

**MINUTES OF THE
MT. BAKER RIM COMMUNITY CLUB
ANNUAL GENERAL MEETING
JUNE 10, 2017**

The Annual General Meeting of the community club was called to order at 1:00 p.m., June 10, 2017. Meeting proceedings are reported under the agenda items, as below, which agenda was published and distributed prior to the meeting.

Directors present: Phil Hobman, President; Ed Keller, Violations Director and Treasurer; Peter Berow, Property Standards Director; Roy Graham, Member Relations; Sally Hewitt, Interim Secretary; David Hill, Grounds and Maintenance; Lida Vacek, Vice President; Dawn Chaplin, Director at Large; Mark Ablondi, Legal and Insurance.

Directors absent: None absent.

Good Afternoon. Thank you all for being here for the 2017 Mount Baker Rim Community Club Annual General Meeting. My name is Phil Hobman and I am the President of the Board of Directors. I will be chairing this meeting.

Change of order: counters will pass out ballots to people who have voting plates. It is now 1:00 p.m. and our registration tally indicates that we have a quorum. Note that for our quorum we need a total of at least 36, being 10% of our current membership of 355, and we have a total of 80, made up of 50 in person and 30 by proxy. Therefore I declare this meeting is in session.

1. Adoption of Order of Business

The first item on the Agenda is the adoption of the order of business. We will be using Roberts Rules Of Order as our guideline for conducting this meeting in an orderly and cordial manner. There will be no debate until a motion has been made and seconded. For any matters that require debate, we will be using a speakers' list and there will be a time limit for each member who wishes to speak to any motion that is on the floor. Any member wishing to speak for or against a motion will have two opportunities to do so. The member will have a time limit of 5 minutes the first time she or he speaks and 3 minutes if she or he wishes to speak a second time on the same motion. No one may speak to a motion a second time until all other members who wish to speak have spoken for a first time. No one may speak to a motion a third time. Dawn Chaplin will maintain the speakers' list and will be our timer.

Members who have registered for this meeting are requested to raise their registration plates if they wish to speak so that the Secretary may record their questions and comments accurately. Anyone who is not registered for this meeting is welcome to observe but will not be allowed to speak. If there are no objections we will adopt this order of business for conducting this meeting. No objections. We will carry on.

Before proceeding further I would like to thank all of our employees for their contribution to MBR. Aaron Ebner, our new caretaker and part-time caretaker last year; Ken Sather, our assistant caretaker; part-time helpers; and our office staff, Angela Urso, office manager, and Christy Ables, office assistant; and last but not least, our recently departed caretaker, Allison Reimer. Let's have a big round of applause for all of them!

2. Introduction of 2016 Board of Directors

We will now proceed to **Item 2** on the Agenda, the introduction of the 2016-2017 Board Of Directors. On behalf of all of the members I would like to thank my fellow directors for their dedication and hard work over the past year. MBR continues to improve physically and financially due to their stewardship.

I request that the other Directors introduce themselves by standing and stating their names and positions on the board.

- Phil Hobman, President – term finished
- Sally Hewitt, Interim Secretary (taking over from Roz Schott)
- Ed Keller, Treasurer
- Ed Keller, Violations
- David Hill, Grounds & Maintenance – term finished
- Mark Ablondi, Legal and Insurance
- Peter Berow, Property Standards
- Roy Graham, Member Relations – term finished
- Ludmilla Vacek, Vice President
- Dawn Chaplin, Member at Large

3. Approval of Minutes of 2016 Annual General Meeting

The minutes of the 2016 Annual General Meeting were reviewed.

ACTION: Dick Russell moved to approve the 2016 Annual General Meeting minutes. Seconded by Titti Ringstrom. **Motion passed.** Minutes approved. The motion approving the 2016 AGM minutes was passed unanimously by the membership with a show of hands (plates).

4. Directors' Reports

These 2017 AGM minutes provide a summary of the Directors' verbal reports at the meeting. More detailed Directors' reports are on file at the MBR office and on the MBRCC website (for those Directors who submitted a more detailed report).

a. President

Phil Hobman presided over the meeting.

b. Secretary

I volunteered to be interim Secretary after I saw a notice on Nextdoor asking for a volunteer to replace Roz Schott, who sold her home in the Rim. I started taking minutes at the January meeting. So far, it's been an enjoyable experience, a lot of work, and I feel like I'm giving back to the community. I'd like to thank the many people helping to assure the success of the AGM: Angela and Christy in the office, Ed Keller, Phil Hobman, Dawn Chaplin, and other Board members, AGM volunteers Suzanne Hobman and Titti Ringstrom, along with new caretaker Aaron Ebner and assistant caretaker Ken Sather.

c. Treasurer

I would like to begin by thanking our previous Treasurer Susanne Savery for her expert care and the organization she put in place during her 6 years as Treasurer. Without her efforts, my job would have been far harder if I were not following in her footsteps. I would also like to acknowledge the computer systems upgrades completed by Michael Betker. Both of their contributions made it possible for even someone like me to understand and perform the duties of your Treasurer.

