

Special Board

Meeting

Nov. 26, 1991

6:00 P.M.

for

Water

Reservoir

Financial

Options

LAKE LIMERICK COUNTRY CLUB
SPECIAL BOARD MEETING
WATER RESERVOIR FINANCIAL OPTIONS
BOARD OF TRUSTEES
NOVEMBER 26, 1991

The meeting was called to order by President Dick Lombard at 6:15 p.m.

Trustees attending: Al Wilson, Nan Stricklin, Jim Joseph, Jim Ergen, Jim Nutt and Helen Woodruff. Bob King, Patti Gronseth, Phil Lalle and Betty Malloy Braget were not present.

Water Committee Treasurer, Jerry Soehnlein presented the storage tank financial option spread sheets, comparison of options, the minutes from the Water Committee dated 11/22/91, and the memorandum from Howard Godat & Associates, Inc. He explained in depth each of the options 1,2, and 3.

Motion made by Tr. Jim Nutt, seconded by Tr. Nan Stricklin and carried by the board as follows:

To approve option number 1 as recommended by the Water Committee with no determination at this time of the funding sources.

Motion made by Tr. Jim Joseph, seconded by Tr. Helen Woodruff and carried by the board as follows:

To adjourn the meeting at 7:20 p.m.

Respectfully submitted,
Jim Joseph, Secretary

LAKE LIMERICK COUNTRY CLUB
SPECIAL BOARD MEETING
PUGET SOUND BANK RESOLUTION
BOARD OF TRUSTEES
NOVEMBER 26, 1991

The meeting was called to order by President Dick Lombard at 7:25 p.m.

Trustees attending: Al Wilson, Nan Stricklin, Jim Joseph, Jim Ergen, Jim Nutt and Helen Woodruff. Bob King, Patti Gronseth, Phil Lalle and Betty Malloy Braget were not present.

Motion made by Tr. Jim Joseph, seconded by Tr. Helen Woodruff and carried by the board as follows:

Resolution to authorize the Club Treasurer to purchase the "88" Dodge Dakota and the "90" S-10 pickups and the computer and to arrange financing through Puget Sound Bank.

Motion made by Tr. Jim Nutt, seconded by Tr. Nan Stricklin and carried by the board as follows:

To adjourn the meeting at 7:30 p.m.

Respectfully submitted,
Jim Joseph, Secretary

BOARD OF TRUSTEES

FILED THE FOLLOWING IN EACH FOLDER:

	DATE:	FILED:
AGENDA:	_____	_____
BOARD MINUTES:	<u>11-28</u>	_____
EXECUTIVE BOARD MINUTES:	_____	_____
P & L: <i>Nov</i>	<u>12-20-91</u>	<u>CU Bal 3 of 4</u>
ARCH COMMITTEE:	_____	_____
GREENS COMMITTEE:	<u>12/16/91</u>	<u>SMAT</u>
INN COMMITTEE:	_____	_____
LAKE COMMITTEE:	_____	_____
LONG RANGE PLANNING COMMITTEE:	_____	_____
MAINTENANCE COMMITTEE:	_____	_____
LL COMMUNITY SUPPORT COMMITTEE:	_____	_____
YOUTH COMMITTEE:	_____	_____
TOWN MEETING:	_____	_____
WATER COMMITTEE:	_____	_____
MINUTES TO COMMITTEES:	_____	_____
SEMI-ANNUAL MEETING	_____	_____

AGENDA

BOARD OF TRUSTEES - LLEC INC.

November 16, 1991

9:00 AM

1. ROLL CALL
2. APPROVAL OF MINUTES - October 19, 1991
3. FINANCIAL REPORT: - Don Gardner
4. CONSENT AGENDA:
 - A. GREENS COMMITTEE
 - B. LAKE - DAM COMMITTEE
 - C. MAINTENANCE COMMITTEE
 - D. 25TH ANNIVERSARY COMMITTEE
 - E. ARCHITECTURAL COMMITTEE
 - F. COMMUNITY SUPPORT COMMITTEE
 - G. LONG RANGE PLANNING COMMITTEE
 - H. INN COMMITTEE
 - I. WATER COMMITTEE

ITEMS FROM CONSENT AGENDA:

- | | |
|-----------------------|----|
| 1. Water Comm - Jerry | 4. |
| 2. | 5. |
| 3. | 6. |

5. EXECUTIVE COMMITTEE:
 - A. Resolution from Board - Vehicles
 - B. Personnel Action - See Executive Session
 - C. Financial Advisory Committee Recommendation
 - D. Long Range Planning Appointment
6. OLD BUSINESS:
 - A.
 - B.
7. NEW BUSINESS:
 - A.
 - B.
8. COMMENTS FROM MEMBERSHIP
9. CORRESPONDENCE
10. EXECUTIVE SESSION - PERSONNEL MATTER
11. ADJOURN

LAKE LIMERICK COUNTRY CLUB INC.

