

Board of Trustees

Special- August 10, 1987

The meeting was called to order at 7:00 p.m. by President Jerry Soehnlein.

Attending: Trustees Pelk, Getty, Knoll, Olson, Gronseth.

Also attending: Ken Martig, Advanced Engineering, Inc., Jack King, Bob King, Al Gronseth.

This meeting was called to consider the lake clean up project, and to make a decision on the contractor to do the work.

President Soehnlein announced that a quorum of the Board had been reached, and turned the meeting over to Ken Martig.

Ken has the county permit for the project, and will pick up the hydraulics permit from Fisheries on Tuesday, August 11th. However, the State is challenging the county variance and is insisting on a shorelines permit in addition to the other permits. Assurances have been received from DOE that the shorelines permit can be obtained "after the fact", and during the course of the project with no work interruption.

The sweeping of the lake is to start August 21, 1987, beginning at Cranberry, then east to the beaver inlet and then on to the Bird Sanctuary.

The current total Special Lake Assessment reserve, less a statement from Martig for July engineering services, will show a negative balance of approximately \$11,000 for the project using the medium bid.

It was suggested that the sweeping could continue until available funds were exhausted. A proposal for additional funding at the Annual Meeting of the membership, scheduled for September 19, 1987 could be made. If the proposal fails, work would be halted at approximately the start of sweeping in the Bird Sanctuary.

It was the consensus of the Board that the project not be delayed until next year, despite time frame limitations, curtailed funds or difficulties with the permit processes. Land agreements for the deposit sites have been arranged, and may not be available next year, and a delay could increase bid costs at that time.

A meeting will be scheduled ASAP with the membership to cover the negative balance of funds, and do to more studies and clean up work at Lake Leprechaun. Lake Leprechaun cannot be excluded from the overall project.

The bid submitted by Marine Construction & Dredging, Inc. would include the use of a blade arrangement, slotted and using heavy slow moving chain to direct the biomuck into the suction. The flood irrigation method would be used at the deposit site.

Motion was made by Tr. Knoll, second by Tr. Getty and carried by the Board as follows:

To accept Marine Construction & Dredging, Inc. as the primary contractor for the lake sweeping project.

The secretary announced that Trustees Rumberger, Stricklin and Thompson have indicated their vote to approve the bid submitted by Marine Construction & Dredging, Inc.

Motion was made by Tr. Pelk, second by Tr. Getty and carried by the Board as follows:

Authorizing Marine Construction & Dredging, Inc. to proceed to build the sweeping nozzle.

Ken will notify the contractor immediately of this decision.

Motion was made by Tr. Knoll, second by Tr. Getty and carried by the Board as follows:

To limit Marine Construction & Dredging, Inc, to \$4,000.00 for building the sweeping nozzle before the contract is signed.

The successful bid for sweeping the three areas in Lake Limerick and transporting the biomuck to the deposit site is \$150,688. plus state tax of \$11,302., engineering fees of \$17,000. and \$3,000. to clean debris from Hofert Tree Company land at the deposit site, for a total of \$181,990.

Meeting adjourned at 9:00 p.m.

Respectfully submitted,

Patti Gronseth, secretary

Board of Trustees

Minutes for August 15, 1987

The meeting was called to order at 9:00 a.m. by President Jerry Soehnlein.

All members were present except Trustees Olson and Rumberger.

Motion was made by Tr. Pelk, second by Tr. Feist, and carried by the Board as follows:

To approve the minutes of the regular Board meeting of July 18, 1987; to approve the minutes of the special Board meeting of August 10, 1987 as written.

Financial Report- John Stricklin.

John reported that the P&L for last month indicates a loss for the fiscal year. The budget summary for 1987-88 was discussed in detail. Accounting for many items is reflected in Administration, instead of various department expenses. Tr. Stricklin commented that we are starting out the new fiscal year with an eight to ten thousand dollar shortfall, and that some of the projected expenses must be cut. President Soehnlein suggested going back to each committee and try for a reduction in each budget. Various other possible cuts were discussed in detail. The last special assessment was thought to be very conservative, and the budget must be composed of realistic numbers.

