

**MT. BAKER RIM COMMUNITY CLUB MINUTES
BOARD MEETING OF January 19, 2018**

Meeting called to order at 7:03 p.m. by Pete Berow, President, it being determined that a quorum of the Board was present.

Directors present: Pete Berow, President; Sally Hewitt, Secretary; Ed Keller, Treasurer; Dawn Chaplin, Member Relations; Mark Ablondi, Property Standards; Dennis Larson, Grounds and Maintenance; Lida Vacek, Vice President and Director at Large; Seth Carson, Legal and Insurance.

Directors absent: Dodie Fox, Violations.

Kelly Kennedy 22007 attended the meeting about their \$650 fine. She said the ball of the tree was damaged. The Kennedys were told not to cut the tree by three people: Board members and the caretaker. Kelly said she's okay with paying the fine, but thinks it's excessive. Ed Keller said it's a fine we assess any member who cuts trees without permission — MBR has fined a few other members the same amount. Ms. Kennedy will pay one-half of the fine tomorrow and one-half in February. Ed said there's an additional issue: you need a Whatcom County permit for the roof over your deck. Please submit a request to the County for a permit and inspection, due to added snow load requirements in Glacier. Two other properties need the same permit.

1. Approval of November 17, 2017 Board Meeting Minutes

ACTION: Discussion of minutes. Dawn Chaplin moved to approve the November 17, 2017, Board meeting minutes. Seconded by Ed Keller. **Motion passed.** Minutes approved.

1a. Approval of November 17, 2017 Executive Session Minutes

ACTION: Discussion of minutes. Ed Keller moved to approve the November 17, 2017, executive session minutes. Seconded by Dawn Chaplin. **Motion passed.** Minutes approved.

2. Correspondence

The Member-to-Board Report is on file with final copy of January minutes in MBR office.

- 11029 Rick Westerop, new owner of 11029 and 11030, asked for permission to plant some small plants in the 5' strip on MBR lot 11031. Whatcom County wants plants on the wetland side of his building. Aaron's notes on this: Westerop property. The adjacent zero-value MBRCC property is very wet and may benefit overall from having some of these proposed plant species put in. There is a drainage ditch that runs along the edge of this member's property, and I would advise them as we go, so that our drainage is not reduced, and hopefully we can improve it along the way. I think it's acceptable to think he can plant these plants. Mark Ablondi said Mr. Westerop wants to plant on the adjacent MBR lot as mitigation for a wetland.

ACTION: Ed Keller moved we allow Mr. Westerop to use the 5' area for wetland mitigation. Mark Ablondi seconded. **Motion passed.**

•A couple who hasn't purchased a lot here yet would like to build a Quonset-hut cabin in MBR — they sent a photo to Aaron and Mark. Aaron's notes on this: Mark Ablondi seems to know these buildings. I think it's possible for one to blend in okay, but the roof part that makes it a Quonset hut is quite gaudy. This is up to the Board to decide. It's possible they weather better than the ones Mark is used to if they're not near the ocean, but possibly not. Mark said he told them it's unlikely they will receive permission. We can't accept it now before they purchase a lot. Seth Carson: would it pass our rules and regulations? Ed Keller said we can change our Property Standards document to include an architectural decision. Dawn Chaplin said the Board needs to protect our standards here. Mark Ablondi will continue to communicate with this couple via email.

•19003 Ed Keller and Walt Richards - Request to send 30-day compliance request to Craig and Angela Witzel 19002 to replace all exterior spotlights with motion sensors and exterior wall lights to be turned off when no one is home. Ed Keller: the owners have not spent a night there for over 3 years. Directional spotlights are on day and night -- they need to be on motion sensors. Letter already sent out.

•22001 Jennifer Griffith - Additional gate card request for brother; currently has 4 active cards. Pete Berow said he thought we need name and vehicle information when we give out extra gate cards. The office asks for that information before handing out new cards. ACTION: Mark Ablondi moved we give her the extra gate card. Ed Keller seconded. **Motion passed.**

•13006 Rick Reimers - Additional gate card request for family member; currently has 4 active cards. ACTION: Dawn Chaplin moved we give him the extra gate card. Mark Ablondi seconded. **Motion passed.**

•19038 Bryan Zemp - Trailer at cabin will be removed by end of December. It's gone as of 1/18/18. No action required.

•11071 Dusty Norman/Julie Brown - Request to remove trees (marked by Kurt at Whatcom Tree Co.), includes large hemlock. Mark Ablondi: we approved Dec. 15.

