LAKE LIMERICK COUNTRY CLUB
BOARD OF DIRECTORS
MINUTES
January 20, 2018
9:00 AM

1. **ROLL CALL:** President Paul Wagner; Vice President Kelly Evans; Treasurer Mike Prather; Secretary Brian Smith; Directors Norm Bartoo, Sharon Hamilton (excused), Dave Kohler, Roger Milliman, John Torkelson, Water Committee Chair Don Bird (ex officio)

2. **APPROVAL OF MINUTES**
   Action: Motion to approve of minutes of December 16, 2017 was made by Dave Kohler, seconded by Roger Milliman, and passed with no nays.

3. **FINANCIAL REPORT**—Treasurer Mike Prather
   Mike Prather reported the restaurant had a good month, and how the reports are displaying income and expenses and transfers between accounts. February will be the last payment for the dredge loan. The once per month payment cycle has reduced the magnitude of fluctuations. The 2015-16 taxes have been filed. The tax bill will be about $6,600 due to profitable property sales, and penalties and interest for late filing. The 2016-17 filing will be due July 2018. We have paid about $7,000 expected taxes due mostly to water. Dave Kohler questioned the high labor outgo, which was due to 3 payrolls in the month. Community Association Manager (CAM) Deborah Wallace noted the higher returns from Rhonda's efforts at collecting fees and past due bills. She also noted the higher than expected fuel expenses, which she is investigating, and putting in place controls (logs). The Board discussed changing payroll dates to reduce 3 payrolls occurring two months of the year.

   Action: Motion to approve Financial Report was made by Dave Kohler, seconded by Kelly Evans and passed with no nays.

4. **ADDITIONS TO THE AGENDA**
   a. John Torkelson requested an item on a minor management change (added as item 10c.)

5. **GUESTS FROM THE FLOOR**
   There were no items requested for addition to the agenda.

6. **CONSENT AGENDA**—Motions to Board from Committee Minutes
John Torkelson questioned the purchase of a new truck for the Water department truck. Water Chair Don Bird reported that the truck is a 1992 Ford F-150. The brakes have failed once while in operation. They will buy a used truck, and the estimates include the modifications necessary (signage, lights, etc., trailer-towing package for water equipment trailer with asphalt roller). The water budget includes this purchase. John Torkelson was satisfied with the answers. Kelly suggested preparing an RFP for local dealers to use in finding a truck best matching the criteria. The board discussed the Inn committee proposals to replace the lounge door; prohibit all but service dogs from LLCC buildings; and the color scheme proposed for painting the Inn (there were no color samples available). John also requested that the Board discuss whether LLCC would just paint the Inn a new color, or paint all LLCC buildings a new color to match.

Action: Motion to approve Consent Agenda and Committee motions as amended below, in particular the Architectural Committee report, was made by Dave Kohler, seconded by Kelly Evans, and passed with no nays.
Amendments: (1) pull the Inn Committee motion to the Board regarding painting the Inn, defer to next month and bring in paint samples; (2) amend the Inn Committee dog motion to: "…to allow only Certified Service Animals inside our Inn and Café/Proshop" deleting the words "our buildings including café".

7. **PRESIDENT'S REPORT**- President Paul Wagner
   - **a.** Paul saluted Brandon's work, e.g. the sliders at game night**.**
   - **b.** The Board will spend some time at the next study-session discussing security concerns.
   - **c.** The café will be 0nly open Friday – Sunday 9AM-3PM through March 18, 2018. Kelly Evans asked if given early hours starting at nine was early enough to open to provide breakfast for early golfers.
   - **d.** Café hours will revert back to 9AM-3PM seven days per week during Spring , Summer, and Fall
   - **e.** Rhonda has done a good job in the office, and now is concentrating on the remaining 150 or so members who are chronically delinquent.
   - **f.** Encourage the Board to fix the Architecture Committee situation because Spring is coming. Need an Architectural committee to protect community interests during building season.