Our 2016 income was slightly higher than expected by \$4,359.01. This helped to offset unexpected repairs and equipment replacement that were not anticipated. The failure of one of our 2 pool pumps during our pool season was quickly replaced so swimming could resume. There were also unanticipated repairs to our Dodge truck used to sand and plow our roads, to our tractor, and to our compactor. Even with all of the unanticipated expenses our total budget was sufficient. All expenditures that resulted in over budget categories were offset by savings in others, especially in Garbage, Utilities, and Payroll.

In the fall of 2016 the Board approved moving our Banking and Merchant Credit Card accounts to Peoples Bank that has made it possible to save on our fees we pay when credit cards are used.

Our Reserves currently stand at just over \$267,700 with 2017 anticipated improvements of \$80,000.00. I am expecting a 2017 reserve contribution of over \$30,000.00 (our average annual deposit).

2017 January – June

A new 2017 Budget was approved by the Board and was included in this AGM's information packet online. For the first half of 2017 our expenses are in line with the current budget. Each past year the Board has ask the membership to ratify a new budget, in accordance with our By-law requirements. Each year that budget is already being used for 6 months before our members get to see it and vote. To remedy this, we have submitted a 2017 and a 2018 Budget for ratification this year. This is being done to give our membership a better idea of what our anticipated expenses will be so that we are never working from an unratified budget again. At the AGM in June of 2018, the membership will ratify a 2019 budget.

We hope that the membership will recognize the benefit of ratifying this 2-year budget making our future cost expectations as transparent as possible. The Board and Staff work hard to keep our expenses in line. Even with our severe winter adding expenses the beginning of this year, we are currently on target with the current budget.

Where does our money get spent? Our largest expense is for our staff: salary, wages, benefits, and payroll taxes. With their efforts, our community is kept in excellent condition and allows for our membership to enjoy MBRCC with the confidence that all the hard work is being attended to and our assets are being protected. These costs are approximately 45% of our total expenses.

Utilities including trash and recycling, are next with approximately 15% of our expenses. Followed by maintenance and repairs including our roads at 11%, reserve contributions at 10%, administration expenses at 7%, supplies (mostly pool) at 4%, insurance at 4%, vehicle and equipment expenses at 2%, and another 2% for miscellaneous expenses.

The other item I would like to comment on is our Advisory Vote request regarding a possible dues increase in 2018 that would specifically go into our Reserve Funds account. If the members approve of this advisory vote, it would add over \$11,000.00 to our Reserves each year. Our Reserves are currently at their recommended level and are considered to be adequate for our current needs. I believe that there are potential improvements that will be needed within the foreseeable future that we are not prepared to pay for from our reserves and if that work

were done it would require a special assessment. I believe it is better to save in advance of need to avoid any special assessment.

You will also be asked to ratify a revised 5-year Reserve Plan. This current plan was put together with considerable assistance from Allison, involving a complete review of the anticipated costs and adjusted life span expectancies of most all major assets here at MBRCC. MBRCC members can be thankful for the excellent judgment calls that were made by our past and current Staff and Board of Directors. Our expenses are constantly monitored with good sound judgment made for the best benefit to all members.

d. Legal and Insurance

Mark Ablondi reported it was a quiet year for MBR Legal and Insurance. We had one auto accident this winter where the MBR Dodge plow truck clipped a member's car while plowing. This accident costs MBR \$500 in auto liability deductible for the car. We (MBR) were at fault and our truck sustained no damage. In September, NPIP (the Non-Profit Insurance Program) conducted a site survey of MBR grounds and facilities. NPIP found MBR grounds and facilities to be in excellent condition with no major safety issues, and the few minor safety items noted were quickly corrected by our staff. There have been no legal issues since the last AGM.

e. Grounds and Maintenance

David Hill said he will be quick. It's been a busy year and we've gotten a lot done in Grounds and Maintenance: replaced side and upper floor windows in the clubhouse, replaced clubhouse siding, replaced interior clubhouse lights with energy-efficient LED fixtures, made repairs to the tractor and salt spreader and trash compactor, increased the budget for road paving, replaced one pool pump, replaced flooring in the office, and replaced the pool cover which was damaged due to vandalism.