•15008 Victoria Klees - Additional gate card request for family member; currently has 4 active cards. ACTION: Dawn Chaplin moved we give her the extra gate card. Mark Ablondi seconded. **Motion passed.**

•Barbara Wesser Ingram would like to rent the clubhouse on June 18, 2018, for 40-50 guests (contacted office via website). She's not on our member list. Christy emailed Ms. Ingram back to ask if she has relatives in MBR. Seth Carson said if Ms. Wesser is a non-member, Christy can deny the request.

3. Directors' Reports

Directors reports as submitted are on file with the January minutes. Additional comments are recorded here:

a. President

I hope everyone had a wonderful Christmas holiday. Time to get back to the business of the Rim. At the meeting I plan on discussing more areas of our bylaws that need attention. At our last meeting in November, I handed out sections of the bylaws that I would like deleted simply because we don't do business like that anymore, but still retain the option to use committees if we deem it necessary. This meeting we are going to cover several sections that need to be moved to the Property Standards section and some that need to be moved to a new violations section. Last year we talked about rewriting the Property Standards Section. Our Property Standards Director agreed to take on this project.

I have been in touch with the Whatcom County development department and have given them the three addresses that I would like the code inspector to look at. I was told that they are busy at the present time, but the code inspector will contact me and schedule a trip to MBR.

b. Secretary

Angela and Christy prepared a checklist for AGM preparations, which is comprehensive and will be quite helpful. We just need to select a date for this year's AGM (June 9?). Angela has created a new proxy form that will fit in a window envelope so they don't have to worry about printing mailing address labels. Christy and I talked about the February edition of Baker Bits — she'll send me a copy to proofread on Thursday, Feb. 1, and she'll upload it to the website on Friday, Feb. 2. Angela and Christy are both doing excellent work in the office.

We need to think about an AGM Committee (we had three members, not including me, last year) and also it's time to think about the President's Letter to be included in the AGM packet. We usually review the President's Letter during the March meeting. Dawn said she's interested in doing a barbecue dinner instead of the El Agave food truck, so we'll take a vote during the January meeting. (We decided to vote on this item at the February meeting.)

c. Treasurer

Ed Keller reported:

Total revenue of \$318,096.66 is an increase of \$12,757.66 over our 2017 planned projections and more than \$6,500 more than our 2016 revenue. This is mostly from a better than expected Rental Fee Income (\$17,030.00), Transfer Fees (\$3,525.00), Interest Income (\$3,256.42) and other better than expected revenue. The 2018 budget will be revised to show changes in expected revenue and include the member-approved addition of reserve funds in the amount of \$25.00 per dues-paying lot that will total just under \$1,100.00 for 2018.

Administration expenses were slightly higher than budgeted: added accounting costs for a one-time tax review of past taxes, an additional fee for depreciation calculations and the handling of an IRS request for a 2015 tax filing complication. There were increased credit card expenses as

more members use credit cards to pay their dues and fees. Increased gate card costs were offset by increased gate card purchases and increased filing fees were covered by lien fees paid for by the members involved. There will be minor revisions to the 2018 budget to cover these costs in 2018.

Maintenance and repair totals were well below budget. The additional expenses for the gate-house included the installation of a drop slot and the replacement of a broken window. Also, the purchase of a used washer and dryer that was approved mid-year but not in the original budget. Higher expenses for grounds & maintenance were easily offset by lower-than-budgeted road improvement costs and unspent funds budgeted for other areas. The lower expense for the clubhouse were due to lower-than-expected costs for the needed septic service. Additional cost for septic service will again be needed in the 2019 budget.

Supplies were slightly higher than budgeted with pool supplies higher than anticipated due to pool furniture of over \$2,000.00 and additional tools were purchased for the siding installation on the clubhouse exterior. These tools will be used to complete this project and others over the next few years. Pool chemicals and other requirements have not drastically increased and the 2018 budget is adjusted to reflect these lower costs.

Taxes were slightly higher than budgeted due to my error in calculating the proper percentages for staff payroll taxes, both state and federal. The 2018 budget will be revised to cover the correct tax amounts. New tax rate percentages have not yet been set by the federal government and the new tax plan is expected to change some of these costs. The change is not expected to be significant in our budget.

Utilities were below budget with only a small increase in garbage costs that was easily off-set by lower costs in other utilities. Our 2017 propane was \$1,500.00 higher than 2016, but well below our 5-year average of \$9,000.00 that is used for our budget (our 2014 propane bill was \$14,000.00).

Vehicle fuel was slightly higher than budgeted and will be adjusted in our 2018 budget. I expect fuel prices to increase again this summer adding to our costs. Salary and wage expenses were slightly higher than budgeted due to changes and additions to our staff mid-year. The overage is easily off-set by our increased revenue and the 2018 budget will be revised to reflect the new wage and benefit agreements that were approved and signed to take effect January 1, 2018.