BREAK for informational presentation by Marty Brewer, Superintendent for the Pioneer School District, about a February 13, 2018 Capital Bond Measure to build

a high school for the Hood Canal and Pioneer School Districts. (this item was moved on the agenda to ensure presentation at 10:00 AM and lasted 50 minutes)

8. **COMMUNITY ASSOCIATION MANAGER'S REPORT**-CAM Deborah Wallace
   - **a.** An LLCC member recently commented to her how amazing is the progress we made in last year.
   - **b.** Personnel Handbook has been updated with new sick leave and vacation policy, the new minimum wage has been implemented.
   - **c.** Janice Paradise has resigned as event coordinator due to personal reasons. She did an amazing job. Mitchel from the beverage department will be moving to the front of the house.
   - **d.** Health Insurance renews February 1st. Premiums went down but so did coverage (deductible increased as did out-of-pocket). Have looked into other plans—this one is the best available to us.
   - **e.** 2015-2016 Tax returns submitted.
   - **f.** Rhonda continues to increase collections of back dues. She has also challenged assessed valuation of LLCC properties, and got reductions to our tax liabilities.
   - **g.** There is a new list of members delinquent in their water bill payments.

   Action: Motion to find the following members as members not in good standing for failure to pay their water bills and to initiate the water service shutoff process: 03-088; 05-024; 04-198; 04-125; 04-085; 04-015; 03-491; 03-389; 03-172; 05-070; 05-132 made by Dave Kohler, seconded by Mike Prather and passed with no nays.

   - **h.** The new Golf Now point of sale system will be installed in all sales areas using existing hardware.
   - **i.** CAM Deborah Wallace presented statistics on golf course usage for September through December.
   - **j.** Maintenance is working up the scope of work and project approval request for replacing the decking and rails on the deck on the Great Hall. Preliminary estimate is $32,000 with most work done in-house. Maintenance also repaired water damage to the restroom on hole #5.
   - **k.** Food and beverage department will be initiating themed dinner on nights not competing with game night.

9. **OLD BUSINESS**
   - **a.** New Website update—Dave Kohler
     The new website has been up and running for several weeks. Still working out kinks, and members are urged to report any problems.

b. Update on Mitigation Site re-vegetation—Mike Prather
Mike Prather is preparing the project approval request after working with the Mason County Conservation District on the scope of work. He will send the request to the Lake Dam Committee for their review and recommendation to the Board of Directors. He believes revegetation could start mid-March, and the whole project could wrap up in July.

c. Navy Easement Negotiation—Kelly Evans
Kelly Evans has talked to Jason Howerton and Vern Duggan and will be meeting with the previous principals again in the future. LLCC has been contacting a few LLCC members who have encroached on Navy Property. CAM Deborah Wallace reported that Maintenance will be working on one member's property from the Navy side to resolve the encroachment. Kelly Evans will report back next meeting.

d. Projects which need Board ad hoc committees

i. Strategic Plan/Business Plan—Roger Milliman
The Board met in September to set some objectives and desired metrics regarding member use of our assets-lakes, golf course, restaurant, bar, café, etc. Taking this into a public discussion is challenging. Objectives include increasing revenue, decreasing subsidies over time, staff continuing to focus on customer service, etc. The Board needs to set direction. Strategic direction needs to dovetail with the budget process for the next fiscal year beginning in the June/July timeframe. CAM Deborah Wallace, Kelly Evans and Paul will work with Roger Milliman.

Action: During the discussion on this item, Penny Cory volunteered to serve as the Nominating Committee for the next Board and Water Committee elections.

ii. Revising the Architectural Committee Resolution and Related Resolutions, Procedures and Guidelines
This will be discussed at the study session to be held the 1st Saturday in February. Brian Smith will resend his draft rewrite of the Architectural Committee Resolution. CAM Deborah Wallace will send out PDF's of information she has gotten re: how other HOAs address similar

compliance issues.

iii. Capital and Major Maintenance Projects for FY 2017-18
Norm Bartoo will take the lead on getting input from Board members on the draft Maintenance and Capital project lists to develop a prioritized list. Brian Smith suggested a triage approach—identify those projects that will not be considered further, projects that need to happen, and projects that should be gotten to in priority order as money is available. CAM Deborah Wallace will resend the project lists previously provided.

