

**MINUTES OF THE
MT. BAKER RIM COMMUNITY CLUB
ANNUAL GENERAL MEETING
JUNE 11, 2016**

The Annual General Meeting of the community club was called to order at 1:00 p.m., June 11, 2016. Meeting proceedings are reported under the agenda items, as below, which agenda was published and distributed prior to the meeting.

1. Adoption of Meeting Order of Business

The Secretary recorded there were 43 voting members present holding 19 proxies for a total of 62 present for voting. The 2/3rd vote required to pass would be a count of 42 votes. These attendance figures were sufficient to constitute a quorum for the meeting, that being 10% of the 359 members eligible to vote at this AGM. The necessary vote for a majority would be 36. The President outlined procedures to be followed in conducting the meeting including issues brought to the floor and voting procedures. Roberts Rules of Order will be process of the day. The President reviewed the rules of order: 5 minutes to speak, 3 minutes the second time. Susanne Savery will be timer and recorder of the speakers. The membership reviewed the agenda. The President stated if there were no objections the meeting would commence.

2. Introduction of 2015 Board of Directors

The Board of Directors were introduced as consisting of Phil Hobman, President; Ed Keller, Vice President/Violations Director; Susanne Savery, Treasurer; Roz Schott, Secretary; Roy Graham, Member Relations Director; David Hill, Property Standards Director; Bob Jamesson, Grounds and Maintenance Director; and Ludmilla Vacek, Director At Large

The President introduced and thanked the following employees: Allison Reimer, full-time Caretaker; Brian Kennedy, relief part-time Caretaker, and Angela Urso, Office Assistant and Bookkeeper. The President also thanked and acknowledged Ken Sather, Assistant Caretaker and part-time Assistant Caretaker Aaron Ebner, who were not present.

3. Approval of Minutes of 2015 Annual General Meeting

The minutes of the 2015 Annual General Meeting were reviewed.

Michael Betker moved to approve the minutes as revised and Mark Ablondi seconded. The motion approving the 2015 minutes was passed unanimously by the membership with a majority.

4. Standing Committee and Directors' Reports

These 2016 AGM minutes provide a summary of the Directors' verbal reports at the meeting. More detailed Directors' reports are on file at the MBR office (for those Directors who submitted a more detailed report).

President's Report

Phil Hobman, President

Summary of remarks

- Thanks to the membership for letting me serve.
- Thanks to MBR Board members.
- Compliments to MBR Staff.
- Summary of accomplishments in tenure.
- Encouraged members to join the board.

- Encouraged membership to continue to support maintenance projects and, when appropriate, improvements, as they have been doing.

Violation Director's Report

Ed Keller, Violations Director

2016, like most years, has had its share of the usual violations, gate breakage, and improper disposal at our trash and recycle area, and off-leash dog issues. The majority of our members are very respectful of our Rules & Regulations, with over 95% having no compliance issues.

The attention to violations this year was changed to a procedure of written requests for compliance from our members, instead of issuing a citation. Most issues could be handled within an agreeable time frame, making issuing fines unnecessary. Fines were only issued for the most blatant violations.

There are three areas that did require extra attention in this last year.

- With our old dumpster gone the raccoons did not have their nighttime feeding area and at least one member began a regular feeding station for the raccoons causing a dangerous situation to the immediate neighbors. It is illegal to feed this type of wildlife, and harmful to them as well as the residents around them. The Board added specific language to our Rules and Regulations so action could be taken to stop this from happening.
- In the past members have been given permission to temporarily store utility trailers on their MBRCC property. Unfortunately they somehow never left and soon others followed the example and more stored trailers showed up. It has always been a violation to store any utility trailer more than 7 days. Because we are a community with members who use these trailers for many sport activities like snowmobiles and motorcycles, the Board added language to our Property Standards to allow for storage of these types of trailers in a fenced area, out of view on member properties. It was our hope that this would serve these members and also protect the other members from looking at stored trailers. It still remains a violation to store any RVs or other unused vehicles on any MBRCC lot.
- The third and most important issue in this last year has been fire. After a weekend renter tossed a burning object, most likely a cigarette into the barked area next to the hot tub and deck, the cleaning crew arrived on the next Tuesday to discover that the area was still smoldering and had blackened an alarming area. It was immediately reported to our staff and extinguished.
- There was a campfire started over the 4th of July weekend during the burn ban. There were fireworks on the July 4th, and New Year's, and even just to celebrate a member's special occasion a few months ago. Fireworks are banned all year round within MBRCC.
- There was also a dangerous burn pile started on a member's property where they began to burn household items including a mattress and box spring. They were immediately told of the danger and violation involved, but later proceeded to dispose of the mattress into the compactor. That night the caretaker was awakened at midnight with a report that the compactor was smoking. This required assistance from our local volunteer fire department to extinguish. This was very serious. Fortunately it did not cause any serious damage to our compactor. To make matters worse the member departed for home without fully extinguishing the burn pile at home and it was still smoldering on Tuesday morning, requiring our staff to put out their smoldering burn pile remains. This action resulted in the largest fine ever issued at one time to a MBRCC member.
- With warmer, dryer summers, we expect fire to be a significant danger within our community requiring the diligence of all our members to keep our property and fellow members safe.
- It is our hope that requesting compliance from all members in an even and uniform manner benefits all members, and helps to keep MBRCC the community it was intended to be, for all to enjoy.