Over all expenses were \$1,615.43 over our total budget for 2017 and easily off-set by the over \$12,000.00 of increased revenue.

Capital Expenditures were under the budgeted \$82,000.00 as all projects were completed under budget and the sauna that was not expected to be done in 2017 was over budget. Bottom line is even with the sauna, our total 2017 expenditures were \$72,263.62.

2018 projects will be reviewed in January and February and decided upon so a new 5-year reserve plan can be ready for the June 2018 AGM.

Proposal for Transfer of 2018 Funds into a new First Federal Money Market account:

Our current First Federal Money Market account is now earning .75%. For 11 months of 2017 it was earning a full 1% that expired in November.

First Federal is again offering a new 12-month rate of 1% if new funds are deposited into a new Money Market account.

Yes, it would seem like we could just keep our existing account and deposit the new funds there, but the bank's rules require a new account be set up and that means a new signature card. First Federal will again provide MBRCC with a supply of no-cost checks to use for the new account.

If we open the new account by depositing the \$42,000.00 from our general funds into this account and then transfer our old account into the new account it will give us an additional minimum of \$375.00 in earned interest in the next 12 months. Total interest on these funds for 2018 would be about \$1,500.00 if we do this. We are still earning on our CDs, which is not included in this \$1,500.00.

We have already taken in over \$70,000.00 of our 2018 revenue at the end of December 2017, and that is slightly higher than 2016 at the end of December. We can afford to transfer the funds now and take advantage of the higher interest offer without and worry of not having enough cash on hand for all operations.

First Federal will allow me to bring all of the necessary forms here for the January meeting for signatures to make it easy for all signers.

d. Legal and Insurance

Seth reported:

I took a meeting with Beth Kelsey at Brown and Brown to review all insurance coverages for suitability. Reviewed both the Commercial Auto policies and Building policies. Beth and I are conducting replacement calculators for the 4 structures we insure (Clubhouse, Swimming Pool, Garage, and Caretaker's Dwelling) for accuracy and will have that report to circulate to the Board for Friday's meeting.

Additionally we are reviewing the scheduled equipment inventory we have on the policy to make sure it is current — I forwarded that list to Aaron to cross-index for accuracy. Our review turned up over 30 items that were not listed on the policy, and 11 items that need to be removed. I will secure pricing from Beth at SSK to add and the net cost after removing the old items. I will hold off making any changes to the schedule of items until the Board meeting to get feedback.

Auto accident 12/20/2017 at 11052 Mission Lane: Aaron had the unfortunate luck of backing into a vehicle. We have been in touch with the claimant's company (USAA) and our own insurance company. Estimate has not arrived yet for damages, but should be a pretty straightforward claim between the two companies. Communication so far has been that USAA would be taking the claim, and then subrogating against ours.

e. Grounds and Maintenance

Nothing major to report. Aaron has been getting bids for some projects. Aaron and Ken have been working a number of minor maintenance projects.

g. Violations

22007 Kennedy: \$650 fine for removal of tree. Follow up letter requesting payment sent in November. Ms. Kennedy approached a Board member around Thanksgiving and said she or Mr. Kennedy would come to the January meeting to talk to the Board and bring a check for the fine.

14061 Adolf: Fined for failure to submit proper rental forms. Appealed fine, appeal was denied, and fines were paid.

11085 Janko: Fined for illegal dumping of microwave 12/15/17.

13007 Carroll: Fined for failure to submit proper rental forms. Carroll has been fined before for the same offense so they are fully aware of the requirements. The maximum fine of \$650 was issued 12/15/17.

17042 Lehw: Suspected of renting without submitting proper forms. Warning letter was sent explaining the Rim's rental policies and requirements, key requirements, and fine policies 12/9/17.

12004 Nichols: Suspected of renting without submitting proper forms. Angela found their property listed on VRBO. Warning letter was sent explaining the Rim's rental policies and requirements, key requirements, and fine policies 12/9/17.

12006 Hughes: Fine letter sent regarding 12/17/17 gate break/card reader broken. The \$200 fine reflects a \$100 fine for "running the gate" and \$100 for 4 hours of labor at \$25 per hour. MBR has a video of the incident.

11017 Sorrells: Fine letter sent regarding gate break. The \$100 fine is for "running the gate".

h. Member Relations

No report.

i. Director-at-Large

No report.