10. NEW BUSINESS

a. Proposed HOA Legislation
Washington State Senate Bill 5377 (Sheldon) is still alive. This bill alters existing state law provisions concerning approval or rejection of HOA budgets. Existing law is intended to provide stability for HOAs given they are required by law to maintain all their assets. Last session LLCC testified against the bill when it was first heard in committee. The Community Associations Institute testified against the bill on behalf of all their member HOAs. One person from Lake Cushman testified in favor. The Board discussed whether it should take a position again this year, and consider sending Senator Sheldon a letter as the biggest HOA in his district. The Board's consensus position is that it should register its support for existing law if this bill goes to committee.

b. Café Winter Hours—Paul Wagner
Previously discussed.

c. Minor Management Change—John Torkelson
John Torkelson moved that maintenance prepare a weekly activity report listing what has been worked on and how much time activities took. Brian Smith seconded for purposes of discussion. John Torkelson stated that in the twenty years he has lived at Lake Limerick he has constantly had a problem with maintenance not getting done on certain issues. Maintenance has asked for more help and John believes need to understand why maintenance needs more help and either get the help requested or make other corrective changes. Monthly reports will not suffice, we need weekly reports to fully understand the problem. John is concerned that if we nothing but complain, we might be setting the community up for a harassment charge. CAM Deborah Wallace stated she believed such a report would take too much time. The Board discussed the relative merits of reporting; how easy or onerous such reporting would be; the value of documenting workload and resources as an aid to future budgeting and

staffing levels; applicability of reporting to all departments; previous requests of the Executive Committee for better reporting and staff performance management; micromanagement; whether or not the additional maintenance staff person requested by CAM Deborah Wallace is needed; weekly versus monthly reporting; how work is prioritized and how consistent those priorities are with Board and member priorities.

Action: The question was called, and the motion that maintenance prepare a weekly activity report listing what has been worked on and how much time activities took failed 5 nays to 3 yes.

11. OTHER BUSINESS

a. 10:00-10:30 AM—Presentation by Marty Brewer, Superintendent for the Pioneer School District, about a February 13, 2018 Capital Bond Measure to build a high school for the Hood Canal and Pioneer School Districts. (this item was moved on the agenda to ensure presentation at 10:00 AM)

b. Park Hosts—Dave Kohler.
Dave Kohler has talked to several potential park hosts responding to Workamper newsletter ads, but there have been some problems regarding ability to get satellite television reception at several of the parks. One host is still considering.

12. CORRESPONDENCE

a. Question from 02-058 regarding sale/rental of lots for "campers" near the golf course—Paul Wagner
Paul explained that several lot owners advertise their camping lots near hole 9 as available for rent for travel trailers/RVs. The ads do not state that they are only available spring/summer/fall. The ads also advertise LLCC member-only amenities as being available to the renters. CAM Deborah Wallace would like to see clearer rental policy to help the administrative staff such the requirement at Alderbrook for landlords to register with the HOA; she will research the legal basis (bylaws, policy, other) for Alderbrook's rule.

13. ANNOUNCEMENTS AND UPCOMING EVENTS

a. January 17—Inn/Lounge reopening (we know, it is already open, just reminding everyone)

b. January 20—Wine Tasting at the Inn (2:00-5:00 PM)

c. March 1—Filing deadline for Board of Directors and Water Committee candidates

d. March 17--Candidates night

e. April 21—Election for Board of Directors and Water Committee

Action: The Board decided to schedule the next Town Hall Meeting for May 12, 2018 (pending verification by staff that there are no previously scheduled conflicting events.)

14. MOTION TO CONVENE TO CLOSED SESSION

There was no motion for a closed session

15. CLOSED SESSION

16. MOTION TO RECONVENE TO OPEN SESSION

17. MOTION TO ACCEPT ALL MOTIONS MADE IN CLOSED SESSION

18. MOTION TO ADJOURN

A motion to adjourn was made by Roger Milliman, seconded by Mike Prather, and passed with no nays

Lake Limerick Country Club Board of Directors
CONSENT AGENDA
January 20, 2018

The Board approves the specific actions of the Architectural Committee on individual permits, complaints and other business matters as presented in their meeting minutes.