Motion was made by Tr. Thompson, second by Tr. Pelk, and carried by the Board as follows:

To table approval of the budget until it is rectified by the Board for a balanced budget, recognizing the shortfall.

A Special Meeting of the Board and Committee Chairmen will be held on August 20, 1987 at 7:00 p.m. to go over the complete operating budget. Capital expenses, such as the watering vehicle for the golf course will not be put into the budget until after approval by the membership. Tr. Wilson-Hoss emphasized that we must go to the membership for approval for any new purchase of over \$5,000. A quorum of 10% of the voting membership is required to conduct club business of this kind. A suggestion was made to submit the watering vehicle as well as a needed dump truck for approval of the membership at the September Semi-Annual Meeting. In this way, the final decision would be made by the general membership as to any purchases exceeding the \$5,000 limit, and as to a

special assessment or increase in the regular assessment to pay for the purchase..  
Special thanks were given by the Board to John Stricklin and Lou Redman for their hard work and efforts in presenting the budget as written.

At this point, President Soehnlein suggested holding an Employees Appreciation Day in which the Board would cook dinner, and handle the affair for all club employees as a token of appreciation.

Motion was made by Tr. Pelk, second by Tr. Stricklin, and carried by the Board as follows:

To schedule the Employees Appreciation Day for Thursday, August 27, 1987.

Inn Committee- Jerry Soehnlein for Jack King.

Menu prices are being adjusted to reflect increased costs.

Sign-up sheets for Host & Hostess in the dining room will be made available for volunteers to participate more readily.

Jerry is working out schedules so as to improve service in the restaurant.

Social memberships were discussed with regard to ideas to increase these memberships.

Water Committee- Jerry Soehnlein for Nap Martineau.

The new 100,000 gallon storage tank is on line, and has made almost immediate improvement in the distribution of water.

Approval from PUD #3 Commissioners is awaited, and would allow rental use of their poles, which would be wired to operate controls using the computer in the maintenance shop.

Well #5 will be on line as soon as the element analysis is received from the State. Plans are being made to proceed with well #6 in the spring, and development and expansion of the distribution system is planned to keep ahead of the population of the community.

Maintenance Committee- George Olson.

Maintenance personnel met at the last meeting of the Executive Committee for exchange of ideas and to further communication.

The Greens and Maintenance Committees will get together to solve the problem of congested parking of cars and golf carts on Shamrock Drive, near the maintenance shed.

Architectural Committee- Frank Pelk.

Frank reported on a recent disapproval of a building application by Mr. Brumbaugh, citing reasons of similarity to other plans submitted. Plans for tract houses have been reversed or changed in the past, so that each home has a different look or appearance. Mr. Brumbaugh threatened suit, as did the club attorney, and then Brumbaugh decided not to build at Lake Limerick. In any case, Brumbaugh was not the owner of record.

Application for Bob Jacob, who purchased Lot 99, Div. 4, one of the sealed bid offerings, requests a variance to the road setback because the lot drops off and would have to be filled to accommodate a double wide mobile home. Tr. Wilson-Hoss remarked that there is really no authority in the Declaration of Restrictions to grant a variance in this case because the owner could place a single wide mobile on the property. Variances should only apply if the lot is unusable. Members of the Committee will look the property over, get more information and will make recommendation to the Board.

Greens Committee- Jerry Fairbanks.

Jerry presented estimates of the current costs of the contract with the Pro, and an estimate of costs for the contract for 1988. Jerry agreed to meet with the Board at the special budget meeting to further discuss the contract. President Soehnlein, Rob Wilson-Hoss and Fairbanks will go over terms of the agreement prior to the special meeting.

Lake/Dam- Patti Gronseth.