Future projects include the front gate project, replacing heating and ductwork in the clubhouse, continued replacement of clubhouse siding, upgrading security cameras, and eventual replacement of the Dodge truck. We need to maintain the assets we have and replace assets that have reached end-of-life. Please let us know what we can do better, what you'd like to see done, and remember to give staff feedback. Please give them kudos for their incredibly hard work.

f. Property Standards

Peter Berow said if you have heavy equipment coming into the Rim, please let the office and caretaker Aaron Ebner know. There might be a \$2,000 damage deposit. The Property Standards Director and caretaker need to be aware of what is happening in the Rim. Trees: members need permission to cut trees on lots — the Property Standards Director has to approve tree cutting. Get to know your neighbors, try to solve problems with neighbors before you contact Board members or the office.

g. Violations

Ed Keller reported: regarding last June's Graduation party of unchaperoned teenagers, damage restitution of \$1,011.00 was immediately paid by the family — the Board approved a fine of \$650.00 and allowed the offender to learn a life lesson by working off this fine by providing community service here in MBRCC. The rest of the year was anticlimactic compared to the beginning. Most of the issues involved parking on roads or other members' driveways during winter snow removal. Again, there were issues over storage of unlicensed vehicles

and utility trailers and sports equipment. Member Jesse Hughes wrote and appeared at several Board meetings to seek changes to our Property Standards that now allow for winter seasonal storage of snowmobiles and their hauling trailers on their lots and for summer seasonal storage of boats smaller than 17' and their trailers during the fishing season. Please refer to our website and look under Property Standards for complete details as to what is allowed and not allowed and also when season and off-season is. These changes were approved by the Board to better accommodate our sports enthusiast members and still respect our members who do not wish to look out at equipment parked on other lots.

Now that summer is upon us I would like to remind all members that a dirt bike that does not have a license plate and current registration cannot be driven on any MBRCC property, including roads. They must be trailered to and from any approved recreational area. That means you cannot drive from Glacier Creek Road through our pathway for pedestrians, drive down Glacier Rim Dr. or onto Pinnacle Rd. and then duck out the back through the Glacier Water District lot. This is not acceptable.

Lastly, I would like to let all members know that the office continues to track outside vacation rental sites for MBRCC properties that are listing their cabins for rent. These websites and the fact that most renters stop in at the office on their way in for directions allow us to check and see if there is the approved paperwork on file. We now issue a \$250.00 fine when rentals are done and members avoid the required fee and forms. The overwhelming majority of MBRCC Members continue to be good and courteous neighbors, and we thank them all.

h. Member Relations

Roy Graham said the Member Relations Director acts as liaison for the Social Committee. We now have Dawn Chaplin on the Board looking after Social Committee. The Member Relations Director contacts new members and lets them know about our rules and regulations. The director calls members and asks if they've received a new member packet. We've had quite a few property changes since the last AGM. Thank you to our excellent staff. I'd like to reiterate the importance of getting to know your neighbors and I encourage members to join Nextdoor to keep updated on what's happening in MBR. Thank you to Board members, present and past. The Board spends your money wisely.

i. Director at Large

Dawn Chaplin reported she mainly works on social events. Dawn went over events during the past year. She said we need someone for the Christmas cookie event. Snow was a problem over the winter holidays. She stressed NYE is the only non-family event — all other events are for families. Easter Egg Hunt — she had 50 kids. She's been doing lots of karaoke events because people seem to enjoy it. She's put out a new event calendar. She puts info on Nextdoor, Baker Bits, etc. Important: when we have events, we need a parent with children under 13. Two big events are coming up: July 22, Summer Carnival and barbeque — she needs volunteers. Family Fun Day and barbeque on August 5 — she needs volunteers for this event as well. She would like new ideas and more people on the Social Committee.

Dawn thanked the Social Committee members for all their help: Pete and Mary Berow and family, Lynn Stefan, Sally Hewitt, Johanne Poirier, Dieter Kuhn, Jim Chaplin, and Dodie Fox. Special thanks to Ed Keller for offering help whenever she asks for it. She also thanked the caretakers and office staff for any work they had to do concerning the social events. She thanked all the members who helped clean up after the events.

Members' Questions for Board Members

Dick Russell question for Member Relations Director, Roy Graham:

We didn't have a Social Director for a few years and now Dawn Chaplin has stepped up. Should we move Member Relations to Social Director and free up Ed Keller?