The following are motions to the Board of Directors from the indicated committees as presented in their minutes from their most recent meetings.

Architectural Committee

No special motions. Specific administrative actions are listed in the January 2018 list of actions for Board approval.

Greens Committee

The Greens Committee did not meet in January 2018.

Inn Committee

1. Motion by Nan Stricklin, seconded by Bonnie Morrow, to approve purchase of previous mentioned hallway door from Probuild. Approved with no nays.
2. ~~Motion to accept color scheme made by Bonnie Morrow, seconded by Nancy Milliman. Approved with no nays.~~
3. Motion by Nan Stricklin, seconded by Nancy Milliman, to allow only Certified Service ~~Dogs~~ Animals inside our Inn and Café/Proshop ~~our buildings~~ ~~including Café~~. Passed with no nays.

Lake Dam Committee

There were no motions from the January 2018 meeting for the Board to consider.

Water Committee

1. A motion was made by Pat Paradise, seconded by Gary Lentz and passed with no nays as follows: To approve of the Financial Report for November as presented.
2. A motion was made by Brandon Koch, seconded by Phyllis Antonsen and passed with no nays as follows: To add to the consent agenda to approve the use of already budgeted funds up to $25,000 to purchase a replacement of the old Ford truck that LLCC is paying way too much to maintain.

Committee Motions pulled from the Consent Agenda

Inn Committee

2. Motion to accept color scheme made by Bonnie Morrow, seconded by Nancy Milliman. Approved with no nays.

BUDGET VS ACTUAL 2017 2018

	OCT	NOV	DEC	YTD TOTAL	Budget	Percent
Income						
Income - Events	250	698	2933.26	3881.26	**16000**	24%
Income - Cafe	6000.59	3376.15	3894.67	13271.41	**123900**	11%
Cafe Discounts	-232.36	-113.58	0	-345.94	**0**	
Income - Golf	4927.81	1043.08	420.56	6391.45	**167180**	4%
Pro Shop Merchandise Sales	2241.48	1487.48	1984.67	5713.63	**25000**	23%
Pro Shop Discounts	-440.58	0	0	-440.58	**0**	
Income - Golf - Other	200.06	0	420.56	620.62	**0**	
Income - Lounge	9428.45	8651.8	5337.93	23418.18	**106100**	22%
Income - Restaurant	11617.01	14316.43	17541.64	43475.08	**158500**	27%
Income - HOA		0		0		
Membership Dues	99874.5	102702.5	101617.4	304194.4	**1232580**	25%
Social Members	592.5	467.5	517.5	1577.5	**4000**	39%
Fines & Fees	1875	3385.42	1959.32	7219.74	**4000**	180%
Merchandise Sales	380.75	0	0	380.75	**0**	
Merchandise Sales Discounts	-312.4	0	0	-312.4	**0**	
Miscellaneous Income	327.8	0	70	397.8	**4000**	10%
Water reimbursement	10522	10734.84	10954	32210.84	**130500**	25%
Total Income	147252.61	146749.62	147651.51	441653.74	**1971760**	**22%**
Cost of Goods Sold						
Food	8584.32	8373.28	7608.13	24565.73	**101120**	24%
Liquor	2616.95	2862.54	2853.86	8333.35	**29400**	28%
Merchandise	1930.03	2366.87	512.2	4809.1	**19075**	25%
Cost of Goods Sold - Other	480.77	0	0	480.77	**0**	
Total Cost of Goods Sold	13612.07	13602.69	10974.19	38188.95	**147767**	**26%**
Gross Profit	33766.04	133260.51	136677.32	403464.79	**1823993**	**22%**
Expense						
Advertising and Promotion	120	0	120	240	**3200**	8%
Auto Fuel/Gas Expense	2409.92	2312.65	1770.63	6493.2	**13750**	47%
Automobile Expense - Other	11.96	573.26	6.99	592.21	**0**	
Bank Service Charges	574.18	605.48	515.93	1695.59	**6600**	26%
Cash Drawer Payouts	59.58	80.84	0	140.42	**0**	
Computer and Internet Expenses	108.79	0	195.3	304.09	**6620**	5%
Dues & Subscriptions	0	203	0	203	**4675**	4%
Employee 401(k) Expense	404	393.59	791.05	1588.64	**11620**	14%
Employee Expense - Other	45	30.76	2738.75	2814.51	**3600**	78%
Equipment Lease	4209.34	4279.34	4373.5	12862.18	**49173**	26%
General Liability Insurance	5320.16	805	9903.09	16028.25	**68000**	24%
Health Insurance	4623.42	4623.42	4730.51	13977.35	**53240**	26%
Interest Expense	155.84	0	93.5	249.34	**2100**	12%
Janitorial & Laundry Expense	993.23	1540.69	1393.39	3927.31	**27595**	14%

