

Lake Limerick C.C.



**LAKE LIMERICK COUNTRY CLUB
BOARD OF DIRECTORS
LLCC Great Hall and Zoom
April 15, 2023 @ 9:00AM
Meeting Minutes (draft)**

Meeting ID: 812 7360 0912 Passcode: 642951

1. ROLL CALL President – J. Ingemi, Vice President – T. Ingwaldson, Secretary – P. Paradise, Treasurer – E. Springer-Johannesen; Directors: S. Saylor - excused, M. Robinson, M. Paradise, M. Berni, D. Dyson, K. Evans (Ex Officio), R. Milliman, CAM

2. COMMUNITY COMMENTS – 10 minutes

No comments. (Initial pilot of this process: Time for community members to speak on issues. The board will listen only, and no questions will be answered. Issues raised may be added to next month's agenda, if the member so requests).

3. APPROVAL OF MINUTES

- *Motion to approve the Minutes from the Board of Directors Meeting of March 18, 2023*
Motion made by D. Dyson, seconded by M. Berni Motion passed.
- *Motion to approve the Minutes from the Executive Committee Meeting of April 6, 2023*
Discussion: the April executive committee meeting minutes were not completed and will be submitted for review and approval at the May BOD meeting.

Action item: April executive committee meeting minutes were not completed and will be submitted for review and approval at the May BOD meeting.

4. FINANCIAL REPORT - Esther Springer-Johannesen

The current financials from March are not yet completed for this month (April). The audit has been a higher priority for us, as well as a conversion for the new POS system. Overview of the last five months' financials (*see attached April 2023 BOD Meeting PowerPoint*).

- *Income:* a little over \$1,000,000 in revenue. Our budget is 2.6 million. So we're actually a little bit above budget for the total income. Greens, actually this time of year, we actually bring in a lot more because people have paid their annuals and we've got a lot of annuals this year. So you'll see a bump on that.
- *Expenses:* we're sitting at 1\$69,000 actuals with our total listed at \$189k. We've done a good job on the expenses portion. "Other Income Expenses": that's kind of an anomaly. Preparing to get financials on a month-by-month basis.
- *Profit/Loss:* 189,000 is what we budgeted and we're presently at 169,000, at 5 months in. Our busiest months are ahead of us, and the first five months of the year are slowest and we still have a lot of expenses to come in. The BOD has approved a lot of things to be done

- *Note:* that the *other income expense* related to the IRS request for some money and the HOA paid them immediately to avoid any future fines, but we actually have, according to our records, money on the books with the IRS. Treasurer and office are in the process of working with the IRS to review the credit on the books, have it applied, and be reimbursed.
- *Investments:* CDs and savings were discussed.
- *Top Finance Priorities:* Audit and POS upgrade (data conversion).
- *Review of revenue generated and expenses by amenity* - *see attached* PowerPoint slide deck.
- *Capital Expenditures:* proposed capital expenditures for the year:
 - Irrigation system of the golf course and the telemetry system in the VFD, those are golf course needs for the irrigation system.
 - Five reconditioned golf carts have been purchased, and LLCC sold 5 golf carts to offset costs.
 - The golf cart storage walls have been extended and closed to help protect our investment in the golf carts.
 - Banbury Park bathroom remodel is of high priority as there has been an ongoing request for it to be accessible as a year-round bathroom facility for walkers.
 - Cranberry Creek and Kings Cove are noted for a Lake-Dam project to monitor silt
 - The Island Bridge may be assessed for repair or rebuild.
 - Inn bathrooms remodeling: for the hallway bathrooms in the Inn
 - The park bathrooms and shed roof replacements are in process.
- Removed from capital projects: Board approved as they needed to be done promptly:
 - We upgraded the server in the office.
 - Park bathrooms are in the process of doors replacements and putting cipher locks that will automatically lock and unlock at certain hours.
 - An Inn kitchen refrigeration unit had to be replaced.
- *Receivables over 90 days* - reviewed and indicated that the top ten accounts are responsible for 43% of the total \$205,000 in receivables over 90 days. We don't have a huge number of people that aren't paying, but those who aren't are continuously not paying To remain financially stable for the future, collecting overdue receivables will be enforced per our bylaws.
 - *Comment for correction was made:* the bathymetric survey was presented in the treasurer's report for \$10,000, however the board approved it for \$11,780 at last month's board meeting. The correction was noted and will be recorded in the PowerPoint slide deck.
- Needs attention: March 2023 Report will occur in May; once the report is obtained by Esther from Shauna, it will be forwarded to the board.