DATE: NOVEMBER 9, 1991
SUBJECT: RECOMMENDATION - PER BOARD ACTION
FROM: C. RICHARD LOMBARD, PRESIDENT
TO: EXECUTIVE COMMITTEE MEMBERS

In response to the Board of Trustees instructions of October 19, 1991, I am recommending the establishment of a FINANCIAL ADVISORY COMMITTEE. This committee will act as a recommending body to the Board of Trustees on long term financial actions and concerns of the corporation as well as the projected fiscal impact of these proposed actions. The committee will respond to requests from the executive committee and/or the Board of Trustees.

The committee should be organized in a manner that provides continuity of information from one administration to the next with service terms that do not expire simultaneously. The initial membership will be appointed for a specific term and as vacancies arise, the sitting president will fill, with the advice and consent of the Board of Trustees, the vacancy, with a member, for a term of five years. The committee will elect a Chairperson from their membership. The Corporate Treasurer will serve as a member during their term of office but may not fill the chairperson position on the committee.

I recommend the following individuals for membership on this committee with the terms indicated:

MEMBER	TERM	EXPIRES
Treasurer		
Phil Lalle	2 years	May 1, 1994
Dick Sirokman	3 years	May 1, 1995
Betty Malloy-Braget	4 years	May 1, 1996
Jerry Soehnelien	5 years	May 1, 1997

LAKE LIMERICK COUNTRY CLUB
BOARD OF TRUSTEES
NOVEMBER 16, 1991

The meeting was called to order by President Dick Lombard at 9:00 a.m. Trustees attending: Al Wilson, Jim Joseph, Jim Ergen, Patti Gronseth, Phil Lalle, Betty Malloy Braget, Jim Nutt and Helen Woodruff. Bob King and Nan Stricklin were not present.

The following amendments were made to the October 19, 1991 Minutes: page 1 - Motion should read: To accept the Consent Agenda with the following exemptions.

Motion made by Tr. Helen Woodruff, seconded by Tr. Al Wilson and carried by the board as follows:

To approve the amended Minutes of October 19, 1991.

Motion made by Tr. Jim Nutt, seconded by Tr. Jim Joseph and carried by the board as follows:

To accept the Consent Agenda with the following exceptions:
6. Old Business a. Patti Gronseth would like the Nominating Committee Report at the next meeting.

Consent Agenda Item 1:

Jerry Soehnlén, Chairman of the Water Committee reviewed the status of the water storage tank bids they received on Tuesday. There were only four bidders and the bids were 50% higher than the estimate. The Water Committee will look at the financial alternatives. They will attend the Special Board Meeting on November 26, 1991 at 6:00 p.m. with their recommendations. Notice will be posted at the Inn and Pro Shop of the meeting.

EXECUTIVE COMMITTEE:

A. The new "88" Dodge Dakota and "90" S-10 were purchased for \$9,000.00. The funds were borrowed from the Puget Sound Bank and the balance of the note for the computer will be added at a later date. These items were approved as Capital Budget Items by the Board of Trustees. A Resolution will be sent to the Bank from the Executive Committee after their next scheduled meeting.

C. Financial Advisory Committee Recommendation was read by Dick Lombard as approved by the Executive Board.

Motion made by Tr. Patti Gronseth, seconded by Tr. Helen Woodruff and carried by the board as follows:

The Board gives advice and consent of acceptance of the Executive Board Financial Advisory Committee recommendations which are as follows:

The committee should be organized in a manner that provides continuity of information from one administration to the next with service terms that do not expire simultaneously. The initial membership will be appointed for a specific term and as vacancies

arise, the sitting president will fill, with the advice and consent of the Board of Trustees, the vacancy, with a member, for a term of five years. The committee will elect a Chairperson from their membership. The Corporate Treasurer will serve as a member during their term of office but may not fill the chairperson position on the committee. The following individuals are recommended for membership on this committee with the terms indicated.