Patti reported that the committee and the Lake Patrol are gravely concerned about expanded social memberships that would allow renters to use the lake as a benefit of the purchase of the social membership. Public fishing is allowed because of the State-owned Public Fishing Access, but to open the lake up to additional speed boat traffic would be to increase the danger of accident. Control of non-members would be much more difficult for the Lake Patrol. The Lake Regulations, which are strictly enforced, restrict the use of the lake to members' boats only, and fishermen are required to operate their boats at lower speeds. Tr. Stricklin pointed out that the Executive Committee is charged with establishing a policy for renters and that this development would be considered.

In further discussion, Trustees Wilson-Hoss and Feist stated that the recommendation of the Lake Committee and the Lake Patrol should be followed with respect to power boats owned and operated by non-lot owning members.

Motion was made by Tr. Wilson-Hoss, second by Tr. Stricklin, and carried by the Board as follows:

To instruct the Executive Committee to abide by the recommendation of the Lake Committee with respect to the policy as it pertains to use of the lake by renters.

Final costs of the lake clean up project were presented. A question of income tax requirements on the Special Lake Assessment reserve was raised. Our current status is that of a for-profit organization. As long as we maintain these expenditures as maintenance of the lakes, we have been told that the reserve is not taxable. If it is declared an improvement which extends the life of the lake, we have been told that it would be federally taxable. IRS has the ability to interpret whether the funds are for taxable purposes or not. We have been advised by the club accountant that it is not taxable as maintenance. But because of the club filing status of last year, amounts spent on the lake project were declared as income since the club filed as a for-profit corporation. Tr. Wilson-Hoss made reference to tax exemptions allowable under section 501-C3, federal income tax statute. President Soehnlein stated that the original application for federal tax exemption was made in 1968, when the club and the golf course were both open to the public, and the golf course managed by the club. Currently, the club is closed to the general public, except for the golf course which is managed under contract with the Pro, with some qualifications. On the recommendation of the club accountant, Don Gardner, together with Tr. Wilson-Hoss, Lou Redman and President Soehnlein, it was agreed that application be made for a non-profit tax status as we operate today.

Tr. Wilson-Hoss emphasized that we should take into account new rulings for State property taxes on golf courses before we apply for non-profit status. He continued by saying that the club is in eminent danger of having the golf course taxed at its highest and best use, depending on the determination of the county auditor regarding structure of the corporation and particular restrictions on use of play. To which President Soehnlein commented that the longer we maintain our present tax status, the more difficult it will be to explain that we were wrong all those years.

President Soehnlein stated that if the nucleus of Board members who will meet on these tax matters comes back with a recommendation that a tax attorney should be hired, the recommendation will be deemed as appropriate.

Tr. Gronseth continued by saying that Marine Construction & Dredging, Inc. submitted the bid for the biomuck removal from the lake. The bid had originally included \$3,000 for clean up of stumps and debris on Hofert property at the deposit site. This clean up work is to be done by club maintenance personnel.

The biomuck removal is considered to be Phase 1 of the project, and any additional work on Lake Leprechaun or other areas of Lake Limerick will be done as another phase of the work, with an additional assessment of the membership.

In discussing Limerick Dam, President Soehnlein stated that there is precedence with regard to authority of the State in requiring modifications to other dams in the state. The reply from Ken Martig on the notched concept for Limerick Dam has not yet been received.

Motion was made by Tr. Pelk, second by Tr. Thompson, and carried by the Board as follows:

That we accept the bid from Marine Construction & Dredging, Inc. and proceed with the lake project as recommended, with a limitation of \$166,325.

President Soehnlein suggested that he and Chairman Gronseth write a letter to all members describing the project, together with a map depicting areas to be pumped. The letter will be enclosed with the September billing, and the information further discussed at the September Semi-Annual meeting.

Executive Committee- Jerry Soehnlein.