Motion to accept the treasurer's report made by D. Dyson, second by T. Ingwaldson. *Discussion.* It's an outstanding report. Motion passed.

Action item: March 2023 Report will occur in May; once the report is obtained by Esther from Shauna, it will be forwarded to the board.

5. PRESIDENT'S REPORT – J. Ingemi

(See attached for full President's Report)

Acknowledged National Volunteer Recognition Month and thanked the committee members, board members, and general membership for their contributions. Mentioned the annual membership meeting later today, and new board members will be elected. Highlighted the importance of volunteers and committees in achieving community goals. The board has made significant changes to the organization's

financial health, including payment plans for delinquent accounts, liens, and property foreclosures. The Treasurer and office are preparing records for an assurance audit, and the election outcome will help continue progress for the community.

6. CAM REPORT - R. Milliman, CAM

- *New hire:* A Facilities Manager is hired, starting in May.
- *Organizational Chart* draft shared with executives last week.
- *Anglia Park walker gate - gate* code located at the dam structure will be activated Tuesday, April 25th. Walkers will need to use the four-digit key code and to unlock the gate.
- *Parks:* All parks are cleaned, the bathrooms are open, boat launches are open.
- *The phone system* has been completed.
- *Point of Sale System:* Implementation of the new point of sale (POS) system has started, programming is underway, and employees will be taking part in POS "G1 academy" training in June.
- Hired an arborist.
- *Insurance update:* Confirmed that it is the responsibility of the homeowner's insurance to cover damages if the neighboring tree falls on your property.
- *Truck update:* Recommending soon to the board approval to purchase either use either Ford, Dodge or GMC 250 truck with towing capacity. Present F250 truck repairs are too expensive compared to the value of the vehicle.
- *Food & Beverage:*
 - **Food:** Based on local competitive research, food prices will be increasing by 10% in May 2023. Food costs out of balance with anticipated sales revenue, due to inflation in food prices.
 - **Alcohol:** We will keep alcohol prices the same, as it has been determined the prices are competitive.
- *Golf:* Golf merchandise LLCC is priced in competition for Mason County and our rates are equal or less than our competition.
- *2023-2024 Budget:* Shauna, our account manager, has based department spending amounts by month for the previous two years and current fiscal year through Feb. The plan was reviewed by the financial team who recommended averaging amounts across the 12 months versus attempting to predict seasonality. Treasurer will be consulted.

Discussion: Appreciation for the CAM report and praised the momentum in many areas. Acknowledged involvement in an extensive budget process from last summer and the attention to monitoring and increasing revenue from amenities such as the lounge and café. Wonders about ongoing review of amenity pricing structures to ensure balance of burden for members vs. amenity users. A suggestion was made for considering a biannual budget rather than an annual one. There have been discussions regarding this. However, due to inflation, uncertainties exist for a bi-annual budget process. The present yearly approach to budget could provide a good footing for budget planning or changes in the future.

7. WATER REPORT - K. Evans (Ex Officio)

Water and Wells: All of the well sites except for well #2 were working, and well #2 not yet providing good tasting water. Well #4 had ground fault problems with the post controls used for the electronics, and the committee recommended getting a backup laptop capable of managing meter readings without a fully functioning laptop meter. There were trade-offs during March, including turning off a meter due to lack of payment. The committee recommended installing security cameras for all well sites, and parts were ordered for repairs and upgrades for well number two. Will evaluate the wells'

current capacity, testing, and installation to ensure accurate projections for the association's needs. Water sample testing was satisfactory, but the association had to change the location of the labs they sent the samples to and was working on finding a faster and easier way to do so. The LLCC drinking water quality is excellent.