Comments from members and response from Board of Directors:

- Carolyn Gardner The concern was that the Board changed the rules.
 - o Director Response: The MBRCC Bylaws can only be changed with a vote at an AGM meeting, the Rules and Regulations and the Minimum Property Standards can be changed by the Board

as needed. Members are notified by the website and Baker Bits and Nextdoor postings. They are also being posted on the website with current information. Member requesting changes that impact people should be notified not as an informal Baker Bits. The goal of the Board is to close the gap in clarifying the procedure.

- Jacques Massie The concern was that input was put out to some and not all members on this issue. He also expressed concern for employees or anyone climbing into the compactor. This was in regards to Allison entering the smoke-filled compactor during a fire situation. Member stated that “Nobody should ever have to climb into the compactor.” This was in reference to the safety features of the compactor.
 - o Director Response: Safety is our priority as well. The compactor has a safety port.
- Bob McDonald Commented on the issue of storage of trailers. Member has a boat trailer and boat. Wants a sharing system and communication system of rules and regulations. Member was unaware of the change and didn’t feel he was notified.
- Paul Freitag Comment/question: Aren’t those changes in the monthly minutes?
 - o Director Response: Yes, in the monthly Board Meeting minutes.
- Judy Harding Communication in an email to members: add a new section that indicates any changes will be posted. Include in communications: reminder of safety issues such as no beer or glass in pool area and charcoal grill during burn ban.

Legal and Insurance Director’s Report

Kristen Lee served during 2015 and 2016 as Legal and Insurance Director. Insurance was reviewed and there was a slight increase in our insurance premium. We reviewed and raised the deductible to a higher level so overall insurance went down.

Treasurer’s Report

Susanne Savery, Treasurer

The Treasurer presented the following report:

2015 - Year-End:

Net income for 2015 was \$5,412 below plan and \$1,965 better than 2014 after the loss of \$17,893 on disposal of unbuildable lots held for sale. Ordinary Income was \$17,425 and \$18,749 better than plan and the prior year respectively. Cash on hand was \$54,131 less than the prior year end mostly as a result of increased capital spending of \$53,916 over 2014 with the improved operating income reduced by an almost equal reduction in prepaid dues received over the prior year-end.

The improvement in expenses over budget and the prior year are mostly a result of lower trash costs realized from the compactor over last year not budgeted for in 2015. The warm summer also resulted in reduced propane costs for the pool; propane was budgeted on 2014 costs. Other income was lower than budget and 2014 as a result of a reduction in renters’ fees perhaps as a result of the lack of a ski season and lower violations income.

Capital spending was less than planned because \$12,000 of planned spending for the sauna, clubhouse windows, and upgraded gate software was deferred while the pool fence and trash area were \$3,628 more than planned, offset by a small saving on the compactor (\$528).

2016 Year-to-Date as of May 31:

Expenses and other income are slightly above plan year-to-date. The 2016 budget was loaded to equal last year’s actual expenses as incurred with the exception of the increased member dues and the write down of the lots and related expenses written off in 2015. There may be timing differences between when expenses occur this year versus last year. Although some costs are up and some are down, it would appear that we are on track

to meet the 2016 plan. That said, the unplanned pool cover, deck chair replacement, 2016 taxes on the zero valued lots incurred because they were filed with the County after December 31st and increased electricity costs may be offset by lower than other planned costs, garbage for example, or they may cause us to run over plan by year-end.

If anyone reviews the monthly financial statements, please note that prior to this year, capital expenses were recorded in the profit and loss statement and transferred to the balance sheet at December 31st. In 2016, capital is being directly recorded to the balance sheet as incurred. Therefore the year over year change appears larger than it actually is because the 2015 capital was recorded on the balance sheet in December.