Labor	55032.52	51886.9	70925.19	177844.61	**768373**	23%
Lake Expense	0	993.63	0	993.63	**43746**	2%
Legal	75	150	997	1222	**60000**	2%
Licenses and Permits	757.5	93	0	850.5	**4260**	20%
Merchant deposit fees	1692.37	1727.27	1423.57	4843.21	**17300**	28%
NSF Check Fees Returned Items	224	0	160	384	**0**	
Office Expense	1382.5	519.74	843.79	2746.03	**0**	
Office Supplies	692.01	685.68	363.97	1741.66	**4675**	37%
Park Expense	0	0	158.4	158.4	**5000**	3%
Payroll Expenses	5343.18	847.27	1109.77	7300.22	**76878**	9%
Payroll Tax Expense	7264.95	13496.16	7026.62	27787.73	**106164**	26%
Postage and Delivery	1056.27	512.88	2334.76	3903.91	**11200**	35%
Professional Fees	5453.5	1894.8	6318.98	13667.28	**32000**	43%
Repairs and Maintenance	7441.61	4261.73	4149.55	15852.89	**59545**	27%
Security	738.25	0	89.85	828.1	**26400**	3%
Small Tools and Equipment	440.11	361.09	149.08	950.28	**8000**	12%
Supplies	4706.56	5191.07	2993.76	12891.39	**46650**	28%
Taxes - Excise	484.63	126.1	132.14	742.87	**2400**	31%
Taxes - Property	3847.11	150	0	3997.11	**5800**	69%
Telephone Expense	589.06	1517.41	1033.96	3140.43	**23400**	13%
Travel Expense	0	0	0	0	**0**	
Uniforms	0	0	435.28	435.28	**3495**	12%
Utilities	4047.13	4094.56	5357.65	13499.34	**49200**	27%
Total Expense	120303.23	105709.31	132635.96	356896.96	**1604659**	**22%**
Net Profit (Loss)	13337.31	27551.2	4041.36	46567.83	**219334**	**21%**
Contingency					**72000**	
Savings/Reserve	20000	0	9000	29000	**60000**	48%
Capital Projects					**87334**	
					0	