Financials: The Water Dept. is currently \$45,000 over budget, but it is still considered a good position to be in. The water department's expenses are down, and the water team is working to keep expenses under control. When the Water Dept. cannot collect the money, it is considered bad debt and will be listed as such on accounting worksheets. The Water Dept. will work on updating requirements for forgiveness to make it clear to both association members and staff what constitutes forgiveness. The treasurer reported that several CDs are rolling over on a monthly basis, and if necessary, the Water Dept. would be able to access funding in case of a major pipe break. CD interest rates have changed, and the company now has CDs in excess of 4% and maybe nearly 5%. When a CD matures, the interest is paid, but it is not compound interest. The water committee will work with the manager to update forgiveness procedures once the plan is approved.

Water System Plan: The draft Water System Plan has been submitted to Northwest Water. Northwest Water is the engineering firm that compiles all of the documents in the plan. The Water Committee will submit it back to the Board of Directors for final edits. Then it will be sent to the State of Washington Department of Health and Ecology for their final approval. Once that's done the LLCC Water System Plan will be in place through 2029.

8. OLD BUSINESS

- a. Elections – J. Ingemi. Election results will announced today. The Election Committee Chairperson, Gail Wilcox, will finalize the count. Per the announced voting rules and processes shared with members, any ballots that came in up to 5:00 PM last evening, April 14, will not be counted. Vice President Tamera will share the results later today at the Membership Meeting.
- b. Finance Advisory Report – E. Springer-Johannesen: Update provided during earlier financial report, no meeting was held by the Finance Advisory. Look for update in May.
- c. Audit Update – E. Springer-Johannesen: The audit update was provided earlier in the Financial Report. Adding that the audit is called an Assurance Audit (type of audit).
- d. Community Adopt-a-Road update – T. Ingwaldson. *Adopt a Road:* Event had about 20 people and took just over 2 hours. Roadsides were cleaned along the full length of Mason Lake Road between the two furthest entrances. It was a success. The next one is scheduled for **Saturday, June 24th**.
- e. Organizational Chart – M. Berni. Update shared earlier by Roger in the CAM report. It's still being drafted.
- f. Server for Committee usage (documents, minutes, reports), M. Robinson. Google Drive being considered. Will come up with a framework and send it over to Teddy (Lake Dam chair).
- g. Conference Center/Room for meetings – Regarding the conference center room for meetings, the Lake Dam committee has taken that back and is working on it.

9. NEW BUSINESS

a. *Renter Information Sheet* – J. Ingemi. Though approved by the Compliance Committee and submitted for the BOD meeting agenda, upon closer review it needs further work. Main concern is that it addresses the renters and not the owners and that's not our order of operation. Request was made to table the document review and reevaluate it at a later time. Initial questions raised by BOD: *Will owners that don't fill this not be members in good standing? What kind of enforcement would this entail? Who will manage this database and update the data?* Mandy offered to review the next draft.

b. Motions to the Board from Committees, including the Architecture Register (see attached summary of motions)

1. [compliance committee] Notification of "Not in Good Standing"

Discussion: Notification of "Not in Good Standing" - proposing to send a letter notifying owners that the board has voted them as losing or having lost their "member in good standing" designation. For overdue assessments over 90 days it is automatically "not in good standing". It does state in another section of the bylaws that the board of directors will determine. This motion is suggesting that every month the BOD shall receive a listing of any new members that show up as a matter not in good standing. The current list names 14 members/owners. Prior to this letter, members are often provided a warning letter. When the "not in good standing" notification is sent, the Member Rights can also be provided and a copy of the hearing committee procedures.

Motion to approve by M. Paradise, seconded by D. Dyson. Motion passed.

2. Lake-Dam Committee; Motion to approve setting the weir boards of the big lake at 12 inches above the crest of the spillway.

Discussion: Discussion on the elevation of weir boards at a dam above the Crest of the spillway. The original documents provided by Ken Martin indicate an original elevation of 14 inches from the base of the dam to the top of the weir, which is debated by the lake Dam committee. The current interim step is to set the elevation at 12 inches and document beach erosion. The debate is due to the different elevations at which people have built their docks. The weir board changes were made on March 29th, and the first two rows have been installed, with adjustments to the top row expected based on water levels. The original design was based on a hydraulic project approval done in 1965. Leprechaun has its own weir system. The second part of the motion, is to install survey markers to measure and document ongoing erosion. The changes required by the staff responsible for implementing was brought up, with the suggestion that clarity is needed. The 12-inch adjustment is considered an interim step to start taking measurements, that following the year of evaluation a report to the board be made sharing measurements and input regarding the impact on dock ramps. The motion was called for a vote

Motion to approve by P. Paradise, seconded by T. Ingwaldson. Motion passed.