The Board made the decision to hold the replacement fund and not reduce it because there is enough cash in the operating fund. We currently have enough in reserve funds even after updated electrical panel.

- Member question: Dick Russell wondered about the savings due to the water with the compactor installation. Are not paying for water weight or hauling issue.
 - o Response: The structure was going to have to be so large to put the roof on so that it would have been unsightly. How is it being depreciated? \$30,000 for total for a total of \$54,000. We used a net value ratio—this gives us a positive value and cash outlay and the stream of cost savings from the reduced water weight and pick-ups. We used a 20 years life and based on input. It compacts every third time the door is opened.

Member Relations Director's Report,

Roy Graham, Member Relations Director

The Director's role is to contact all new members and welcome them to MBR. The job is to reach out to new members, and all new members get a packet and often not read. Director tries to talk to each person individually to go over important issues. The website is now available on the Rim and the input from the meeting has been helpful in knowing how we can provide information.

Encourage everyone to get their email address into the office. Also, sign up for Nextdoor. (mtbakerrim.nextdoor.com) The website has important information added on a regular basis.

Sales have been slow here. Last year, 19 properties sold, this year 15 properties have joined. The Director thanked the staff for looking after our properties. The Director also gave special recognition to Bob Jamesson and Susanne Savery for their careful and thoughtful volunteer work using our funds carefully. A Social Committee is still needed and the director encouraged members: if you want to do something, please step up and help.

Comments and response from the floor:

- Dawn Chaplin Why was social director taken off the Board as a director?
 - o Director Response: Mary did an outstanding job as social director. She wanted to be social director, but did not want to be on the Board. The Board position remained Director at Large.
- Mark Ablondi Mary did a great job as social director. People didn't want to get involved. People have changed through the years and if the members want to try it again, that's a good thing.
- Bob McDonald Stated that a survey taken 6 years ago revealed 34% were not very interested in social events. It ranked 25 of 28 in importance to members.

Property Standards Director's Report

David Hill, Property Standards Director

A written report is included with the minutes in the office.

The Director reports that we are trying to find a balance of cutting trees to let light in and keeping our community looking like a woodsy area. The goal is to maintain our area so everyone feels welcomed, and open to all.

- Jacques Massie A number of properties were cleared off, and septic systems installed and never built on.
- Director response: That rule applied to those who have one year after construction not from septic.
- Dave Sprinkle A number of people put septic in because the county had new rules.
- Dawn Chaplin We came in 1991, but had a year from septic tank installation to build.

Grounds and Maintenance Director's Report

Bob Jamesson, Grounds & Maintenance Director

A written report is on file in the office with a copy of these minutes.

Thanks to the membership for letting me serve.

Thanks for the trust in my judgment to upgrade the Nissan to make it safer for errands that are needed for the caretaker, caretaker residence as needed,

- Dick Russell suggested using Kar Mart who might give a good bid.
- Nyla Wright Question: Where are the (pool) chemicals located?
 - o Director response: They are still in the panel room, but now with the upgrades it is safe.
- Judy Harding reminded people regarding bear safety and leaving out anything that attracts bears.
- Sheri Hargus wanting to ask for fitness equipment to be in the clubhouse. Discussion to include in July board meeting.
- Barb Korducki Question if it is okay to plant berries on your property?
- J. Poirier Inquiring regarding solar power.
 - o Director response: In the past when we looked at the possibility, it was very expensive, but can be looked at again.
- John Balhoun Internet system seems weak here.
 - o Caretaker response: We pay Frontier for top speed WiFi. It is our only option.

The Director thanked the Board members who volunteer to serve and have a heart for the membership.

Compliments to Staff:

- Kudos to Allison as caretaker who runs and does things that surprise with expertise. Dependable and makes it a joy to work with the Board and Allison.

Summary of accomplishments in my tenure:

- Updated pool structure and maintenance, provided pool storage area for chemicals and power panel distribution set up. It would have cost \$50,000 to replace. Bob had a contact that helped redesigned and the cost was \$20,000. The lowest connection was 8 inches from the floor.
- The Roads repaired each year (5 miles) \$10,000 per year for maintenance.

The Director stated to continue to hold the Board accountable for balancing spending dollars to makes things look right and updating maintenance issues.

Encourage members to join the Board, as others' opinions can provide diverse thinking and decisions. The Director encouraged pre-decisional dialogue to encourage free thinking and new ideas.

The Directors also encouraged membership to continue to support maintenance projects and when appropriate and improvements as they have been doing.

