to get the height required

The code enforcement officers of both towns will be looking for compliance. You have been informed

MEMBERSHIP FORUM

Steve Green asked if there was further discussion on the agenda items presented, and there being none, Steve asked the minutes secretary if she needed any further information. Deb indicated she did not need further clarifications.

Based on completion of all of the agenda elements for the meeting Steve Green congratulated the new BOD, thanked everyone for coming, and declared the 65th Honoco Inc. Annual Meeting adjourned at 1:49pm.