


Glastonbury Landowners Association

Newsletter  July 2014

Loss of Liability Insurance & Minnick

As mentioned in the June 9 letter to the membership, according to our carrier, claims activities due to the lawsuits filed against the Association by Daniel and Valery O'Connell have caused our insurance to drop coverage. The Board has not been able to obtain insurance at a reasonable rate; and, the only quote offered excluded coverage for any claims having to do with the O'Connells. Therefore, for the first time, the Association does not have liability insurance for its directors, officers and the Association. Unfortunately, our contract with Minnick Management requires that we have full liability coverage and that Minnick be listed as an additional insured on that coverage. Because the Board could not obtain full coverage, Minnick terminated the agreement.

Transition from Minnick & New Address

Please be patient with us as we make the unexpected transition from Minnick Management, who has been handling administrative and bookkeeping duties for the past two years, to a new operation. There are many areas that require coordination, training, and the assigning of duties, as well as logistical concerns. As a result, the Board may not be able to answer inquiries or handle issues as quickly as would be desired since establishing the usual day-to-day operations will take time. We will keep you posted on further developments.

We no longer have personnel who will directly answer phone calls, but please continue to use our main phone number listed below. All incoming phone calls will be routed to the appropriate director or committee chair via the VoiceNation voicemail system already in place. You may also use the customary e-mail address for inquiries: info@glamontana.org.

Effective immediately, contact information is as follows:

GLA • PO Box 312 • Emigrant, MT 59027

Phone: 406-451-0033

www.glamontana.org • info@glamontana.org

Charlotte Mizzi Appointed to Board

At the May Special Meeting of the Board, Charlotte Mizzi was elected to complete Donna Lash-Andersen's term that ends in November 2015. Charlotte has previously served on the board and brings her many years of experience in administration and management.

Board Officers

The Board has made some adjustments to its officer positions as follows: Dan Kehoe – President; Alyssa Allen – Vice President; Charlotte Mizzi – Secretary; Janice McCann – Treasurer.

e-Mail Communication

In April 2014, the members voted at a Special Meeting to amend the Bylaws, allowing e-mail, in addition to postal mail and fax, as an allowed method of noticing meetings and communicating with members and directors.

The Board has not yet implemented an e-mail communication program since this requires that the back-end processes first be put in place, along with a policy on what type of information would be provided by e-mail. Once this has been accomplished, a consent form with various opt-in choices will be sent to the membership.

Are You Building or Planning to Build?

The Covenants require that all building projects and improvements to property be submitted to the association for approval prior to beginning construction. It is the Board's role to ensure that the standards and requirements outlined in the Covenants and Master Plan are being followed. In order to have time to properly review your project, please submit plans at least two weeks prior to the monthly Board meeting, which usually occurs on the 2nd Monday of each month. Forms and instructions may be found on the GLA website, www.glamontana.org under the menu "current landowners" and then "building projects/improvements." Please contact the Project Review Committee at voicemail extension 103 if you have any questions.

The Future of the GLA:

Special Meeting to Explore Options – July 21

As announced in the June 9 letter to the membership regarding the impact the past 3 years of litigation has had on the association, there will be a Special Meeting of the Members on Monday, July 21, 2014 at 7:00 pm at Emigrant Hall in Emigrant. The purpose of the meeting is to discuss various options the Association may consider for the future, including ideas ranging from minor amendments to the governing documents to a possible major restructuring.

We invite all landowners to attend and bring your ideas. Alanah Griffith, an attorney who specializes in association law, will be present to answer questions. In the meantime, please submit any questions you may have to: info@glamontana.org, so that Alanah can review questions prior to the meeting.

At this point, a number of ideas and options have come to the Board's attention, and we share some of these with you now to help prepare you for a lively discussion at the July 21st meeting.

The various options below would necessitate anywhere from minor changes to the governing documents to major restating of the Covenants, amending the Bylaws and Articles, to creating new Articles and Bylaws. We have listed some of the Pros and Cons of each option only to get the discussion going. The Board recognizes that any change will come from the members, must be supported by the members and will be voted on by the

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members. Therefore, the Board has decided to remain neutral during the meeting in order to better facilitate a discussion and hopefully find a consensus amongst a majority of the membership.