- Building improvements included replacing windows, pool lounge chairs, new pool filters, vacuum motor, heavy use of plow and truck. The truck is old, but heavy-duty and is still working when it needs replacement — recommends buying a same heavy-duty truck.
- Compactor has been put in and improved the appearance of the dumpster area. It has saved us money using the compactor. There are still issues with the locks and the caretaker is looking into it.

5. Ratification of Operating and Capital budgets

The 2016 operating and capital budgets were presented to the members in the AGM packet available online.

Bob McDonald motioned to ratify the 2016 operating and capital budgets; Mark Ablondi seconded the motion. The voting assembly approved the ratification of the 2016 Operating and Capital Budgets with a unanimous approval vote.

6. Nomination and Election for Board of Directors

The floor was opened for the nominations to the 2016 Board of Directors.

The Board positions open are Legal and Insurance, Treasurer, and Property Standards,

- Dick Russell nominated Peter Berow for Property Standards Director.
- Peter Berow lives in the Rim full time and has previously served as Property Standards Director.
- Peter Berow nominated Dawn Chaplin, Eleanore Russell seconded.
- Dawn Chaplin was previously on the board for 6 years, she has worked in banking, and has served as the Social Director in the past.
- Michael Betker nominated Mark Ablondi. Paul Freitag seconded.
- Mark Ablondi has been a resident up here for three years full time.

Roy Graham moved to acclaim all three members for Board positions. Barb Korducki seconded.

Motion Passed.

7. Waiver of Audit

The President called for the formal, independent audit of MBR to be waived for 2016.

Dick Russell moved to waive the audit for 2016; Dave Sprinkle seconded the motion. The voting assembly unanimously approved the waiver of the audit for 2016.

8. Unfinished Business The President called for identification of any items of unfinished business. There was no unfinished business.

9. Open Forum/New business

The President called for identification of any items of new business.

- Dawn Chaplin Vacant lot next to us with many trees that are leaning. What is the procedure?
 - o Director response: If they are on the Rim property, we take care of it, but if on a private lot, we have their contact information so we can help with the member-to-member communication.
 - o Violation Director's response: WA State has a law that says they want you to send the neighbor the letter and it serves as record that they are liable.
- Barb Korducki Do we have a tree guy that can help check on trees?
 - o Director response: Check the Nextdoor website.
- Bob McDonald How often is the compactor jammed?
 - o Allison's response: It is getting better, the most common thing that happens is a large box is not flattened and causes garbage to build-up.

Director of Member Relations asked membership for input regarding usage of the pool. Currently, only members can use pool. How do the members feel about this?

- Dawn Chaplin I would just ask — What lot are you on??
- Jacques Massie expressed dislike for running into (a person who is not a member) at the pool.
- Kathryn Clouse Many have friends or are locals and it isn't a problem unless it is at capacity. Consider rekeying all the gate card keys. 10 kids and 2 adult providing supervision that were neither guests nor renters. They admitted they were in because someone gave them a key.
- Dave Sprinkle Suggestion, signed in with name and lot number.
- Nyla Wright Suggestion: why do we not issue passes for the pool? They can be issued one or two cards and add a card reader and are turned in at the end of the season.

Discussion concluded with Director's comments that there is no easy solution (to the pool usage issue), but it would help if members would take initiative to at least ask if you are a member. Say please eat outside as per state law as posted.

Additional comments/questions from the floor:

- Judy Harding We had a lot of discussion about an enclosed dog run. It fell out of the way is now a designated doggie area.
- Kathryn Clouse Is there a motorized vehicle gate other than the main gate that motorcycles can enter and exit? Motorcycles are entering through the Glacier Water District path. Is there a regulation that can assist with this issue?
 - o Director response: we do not have language to prevent it at this time.
- Dave Sprinkle It is not illegal for a motorcycle to pass.
- Jacques Massie We are a gated community, but we really don't have control of access.
- Angela Urso (employee) — people may park and walk in, but I want to point out that when there was a string of robberies in Glacier Springs, we didn't have a robbery.
- Peter Berow The Rim needs a defibrillator.
- Sheri Hargus Is there a template for neighbors to use to put on the web so members can use for what to say when you wonder if someone is in violation.
- Peter Berow What do we need to do to get a New Year's Eve Party?

10. Adjournment

Klaus Klein motioned to adjourn the meeting; Dave Sprinkle seconded the motion. The voting assembly unanimously approved adjourning the meeting with a vote of hands. The annual general meeting was adjourned at 3:05 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:

MBRCC Board of Directors
Print Name and Title: _____

Dated: _____