MEMBER	TERM	EXPIRES
Treasurer		
Phil Lalle	2 years	May 1, 1994
Dick Sirokman	3 years	May 1, 1995
Betty Malloy-Braget	4 years	May 1, 1996
Jerry Soehnlén	5 years	May 1, 1997

Motion made by Tr. Phil Lalle, seconded by Tr. Jim Ergen and carried by the board as follows:

The board gives their advice and consent to the approval of Jack King as interim Chairman of the Long Range Planning Committee.

A new Second Chef was hired, Mr. Mark Hansen.

OLD BUSINESS:

A. Patti Gronseth would like to see the Nominating Committee report next month. There are four positions open.

NEW BUSINESS:

Dick Lombard reviewed the items coming up in the future. The Long Range Planning Committee has been discussing the rebuilding projects. The Inn Committee will be looking at the plans. The Greens Committee will make recommendations for the Pro Shop. And the Lake/Dam Committee is checking the security situation on the beaches. These proposals will be ready to go to the membership at the April meeting.

COMMENTS FROM MEMBERSHIP:

Carl Nielsen suggested the three wheeler be used on the golf course for maintenance instead of the pickup.
Jack King from the Long Range Planning Committee would like to see better attendance at the meetings.
Carla Leonard expressed her concerns of the clear cutting of the trees.
Dick Lombard read from the minutes the procedure for action.
Betty Malloy Braget brought up the stumps at the ball park, and Jim Ergen will check this out.

CORRESPONDENCE:

None

RECESS: 10:10

BOARD OF TRUSTEES
NOVEMBER 16, 1991
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EXECUTIVE SESSION began at 10:20 a.m. regarding a personnel matter. Jerry Soehnlén attended as the Water Committee representative to the Executive Committee.

The Board resumed the regular meeting at 11:00 a.m.

Motion made by Tr. Al Wilson, seconded by Tr. Jim Nutt and carried by the board as follows:

To adjourn the meeting at 11:05 a.m.

Respectfully submitted,
Jim Joseph, Secretary

LAKE LIMERICK WATER COMMITTEE
BOARD MEETING
NOVEMBER 22, 1991

Chairman Dave Best called the meeting to order at 4:30 p.m. Members present were Jerry Soehnlein, Ed Collins, and Herb Henning. Del Hartwell and John Nystrom were excused. Also attending were Steve Hatton from Howard Godat & Associates and Suzann Sirokman.

Motion made by Jerry Soehnlein, seconded by Ed Collins and carried by the committee as follows:

To accept the November 12, 1991 minutes as presented.

Steve Hatton discussed the bids for the water storage tank and passed out a memorandum. He reviewed each point with the committee. See the attached document.

Treasurer Jerry Soehnlein presented the storage tank financial option spread sheets. He emphasized it was better not to raise the water rates until you need the money due to Income Tax consideration. As it stands, it is more economical to borrow for this project and not to pay the higher taxes on the increased income (option 3), or deferring the project (option 2).

Motion made by Herb Henning, seconded by Ed Collins and carried by the committee as follows:

To accept Option #1 to borrow the money to complete the water storage tank. This recommendation will be presented to the Board of Trustees, November 26, 1991.

Dave passed out the Contract from John Bykonen, (Water Master) which will be reviewed by the committee for a decision at the next meeting.

Motion made by Jerry Soehnlein, seconded by Ed Collins and carried by the Committee as follows:

To adjourn the meeting at 6:00 p.m.

Respectfully submitted,
Suzann Sirokman, Office Manager

Preliminary minutes not approved by the water committee.

MEMORANDUM TO FILE #2333

DATE: November 22, 1991

SUBJECT: LAKE LIMERICK WATER STORAGE TANK

FROM: STEVEN D. HATTON, P.E.

1. Nordic Construction, Seattle, was the low bidder on Schedule B for the pumping plant and associated work. We asked them to provide us with a list of references and were given the following:

Henry Hanson - Port of Seattle, 728-3586
Bruce Gustafson - King County Parks & Rec., 383-2564
Don Hamilton - Port of Everett, 243-3264

Mr. Hanson was very enthusiastic about the firm. He stated that he had worked with them several times and that they were always responsive, not given to inordinate numbers of change order requests, and were very easy to work with. Mr. Gustafson was similarly pleased with their work though spoke in not quite so glowing terms. He also stated that they were easy to work with and did not request modifications at every turn. Don Hamilton was similarly positive.