Roy Graham answered: Member Relations is important because lots of new members don't read their new member packets. When the Member Relations Director calls them and connects with them, we can make sure they know what's in their packet, make sure they read their packets, and make it a neighborly function. Letting people know there are fines for transgressions is important and members are more careful. We're trying to be neighborly.

Dick Russell: why not make Nextdoor automatic for all members?

David Hill said people have to submit to become members and are manually signed up by Nextdoor. So, joining can't be automatic.

Dick Russell question for Treasurer Ed Keller:

You keep referring to reserve fund. Is it the same as replacement fund?

Ed Keller answered: it is a reserve fund and we have always called it that. Larson Gross calls it replacement.

Dick Russell: why not change so the terms are same?

Ed Keller: I don't think it's an issue.

Dick Russell to Treasurer Ed Keller:

On page 4 in the Larson Gross report, what is patronage fund?

Ed Keller: we get a dividend through our propane co-op, and the dividend is based on our consumption through them.

Dick Russell: can you change the wording to co-op instead of patronage?

Ed Keller: Larson Gross uses the patronage term.

Dick Russell to Treasurer Ed Keller:

Regarding the Dodge truck, on pg. 2 *expected life*, it would be dead by now. The reserve fund at \$45,000 is not realistic to replace the Dodge truck.

Ed Keller: The Dodge has outlived its expected lifespan, we're looking at replacement, which is probably more than \$60,000 new and we're looking at all options — we have reserved \$45,000 for the new truck. We went through the budget with Allison; are things lasting longer? We don't need to scramble.

Dick Russell said we've funded \$45,000 for the replacement.

Ed Keller: the money is spread out over 4 years for replacement — the longer out the replacement means the slower the replacement funds are.

Dick Russell: I have a neighbor who owns a Dodge truck business, and we should contact him.

Ed Keller: we will consider your neighbor when we need a new truck.

Jessica Wolk to Treasurer Ed Keller:

Jessica Wolk: I'm new here, and am treasurer on our condo board in Seattle — why did you do 5-year plan instead of 30-year plan, why do it yourselves instead of hiring a commercial entity?

Ed Keller: Due to experience. I was a member of an HOA that paid for a 5-year study. The study result said the HOA needed a \$3 million reserve. WA state requires a 5-year reserve plan. The 30-year plan results in ridiculously expensive reserves. We comply with the state requirement to provide our members with a 5-year reserve plan. It's a contentious issue with other HOA boards.

Chris Fitting: some people did not respond to giving gate cards numbers to the office — what is the final resolution?

Ed Keller: we had 140 members respond to forms with their gate card numbers. Now we're taking gate cards out of the system. We might deactivate the older cards that haven't been re-registered. We have approximately 1,700 gate cards out there. That doesn't count the FOBS. We encourage people to re-register their cards.

Chris Fitting: there are liability and financial repercussions. Crime.

Ed Keller: do you have a recommendation for a speedy resolution?

Chris Fitting: cutting off gate cards.

Jacques Massie: I mentioned this gate card issue at last year's AGM. I had someone show up at my house recently who doesn't have a legitimate gate card.

Ed Keller: how did they get there?

Jacques Massie: they came through the gate.

Dawn Chaplin: we're about to turn off cards.

Jacques Massie: I can't see anything has been done.

Roy Graham: what are we going to do if people don't submit their card numbers? Give members a deadline or cards will be turned off.

Dodie Fox: if you turn off a gate card without notice, MBR will be liable.

Questions for Property Standards, Pete Berow:

A member asked if he needs a clarification on the tree policy. Lots of trees on my property fell over the winter. Do I need permission to cut and remove trees?

Pete Berow: yes, we want to know which trees you're cutting down. We're trying to save evergreens, but alders are snapping off and we're open to cutting them.

Roger Van Horn: is there a minimum size as far as cutting trees?

Pete Berow: yes, there's a minimum trunk diameter, which is listed in our Minimum Property Standards document.

Sharon Danhelka: a neighbor's tree fell and did minimum damage on our property, so I wrote to our neighbors about dangerous trees to advise them the trees are their responsibility, but the people have not replied to my letter. What do you do when the neighbor does not reply? Five alders are leaning toward my house.

Mark Ablondi: I obtained permission from a neighbor to cut their trees.

Sharon Danhelka: what is the procedure for dealing with problems with renters? Go to the homeowner?

Ed Keller: did you report it to the office? That's the only way to resolve such issues.