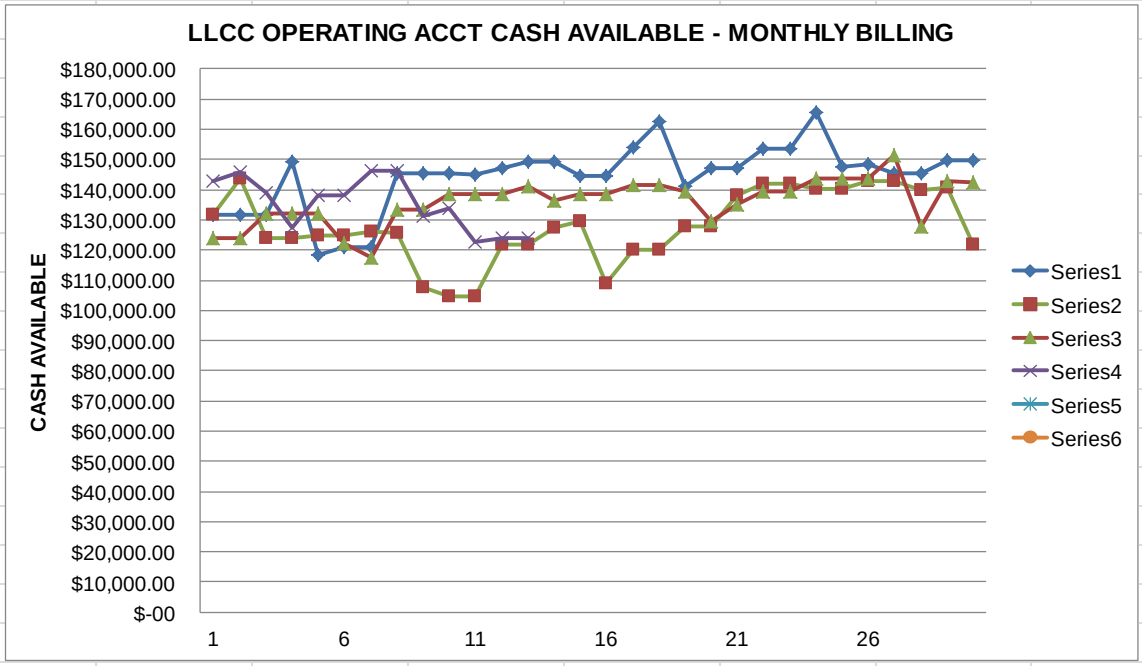
BALANCE SHEET ACCOUNTS
December 31, 2017

Cash in Banks	Current Month	Balance
Operating Account		
KBWA Operating		$ 142,654.19
Special Assessment Accounts		
KBWA Golf Special Projects		$ 8,830.31
KBWA Dredge	$ 11,000.00	$ 11,677.15
Reserve Accounts		
Heritage: Lake Capital Reserve		$ 37,375.72
Contingency Account		
KBWA Admin II	$ 9,000.00	$ 171,000.00
Total Cash in Banks:		**$ 371,537.37**

Commercial Loan		
Dredge loan:	$ (11,426.83)	**$ 22,666.78**

Accounts Receivable	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Current - credits are prepaid accounts	$ 122.34	$ 25,373.09	$11,040.28	$ (10,133.09)	$ (7,625.00)	$ 18,777.62
Accounts - Members not in good standing	$ -	$ 12,418.00	$12,811.17	$ 10,698.00	$ 225,799.81	$ 261,726.98

Accounts Payable		Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Vendors - does not include water	*	$ 32,753.59	$ 1,836.48	$ -	$ 1,730.00	$ 1,212.47	$ 37,532.54
Hoss		$ -	$ 625.00	$ -	$ 560.00	$ 6,676.95	$ 7,861.95
Totals:		**$ 32,753.59**	**$ 2,461.48**	**$ -**	**$ 2,290.00**	**$ 7,889.42**	**$ 45,394.49**


LLCC OPERATING ACCT CASH AVAILABLE - MONTHLY BILLING
CASH AVAILABLE
$180,000.00
$170,000.00
$160,000.00
$150,000.00
$140,000.00
$130,000.00
$120,000.00
$110,000.00
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1
6
11
16
21
26
Series1
Series2
Series3
Series4
Series5
Series6

SIGN IN SHEET

Lake Limerick Board of Directors Meeting

Date: January 20, 2018

NAME	Division	Lot
Mark & Jamie Frank	5	36
Karen Kohler	1	41
JERRY NOKES	2	150
Steve Saylor	2	126
Ven Dwyer	1	2253
Mary Lou Trautmann	2R	021
Dorothy Powter	1	45
PENNY CORY	3	144
Marty Williams	2	217
Ed IRVIN	2	157
JIM WILLIS	1	51
Mary Ann Wagner	1	153
Marty Bruner	guest	—
Ginny Beech	guest	—
Pamela Harrill	guest	
Vikki Omdahl	guest	
JOHN R. CALABRESE	-	-
W S WALKER	Rustlewood	
BARB DENNIS & BOB DENNIS	2	214
Amanda Thomson	3	
Don MacWilliam	—	—

Note: Meetings are recorded for the purposes of preparing minutes

NAME	Division	Lot
Susan & Bob Darling	2	233
Sue Bird	3	407
Laurie Sharin	1	