2. We spoke with the bidders for both Schedule A and B in order to determine where savings might be found.

Mt. Baker Silo indicated that he had \$2,000.00 in his bid to pay prevailing wages in Mason County. He felt his employment package had benefits which equaled prevailing wage and offered to reduce the bid amount if this clause was removed. Since we may require a 10-inch wall thickness with which to perform architectural treatment, an additional \$1,200.00 was added over the standard 8-inch wall. Mt. Baker had around \$2,200.00 in this bid for Schedule A piping which he felt may be done for less by the Schedule B bidder. Savings here would be pretty minimal.

Martin at Nordic Construction, although receptive to the idea, did not seem to think that there was any room for cost reduction. He felt that the system as designed was fairly straight forward without obvious costly features. He stated that he had \$4,000.00 and \$5,000.00 in material costs for electrical and piping respectively. We usually figure installed cost at twice material cost.

3. Jerry Soennliën suggested that the community might consider constructing only the storage tank at this time. However, some items of Schedule B would still be required at this time.

Because of the significant cutting required to get the tank on natural ground, the rock wall and through piping would have to be installed now. The following summarizes the scope of "minimal construction":

\$57,700.00	Schedule A - Tank and piping within 5 ft.
\$ 5,000.00	Excavate Tank Site
\$ 3,500.00	Construct rock wall
\$ 500.00	Construct Fencing
\$ 100.00	Install Electrical Conduit through rockery
\$ 400.00	Install Piping to tank through rockery
<u>\$ 400.00</u>	Install piping from booster pump through rockery
\$67,600.00	Sub Total
<u>\$ 5,340.00</u>	Sales Tax
\$72,940.00	TOTAL - Partial Construction
\$96,600.00	Total - Complete Construction

4. I spoke with Mike Byrne, Mason County General Services, about the longevity of the Building Permit. The standard permit is good for six (6) months but he stated that they would be willing to work with the community to extend this period if required. He said that they would be pretty flexible with one year being easily done and 18 months very likely without taking out new permits.

cc: Lake Limerick Country Club

COMPARISON OF OPTIONS:

OPTION	P96 Value		DIFFERENCE FROM OPTION ①	
	Bank Loan	LLCC Loan	Bank Loan	LLCC Loan
①	\$1,175.67	\$872.20	0	0
②	\$1748.20		\$3427.47	\$7124
③	\$37,328.63	\$34,503	\$2,825.63	\$6,046.5

(Cost to membership)

OTHER ADVANTAGES OF OPTION ①

- Storage tank on line 1-2 years earlier
- Delayed project could exultate greater than 6%/yr
- LLCC does not pay income tax on \$26,000 in '92 (deferred to '93 & '94)
- 1-2 year advantage for depreciation capital recovery
- Does not raise rates, minimizes income tax @ 25% plus

 BUDGET OPTION #2
 LAKE LIMERICK WATER SYSTEM BUDGET
 =====
 NO RATE INCREASE
 =====

COMPLETE STORAGE IN 1992
 COMPLETE PIPING IN 1994
 COMPLETE LOOP IN 1996
 NO RATE INCREASE

SOURCE	INCREASE AT 2%/YEAR										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME
WATER INCOME	\$53,691.00	\$55,203.00	\$53,087.00	\$55,872.00	\$55,658.00	\$57,769.00	\$58,045.00	\$59,205.90	\$60,390.02	\$61,597.82	\$62,829.77
WATER VALVE/SPIGOT HOOKUP	\$540.00	\$225.00	\$585.00	\$85.00	\$1,125.00	\$1,510.00	\$1,200.00	\$1,224.00	\$1,248.48	\$1,273.45	\$1,298.92
M/VALVE DISCONNECT	\$75.00	\$240.00	\$45.00	\$30.00	\$60.00	\$60.00	\$60.00	\$51.00	\$52.02	\$53.06	\$54.12
MISCELLANEOUS	\$1,465.00	\$0.00	\$0.00	\$13.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICE CHARGES	\$800.00	\$1,949.00	\$1,372.00	\$2,075.00	\$1,193.00	\$1,813.00	\$2,100.00	\$2,142.00	\$2,184.84	\$2,228.54	\$2,273.11
INTEREST BANK	\$697.00	\$563.00	\$1,044.00	\$1,541.00	\$1,694.00	\$4,368.00	\$3,000.00	\$3,060.00	\$3,121.20	\$3,183.62	\$3,247.30
TOTAL INCOME:	\$57,268.00	\$58,200.00	\$56,133.00	\$60,116.00	\$59,730.00	\$65,520.00	\$64,395.00	\$65,682.90	\$66,996.56	\$68,336.49	\$69,703.22