Proposed changes to the club Personnel Policy were recommended in an attempt to make the policy more equitable for all employees:

Holidays- If a holiday falls on an employee's regular day off, he or she will be compensated with a day off with pay, with agreement of his or her supervisor. The last sentence under the heading "Holidays" in the policy is to be deleted, and the above revision inserted.

Motion was made by Tr. Thompson, second by Tr. Feist, and carried by the Board as follows:

To accept the Holiday provision as written.

Paid Leave- "Immediate family member" was defined as spouse, children, parents and siblings.

Overtime- That the work week begin Monday A.M. and continue

through Sunday P.M.; that the work week be based on a forty hour week, with overtime paid in addition to forty hours.

Motion was made by Tr. Wilson-Hoss, second by Tr. Knoll, and carried by the Board as follows:

To accept the Overtime policy as written.

President Soehnlein suggested forming a security patrol for community residents which could be expanded to include patrol of the beaches and accesses. Lou Redman has agreed to explore this idea further, possibly combining with surrounding communities for greater protection for all residents.

Transfer of ownership has taken place for Lot 99, Div. 4, sold in the sealed bid offer.

President Soehnlein asked the Board to sponsor an Employees Appreciation Day; to provide food, cooking and cleanup and to make it a token of appreciation for all club personnel, Bingo workers, the golf Pro and families. The Board agreed, and the event was scheduled for Thursday, August 27, 1987.

Motion was made by Tr. Pelk, second by Tr. Stricklin, and carried by the Board as follows:

To give club employees a half day off on August 27 for Employees Appreciation Day, and to provide funds for the dinner.

#### New Business:

The agenda for the Semi-Annual Meeting was discussed. Committee reports are to be held to 5 minutes each. The report on the progress of the lake clean up project may be 10 or 15 minutes if needed.

Tr. Stricklin presented his ideas of the new format for the Newsletter. A new editor has not been found as yet, but several names have been received, offering to work on the Newsletter.

#### Correspondence:

The secretary read a letter asking for sponsorship of the Limerick Bowling Team for 1987-88.

Motion was made by Tr. Pelk, second by Tr. Stricklin, and carried by the Board as follows:

To pay the \$20.00 registration fee for the Limerick Bowling Team.



A letter was read from Bobbie Peterson with regard to security measures to be taken for the Board Room windows. It will be passed on to the Maintenance Department.

Motion was made by Tr. Gronseth, second by Tr. Stricklin to adjourn the meeting at 1:10 p.m.

Respectfully submitted,

Board of Trustees

Special

August 20, 1987

The meeting was called to order at 7:00 p.m. by President Jerry Soehnlein.

All Trustees were present.

Also attending: Jerry Fairbanks.

President Soehnlein opened the meeting by passing out the sign-up sheet for volunteers from the Board to participate in setting up, cooking or clean up work at the Employee's Appreciation Day dinner. Each member of the Board then made a contribution to the event, scheduled for Thursday, August 27, 1987.

The contract with the Pro, Jeff Jackson, for 1987-88 was discussed.

Motion was made by Tr. Thompson, second by Tr. Gronseth, and carried by the Board as follows:

To accept the contract for the golf professional as recommended by the Greens Committee.

The operating budget for 1987-88 was studied closely, with each department making cuts and changes to trim any excess for the most cost efficient operation of the club.

Motion was made by Tr. Thompson, second by Tr. Wilson-Hoss, and carried by the Board as follows:

To accept the Greens Committee budget as presented.

Motion was made by Tr. Wilson-Hoss, second by Tr. Getty, and carried by the Board as follows:

To accept the operating budget for 1987-88 as balanced.

Other Business:

Motion was made by Tr. Pelk, second by Tr. Thompson, and carried by the Board as follows:

To provide \$100.00 to the Limerick Bowling team for new bowling shirts.

Motion was made by Tr. Rumberger, second by Tr. Olson to adjourn at 10:20 p.m.

Respectfully submitted,

*Jerry Gronseth*