4. Unfinished Business

a. Removing obsolete rhetoric from our documents — Pete Berow handed out MBR documents that have obsolete language. Some items in Property Standards Committee definition should be moved to Property Standards procedure. Article VI is missing job descriptions of a few Board positions. Pete wants a synopsis of our job descriptions. Deadline: Feb. 16, we need clean first draft to hand out at meeting. Pete: the goal is to get this done, finalized, and approved at the AGM.

b. Approve changed wording re: ingress, egress in Roads section of Covenants — Pete Berow. Dodie Fox would like to go on record in the January Board meeting minutes as being for the proposed change in gate access verbiage. Ed Keller passed the document around for people to read.

ACTION: Ed Keller moved to approve the amendment to Roads and Real Property in Protective Restrictions (will require vote at AGM). Dawn Chaplin seconded. **Motion passed.**

5. New Business

a. Draft revised 2018 budget — Ed Keller said the 2017 totals are in and we're getting an extra \$25 per month. We already ratified the 2018 budget. This will show \$11,000 coming in and the revised budget will be ratified at 2018 AGM. We don't need to approve this until February or March. This revised budget reflects new payroll numbers. Board members should email Ed with questions.

b. Proposal to transfer 2018 revenue into reserve funds — Ed Keller said Suzanne Savery (former Treasurer) used to wait until the end of the year to move funds. First Federal has offered us 1%, \$375 in additional income in 2018. We are putting \$42,000 in a money market account to gain a full year of interest. As of today, dues income is up to \$100,000. Interest income was \$3,256 in 2017. Ed wants to transfer \$42,000 from general funds to reserves. Ed also wants to continue to write a check to transfer money -- money can only be transferred with signatures. ACTION: Ed Keller moved to transfer \$42,000 of funds into a new money market account to take advantage of interest. Dawn Chaplin seconded. **Motion passed.**

c. Request for Board input on 5-year Capital Improvement Plan — Ed Keller met with Dennis Larson and Aaron, and looked at the 5-year plan. Now it's up to Dennis and Aaron for input about projects to complete in 2018. Deadline by the end of March: we need to know projects for the next 5 years. Dennis: I haven't had a chance to get together with Aaron. Ed said this needs immediate attention: bathroom, men's showers, but I'd like to know of more long-term projects so we can put money aside instead of assessing members. Dawn Chaplin said we should ask members at the AGM. Ed commented: we have things we have to do and things we can put off. Pete Berow would like to see a 5-year plan with different scenarios, 4-5 projects per year and let members decide. Dawn Chaplin: what is amount of a capital project? Ed over \$2,000 generally, whatever it takes to make improvements, while maintaining our assets. Ed has calculated where we should be with the amount of reserves available. Any input should go to Dennis Larson.

d. Barbecue after AGM? — Dawn Chaplin said we've historically had a barbecue to include family members. Pete Berow mentioned we've had problems getting a quorum when there's a barbecue. Ed Keller said at the last barbecue, Phil Hobman ended up with the burden of planning, grilling, and cleaning it up. Phil said people who came to the barbecue didn't attend the meeting and didn't help with cleanup. Phil is the one who suggested we need a food truck to entice members. Last year, the food truck meal was under \$10 per person. Ed said we don't want to go back to doing a barbecue unless we can keep it under \$800. Ed: Dawn should present a plan to feed 90 people for the February meeting.

e. Fine for gate damage by non-owner resident at 12006 Welcome Rd. (\$200?) — Ed Keller said the card reader needs to be replaced. The last time this happened, it was repaired poorly. Aaron handled this and thinks he can repair it on his own. If the equipment was damaged, the owner of 12006 will be charged.

f. Choose date for the 2018 AGM (June 9?) — Sally Ed Keller said it should be the weekend before Father's Day weekend. June 9 it is.

g. President's Letter for the AGM mailing (review at March meeting) — Sally Hewitt said this is a heads up for Pete Berow.

h. Letter from Britain/Krell PLLC — Pete Berow said Board members can read the letter, but we don't need to respond. Letter is from 22007 attorney regarding fine for tree removal. Seth Carson asked: was the tree rotten at the time? No.

i. AGM Committee formation — Sally Hewitt: Dawn Chaplin, Pete Berow, and Ed Keller volunteered to be on the AGM Committee.

j. AGM meeting synopsis posted soon after AGM in addition to minutes 1 year later? — Christy Ed Keller said a prospective member looked for them on the MBR website. Sally Hewitt will send draft 2017 AGM minutes to office.

6. Meeting Adjourned: Meeting adjourned at 8:50 p.m. Mark Ablondi moved to adjourn. Lida Vacek seconded.

*The Board may convene in closed executive session to consider personnel, legal, liability, or issues dealing with violations.

Next Board meeting is Friday, February 16, 2018, at 7:00 p.m. in the clubhouse.

Signed:

Dated: _____

MBRCC Board of Directors

Print Name and Title: _____