Some possible options and scenarios:

1. Continue as-is without changing any of the governing documents.

Pro: This would be the easiest for the membership in terms of working on the governing documents to create something upon which a majority can agree.

Con: This may be the most costly scenario given the current litigious environment which requires that all activities and reporting strictly adhere to the "letter-of-the-law," since every action is highly scrutinized and requires a professional level of administration, management, training, and record-keeping accountability. The increased workload, and level of expertise required to reduce the risk of more lawsuits, means that in addition to continual attorney advice on board actions, skilled professionals must be hired to manage and handle tasks. Money will also have to be set aside to fund future lawsuits because of ongoing threats. In the end, there is less money to put toward the roads and assessments will need to be raised.

2. Amend the governing documents to minimize the duties and responsibilities of the Board. In essence, the amended Covenants and Master Plan would continue to run with the land and impose certain restrictions, but the Board would not be responsible for enforcement. The members themselves would be responsible for enforcement regarding their neighbors.

Pro: This would reduce the issues over which the Association can be sued. If the Board has no duty to enforce the rules, then it cannot be sued regarding its non-enforcement of rules.

Con: It may be necessary no longer to allow variances. The landowners would voluntarily comply or be subject to possible lawsuits from other members which may not be positive for neighborhood relations.

3. Amend the Covenants to require binding arbitration outside of the court.

Pro: Arbitration is usually less expensive and faster when compared to the Court system.

Con: There is typically no appeal from an arbitration (the only appeal is when the arbitrator adds the award incorrectly.) Therefore, the parties must live with the result.

4. Amend the Covenants to make the Association a road maintenance association.

Pro: Like Item No. 2, the fewer duties the Board has, the less likely the Association can be sued. If the only responsibility of the Board was to collect assessments for roads and then maintain the roads, this would limit liability.

Con: It would require that all restrictions provided by the Covenants and Master Plan be eliminated. Therefore, there would be no building, land use or other restrictions (depending on your viewpoint, this could be positive or negative.)

No covenants can lead to a loss of property value depending on how the neighborhood is developed.

5. Involve Park County to a greater or lesser extent in establishing an RSID (Rural Special Improvement District), whereby they maintain all or only certain portions of our roads, such as only the paved road in North and/or South. In this scenario, the County would charge an additional amount on our property taxes, and monies collected would be set aside exclusively for road maintenance.

Pro: Since monies are collected via property taxes, it would be a reliable source of revenue. The Association could still charge assessments for administration and some level of road maintenance beyond what is handled by the County.

Con: The Association may not have as much control over determining when a road is maintained such as gravel and grading, chipsealing asphalt, and/or plowing in the winter. There is also no guarantee that the County would agree to do this.

6. Completely dissolve the association and attempt to form a new one by voluntary opt-in.

Pro: This would be a chance to start over with a new organization and set of governing documents.

Con: Because it is voluntary, its success would depend on all members voluntarily joining the new association. This aspect could be highly problematic, since after being cut loose from any obligations, it is likely that very few would choose to opt-in. Therefore, those that opted-in would carry the burden for those that did not.

7. Restructure North and South into separate associations.

In this scenario, the governing documents would apply to each association exactly as-is, and then each association would be able to amend their particular governing documents to best suit their needs.

Pro: This may allow management to be less cumbersome due to the smaller size of each association, and help to reduce administrative costs since tasks could be more easily handled by volunteers.

Con: A smaller association means less borrowing capacity for items like paving and maintaining common areas (should the need for a loan arise.) Issues such as delinquent accounts, the paving loan, and common-use land would need to be addressed.

8. Change from our current Not-for-Profit structure to an LLC or other business structure.

Pros: None.

Cons: Same liabilities as a non-profit with the addition of having to pay taxes on the assessments collected.

These are the ideas that have been brought to the Board to date. Perhaps other members have different ideas, or will share their thoughts on other pros and cons of the aforementioned ideas. This is the brainstorming part of this endeavor. Hopefully the members can take the brainstorming further and work together to come to an agreement on which direction to take at the meeting on Monday, July 21 at 7:00 p.m.