3. Water Committee; Motion to approve transfers from savings to corresponding Edward Jones Accounts 22,000 and 11,000 from reserves. [three motions, need to reflect all three]

New Water Department Truck: It was recommended to look into the purchase of a smaller and more fuel efficient van type vehicle for the water department. A budget of not to exceed \$30,000.00 was recommended.

Discussion: BOD can expect monthly motions by the Water Committee to move funds in alignment with the cascading turnover of CDs (monthly). Purchase of a truck: aiming to buy a smaller vehicle, more economical on fuel and **it is in the capital budget** for this year. Regarding the new truck: The mechanic over in the maintenance shop is keeping track of when the truck came in and when we buy something like that, as well as maintenance requirements.

How does our HOA monitor our larger purchases? Capital assets will be on 1) a depreciation schedule because the value of it, 2) a reserve study since it's over \$15,000, and 3) insurance list because we insure it as well. There's multiple lists. Depreciation schedules and lists need to be updated; Treasurer is noting for future attention.

Motion to approve by E. Springer-Johannesen to approve all three motions to the Board by the Water committee, seconded by M. Berni. Motion passed.

Action Item: Depreciation schedules and lists need to be updated; Treasurer is noting for future attention.

c. Dog Park –D. Dyson: Proposing a dog park on Road of Tralee, across the street from the 6th hole of the golf course. Looking at three of the four lots owned by LLCC. Proposing to eventually sell the property to help fund the dog park project. D. Dyson estimates that roughly 16 neighbors around that area have been contacted. One of the neighbors is adamantly opposed to the dog park. Complications of the site include having a massive ditch and needing a bridge to access, and a lack of parking. A request was made for a more formal presentation to the board to explain the “why” and the need; Is this a new amenity that the community really wants based on survey results, are we ready to add another amenity, and curious about ongoing cost.

Action item: May presentation to the Board with additional information on the dog park as a potential project

d. Amenities Pricing – M. Robinson

[Not addressed in the meeting].

10. OTHER BUSINESS

Letter received regarding the use of funds for from outside agencies to support Water bills. Warrants further investigation into how we might access relief funds for the members and use to support them. Will request this to be considered for a future agenda. United Health Care was noted as a potential source.

11. CORRESPONDENCE – Report from J. Ingemi and M. Paradise

- *Community Action Council:* Letter was sent to the Community Action Council and if they provide assistance for utilities. Based on our attorney’s advice, LLCC can accept the funds and apply it to dues. Waiting to see what the Community Action Council will respond with. CAC are being asked to acknowledge and accept our situation as it applies to the HOA.

- *Short term rentals:* Correspondence from member Terry Brusso related to short-term rentals will be brought forth at next month's board meeting.

Action items: May BOD meeting to discuss letter from Terry Brusso and update from Community Action Council.

12. ANNOUNCEMENTS and Upcoming Events –

- Membership Meeting @ 2:00PM today – J. Ingemi
- Fishing Derby update (4/22) – D. Muretta

13. MOTION TO ADJOURN TO CLOSED SESSION TO DISCUSS LEGAL/PERSONNEL ISSUES AND COMPLIANCE REGISTER/HEARING COMMITTEE ISSUES.

Motion to move into closed session made by T. Ingwaldson, seconded by D. Dyson. Motion passed.

14. MOTION TO RECONVENE TO OPEN SESSION.

Motion to move into open session made by E. Springer-Johannesen, seconded by M. Paradise. Motion passed.

15. MOTION TO ACCEPT ALL MOTIONS MADE IN CLOSED SESSION.

Motion to accept all motions made in closed session made by M. Paradise, seconded by D. Dyson. Motion passed unanimously.

16. MOTION TO ADJOURN

Motion to adjourn made by M. Berni, seconded by M. Paradise. Motion passed unanimously.