Mark Ablondi: it's good to talk to neighbors.

David Hill: refer the neighbor to the MBR rules and regs.

Janet Maxwell: if you have homeowner's insurance on your property, the tree on their property is not covered until it reaches your home, so the damaged home absorbs the expense.

Craig Collins: where is the 8-9" diameter measurement on the tree to be cut? At the base, up 10 feet? Allison gave me permission to cut trees. Do I have to go through another procedure?

Pete Berow: no.

Jacques Massie: do you talk to Asplundh about which trees they are going to cut? Asplundh cut trees on my property, so I have a claim with them.

David Hill: DOT has a massive setback along the highway.

Jacques Massie: the trees were 10 ft. in on my property from the stakes. Are we controlling anything around our highway perimeter?

Phil Hobman: nothing like this has ever come up before.

Bob McDonald: properties that abut Glacier Creek Road have a green zone boundary.

Phil Hobman: it hasn't been brought to our attention.

Ed Keller: the easement is 15 feet into my property, county-controlled, but the county does not have the right to cut trees along Glacier Creek Road.

Bob McDonald: people are cutting trees along Glacier Creek Road.

5. Ratification of Operating and Capital Budgets

ACTION: Lanette Abdelnoor moved to approve, Robyn Waldron seconded. **Motion passed.** Budgets ratified.

6. Nomination and Election for Board of Directors

We have four open positions this year and we are accepting nominations from the floor. These positions are for three-year terms. I would like to remind members that Board positions are determined by the Board members at the first meeting of the Board of Directors after the AGM and Board positions can be changed over time. Anyone who has specific expertise can work with, or take over from, another director during the course of their term. The first Board meeting following the AGM will be held tomorrow, Sunday June 11, 2017 at 1:00 p.m. at the clubhouse.

- **Nominations From the Floor**

Al Campbell: why does the Vice President not have a second job when two other members have two jobs? Prospective Board members need to be prepared to commit to three years, to the position, and to meeting every third Friday of each month. Al would like the next Board to each have one job instead of two.

Phil Hobman asked for nonimations from the floor. There were none. He asked nominees to say something about themselves.

- **Nominees Speak**

David Hill: I've been on the Board for five years because there was a need. I'm happy bowing out. Titti Ringstrom asked why David wants to be on the board. David: to have an influence and make sure common sense prevails. I was an investment banker and four years ago people didn't want to be on the Board. I'm happy to serve or to step down.

Sally Hewitt: I've lived here since 2004 and have absolutely loved living here. I see other members giving much of their time as Board members, and would like to give back to the community in that way. Pertinent to this position, I have a degree in English from the UW, worked in the MBR office part-time for 5 years, and edited a newspaper for 9 years.

Seth Carson: we bought property last September, I own an insurance agency, want to get involved, and get to know people.

Dennis Larson: my wife and I have owned property here for 18 years. I love MBR and the people here. I'm committed to being on the Board.

Dodie Fox: I've been here since 2005, have served on the Board before. I feel very strongly about being on the Board and would like to get to know people in the community.

- **New Board of Directors Announced**

Phil Hobman announced the new Board of Directors after the vote was counted: Seth Carson, Dodie Fox, Sally Hewitt, and Dennis Larson were elected as new Board members.

- **Introduction of New Caretaker**

Phil introduced Aaron Ebner, MBR's new caretaker. Aaron spoke briefly, saying we can all solve issues easily by working together with the Board.

7. Waiver of Audit

Ed Keller said Suzanne Savery had an audit five years ago. Larson Gross handles all of our audits, our financial reviews, etc. At some point, we should have an audit, maybe every 10 or 15 years. ACTION: Al Campbell moved to waive the audit, Eric Janko seconded. **Motion carried.** Audit waived.

8. Advisory Vote on Dues Increase

ACTION: Advisory vote on dues increase for infrastructure projects — a majority voted to go ahead with the dues increase.

9. New Business: Phil Hobman called for new business. No one responded.

10. Open Forum: Phil asked if there was anything people wanted to bring up. No one responded.

11. Adjournment

Dick Russell moved to adjourn the meeting. Roy Graham seconded. The voting assembly unanimously approved adjourning the meeting with a vote of hands. The Annual General Meeting was adjourned at 3:00 p.m.

The members proceeded to the refreshments provided. MBR hosted a Food Truck from El Agave Mexican Restaurant and provided (up to 2) meal vouchers to each member in attendance and employees.

Signed:

Dated: _____

MBRCC Board of Directors

Print Name and Title: _____