SOURCE	INCREASE AT 6%/YEAR										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE	EXPENSE
SALARIES	\$13,082.00	\$15,328.00	\$14,626.00	\$16,793.00	\$17,247.00	\$18,803.00	\$17,314.00	\$18,352.84	\$19,454.01	\$20,621.25	\$21,858.53
BANK S/C	\$95.00	\$93.00	\$112.00	\$132.00	\$132.00	\$152.00	\$150.00	\$159.00	\$168.54	\$178.65	\$189.37
MISCELLANEOUS	\$143.00	\$336.00	\$0.00	\$85.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OFFICE EXPENSE	\$2,029.00	\$2,147.00	\$2,887.00	\$3,276.00	\$4,318.00	\$4,077.00	\$1,750.00	\$1,855.00	\$1,956.30	\$2,064.28	\$2,209.53
RENT	\$1,300.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUPPLIES	\$627.00	\$1,479.00	\$869.00	\$2,088.00	\$2,111.00	\$1,752.00	\$2,400.00	\$2,544.00	\$2,696.64	\$2,858.44	\$3,029.94
TAXES PAYROLL	\$1,587.00	\$1,971.00	\$2,088.00	\$2,706.00	\$2,243.00	\$2,368.00	\$2,400.00	\$2,544.00	\$2,696.64	\$2,858.44	\$3,029.94
TAXES EXCISE	\$2,782.00	\$2,880.00	\$2,645.00	\$3,258.00	\$4,516.00	\$3,047.00	\$3,200.00	\$3,392.00	\$3,595.52	\$3,811.25	\$4,039.93
UTILITIES	\$7,937.00	\$9,248.00	\$8,061.00	\$8,006.00	\$7,456.00	\$6,596.00	\$8,700.00	\$9,222.00	\$9,715.32	\$10,361.84	\$10,983.55
WATER MASTER	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$1,200.00	\$1,272.00	\$1,348.32	\$1,429.22	\$1,514.97
WATER TESTING	\$1,927.00	\$318.00	\$1,500.00	\$1,311.00	\$1,143.00	\$2,040.00	\$3,200.00	\$3,392.00	\$3,595.52	\$3,811.25	\$4,039.93
BASIC OPERATING EXPENSE:	\$32,409.00	\$36,302.00	\$34,888.00	\$40,657.00	\$40,326.00	\$40,935.00	\$40,314.00	\$42,732.84	\$45,296.81	\$48,014.62	\$50,895.50
MAINT/REPAIR	\$2,093.00	\$9,428.00	\$2,715.00	\$2,507.00	\$3,474.00	\$5,970.00	\$7,500.00	\$7,950.00	\$8,427.00	\$8,932.62	\$9,468.58
EQUIPMENT	\$0.00	\$8,587.00	\$46,819.00	\$457.00	\$0.00	\$1,255.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICES CONTRACT	\$11,565.00	\$523.00	\$156.00	\$130.00	\$120.00	\$4,140.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CONTRACT LABOR	\$0.00	\$70,796.00	\$1,980.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPITAL IMPROVEMENTS	\$11,565.00	\$79,906.00	\$48,955.00	\$587.00	\$120.00	\$5,395.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL EXPENSES:	\$46,087.00	\$125,636.00	\$86,558.00	\$43,751.00	\$43,920.00	\$52,300.00	\$47,814.00	\$50,682.84	\$53,723.81	\$56,947.24	\$60,364.07
SURPLUS (DEFICIT)	\$11,181.00	(\$67,436.00)	(\$30,425.00)	\$16,365.00	\$15,810.00	\$13,220.00	\$16,581.00	\$15,000.06	\$13,272.75	\$11,389.25	\$9,339.15
INCOME TAX AT 25%						\$0.00	\$0.00	\$1,250.00	\$0.00	\$1,985.00	\$679.00
BANK INTEREST AT 9%											\$0.00
CASH/INVESTMENTS	\$107,875.00						\$85,000.00		\$28,000.00	\$0.00	\$13,360.00
CUMULATIVE CASH (DEFICIT)	\$119,056.00	\$51,620.00	\$21,195.00	\$37,560.00	\$53,370.00	\$66,590.00	(\$1,629.00)	\$11,921.06	(\$2,806.19)	\$6,656.06	\$1,748.20
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
