



BCLCA

Bylaws Re-write Presentation

Purpose of Presentation

- Why a change in Bylaws are needed
- Process undertaken to change the Bylaws
- Summary of the Key Changes
- Next steps in the process

Why do the Bylaws need to be updated?

- First created in 1964, with few revisions over 50+ years
- To align with the Uniform Planned Community Act (“UPCA”) aka Act 180 (1997)
- Clarify ambiguity in current bylaws
- Implement some new or preferred features
- Include wording that allows us to use new technology (i.e. email, website, etc.)

Bylaws Re-write - the Process

- Selection of a Bylaws Committee (Todd Wagner, Chair; Bill Allison; Jay Blumenthal; Jack McGeehan; Margo Schaefer) and Attorney (Alan Young of Young and Haros)
- Review of various laws and regulations and bylaws of numerous Pocono HOA's
- Attorney prepared initial draft of bylaws based upon key points outlined by the Committee
- Committee reviewed the initial draft, identifying questions or comments for follow up with the attorney
- Attorney responded, providing clarification for the Committee on why the item was included in the bylaws; or made changes where appropriate
- Draft reviewed by Tom Nanovic, Solicitor to Board
- Alan Young, attorney, attended the February Board meeting and presented the updated draft of the bylaws to the full Board
- Final minor adjustments made by Board to arrive at current draft

Key Changes in the Bylaws

- Voting permissible by Directed Proxy ballots (Section 3.7 and 5.6)
- Revised definition of Lots, adding Adjacent Lot (Section 3.10)
- Revised definition of Voting Member – one vote per Lot (Section 3.15)
- Revised Assessment Allocation, but consistent with current practice.
Road Fee assessment eliminated; Adjacent Lot assessment added
(Section 5.2c)
- Term limits for Directors (3 consecutive terms, Section 5.1)
- Approval of the annual Budget by the Board with 2/3 vote (Section 5.2b)
- Revised due process/appeals process (Section 13.4)

Voting by Members

- **One Vote for Each Lot**
 - conforms with voting process advocated by Uniform Planned Community Act
- **Directed Proxy Voting Permitted (Section 3.7 and 5.6)**
 - Current practice: Voting Member must be present at Annual Meeting to vote
 - Proposed change: allows in-person voting or Directed Proxy voting by mail

Directed Proxies ballots required to be received ten (10) days prior to Annual Meeting to cross-reference Member voting list to avoid duplicate voting

Types of Lots

Defined in Section 3.10 as needed for allocation of assessments

Improved Lot - a numbered residential Lot as shown on the recorded subdivision plans for the Community that has a **house** constructed on the Lot.

Unimproved Lot - a numbered residential Lot as shown on the recorded subdivision plans for the Community that has **no house** constructed on the Lot (i.e.- generally first lot owned by Member when Member has no House on any Lot)

Adjacent Lot - a numbered residential Lot as shown on the recorded subdivision plans for the Community that is both an Unimproved Lot and is owned by the identical Owner(s) of a contiguous(sharing a common property line) Improved Lot or Unimproved Lot.

(i.e- additional Lots owned by a Member adjacent to an Improved Lot or Unimproved Lot)

Allocation of Assessments (Section 5.2c)

Improved Lots: 100% of the annual common expense assessment

Unimproved Lots:

- 100% of the annual common expense assessment if the Owner(s) owns an Unimproved Lot that is not an Adjacent Lot;
- 25% of the annual common expense assessment if the Unimproved Lot is an Adjacent Lot.

Adjacent Lots: 25% of the annual common expense assessment.

Example (using current FY2017 Budget)

Current Assessment

Operating	\$431
Roads Fee	\$179
Capital Fee	<u>\$133</u>
Total	\$743

Additional Lots

Roads Fee	\$179
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Proposed (Section 5.2c)

Operating	\$430
Capital Reserves*	<u>\$312</u>
Total	\$742

Additional Lots

Adjacent Lot Fee	\$185
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*Roads Fees and Capital Reserves can be combined into one overall Capital Reserve based upon funding requirements in Reserve Study. Allows for greater flexibility on use of reserves funds where needed on year to year basis.

Term Limits for Directors



Current

- **No Term limits**

Proposed (Section 5.1)

- Maximum of three consecutive terms
- must be off for one full year before running again

Budget Approval Process

Current Process

- Treasurer coordinates preparation of Operating and Capital Budget in conjunction with Committee chairs
- Board approves budget for submission to Membership
- Budget voted on by Membership at Annual Meeting

Proposed Process (Section 5.2b)

- Treasurer coordinates preparation of Operating and Capital Budget in conjunction with Committee chairs
- Board approves the Operating and Capital Budget (required 2/3 vote by Board), generally at July Board meeting
- Board approved budget posted on BCLCA website
- Members have right to reject the budget in accordance with Section 5303(b) of the Uniformed Planned Community Act

Process for Appeals (Due Process)

Current Process

- Submission of written appeal of citation by Member
- In-person appeal in front of panel of three members of the Security (Crime watch) Committee
- Ability for in-person appeal in front of full Board
- No time deadlines for appearance in front of Security Committee or appeal to full Board

Proposed Process (Section 13.4)

- Submission of written appeal by Member with deadlines
- Review of written appeal by Security Committee panel (no in-person meeting)
- Ability for in-person appeal in front of Appeals Committee panel (composed of Board members) subject to deadlines

Other Additions

- **Roles of Committees (Article 10)**
- **Indemnity section(Article 7)**
- **Allows for development and inclusion of a Strategic Plan (Article 11)**
- **Nominating Process for Board (Section 5.5)**

So by now you should know:

- **Why** the bylaws needed to be updated
- **Who** was involved in the process - the Bylaws Committee, the attorney, the Board and most importantly the **Members**
- **What** changes were made to the Bylaws

Next Step(s)

The background of the slide features two deer in a grassy field. On the left is a smaller spotted fawn, and on the right is a larger adult doe. They are standing in front of a grey lattice fence. The text is overlaid on this image.

- **Town hall sessions at Stewart Hall on:**
 - **April 1 10am - 11:30 am**
 - **April 5, 6pm - 7:30 pm**
 - **April 8 11am- 12:30pm**
- **April 15th: Board votes on final version of proposed Bylaws**
- **April 26th: Final version mailed to Members and posted on the BCLCA website**
- **May 27th: Membership vote on Bylaws at General Meeting**



Questions?

Comments?

Hierarchy of Governing Documents for Home Owner Associations

- **Federal and State Constitutional Laws**
- **Common Law and Court decisions**
- **Uniformed Planned Community Act (“UPCA” or “Act 180”) implemented in 1997**
 - **Declaration of Covenants – Deed Restrictions for BCLCA properties attached to each Deed/Title Insurance policy containing restrictive covenants**
- **Pennsylvania Nonprofit Corporation Law (“NCL”)**
- **BCLCA’s governing documents**
 - **Articles of Incorporation - document filed with PA Dept. of State when BCLCA was formed in 1967**
 - **Bylaws – the organizational rules for the Association, its Board and its Members**
 - **Rules and Regulations – the day-to-day enforcement standards adopted by the Board**
 - **Policies and Procedures - other internal operating standards adopted by the Board**