

Kahler Glen Community Association Board Meeting
12 March 2017 9 a.m. KG Athletic Club

Members of the Board present: Paula Robinson, Nancy Miller, John Christianson, Dwight Miller
Board members present via telephone: Mary Long, Kathryn DeMeritt, Brook Fritz (partial)

Also present: Gary Marks, manager

Community members: Linda Wandell, Mike Wandell, Jim McVey, Pam Mullen, Bill Miller

In the absence of Mary, Paula called the meeting to order and noted the presence of a quorum.

Nancy suggested that the Community Forum be moved to first on the agenda. There were no objections.

Pam raised concerns about the abusive and disruptive behavior of renters. She is specifically concerned about one of the nearby properties, and her concern has increased when she learned that two more neighboring homes have been acquired for use as rentals. She feels that at least one neighbor has moved away because of this problem, and she expressed concern about property value of surrounding properties. Kathryn said that the CA had contacted the property managers, and those irritated by renters need to be willing to call the property managers at the time of the event so that followup can occur. Kathryn suggested that possibly more signage could address the problems on the groomed trails. She mentioned that photos exist of some of the alleged violations.

Paula suggested that there be an annual reminder of the covenants sent to rental owners. Kathryn added that the rental owners should be required to post rules in the rentals. Paula said that procedure at this time would call for a warning letter to be sent by the Board, and that a board investigation will follow. There was no objection. Mike Wandell suggested that those offering rental property be required to provide the CA with contact information for the renters, so that communications resulting from complaints could involve both owner and renter.

Paula said that this was an appropriate topic for discussion at the annual meeting. There was no objection.

Mary has received a query regarding installation of a net at one of the new constructions. Matter will be forwarded to the Architecture Committee.

Linda Wandell requested information about the upcoming mediation between the CA and the golf course

Mary answered. The answer to some of the questions is not yet known. Linda pointed out that the P&S/lease between the LLC and the CA asserts that all the operations of the community are in full compliance with the law. Further, that this impasse is the result of many years of conflict. Linda pointed out that the CA had outside counsel for both sets of documents, but the documents need to be read in their entirety rather than sentence by sentence. She commented, as one who worked on part of the drafts, that the presumption was that after the sale had settled matters, the redraft of the documents would be settled harmoniously, but that has not occurred.

John commented that the actual content of the documents is not well known in the community.

Linda pointed out that a large number of last minute changes have accompanied these transactions.

Mike recommended that all areas of disagreement be brought up for settlement, since the principals do not have a strong record of accomplishing independent resolution.

Linda asked for description of the site visit. Paula complied.

Mike recalled the completion of the sale May 2014 being followed up in July with a list of 57 complaints from the golf course concerning the condition of the facilities. Discussion of the terms of sale followed.

Firewise Report by Bill Miller

1. Kahler Glen has received the grant from DNR previously discussed. Kahler Glen's share of the project cost can be reduced by labor by members of the community. Dwight moved that the grant be approved and accepted, to the limit of \$1500 expenditure on the part of Kahler Glen CA. Nancy seconded. Motion passed unanimously.
2. Notice from Deb Newell that there will be a repetition of the chipping project during May. Notice will be mailed to the homeowners that they can individually schedule projects with the contractor. We received recognition from the national organization and a plaque or certificate will be sent.

Minutes

Nancy moved to approve the minutes of the last regular meeting (Feb 2017) as they are posted on the website. Paula seconded. Motion passed unanimously.

John Christianson moved to approve the minutes of the special meeting (Feb 2017) as read to the meeting. Dwight seconded. Motion passed unanimously. Minutes will be posted.

Communications Report from Kathryn

- Question regarding clearing the private drive off Pelton Place. Gary answered that CA clears all the way to the end when the snowblower is available.
- Question regarding distribution of CA roster. CA follows advice of counsel (to withhold personal email addresses and phone numbers). Matter will be placed on the annual meeting agenda or community members will be given the opportunity to opt-in to release their personal information during meeting sign in.
- Question regarding existence of a community social website. We don't have one.
- Question regarding location of cross-country trails.
- Question regarding time of meeting. Answered.
- Question regarding response to inquiry re stone wall repair. CA does not assume responsibility. Suggestion that he meet with John Christianson and Gary Marks to investigate and discuss situation, assist in methods to divert water.
- Communication from Lake Wenatchee Info regarding weight restrictions. KGCA follows county weight restrictions. Our signs will be put up when the county puts its up on 207.
- Question regarding frequency of plowing. Gary answered that crews plow whenever snow on road reaches height, sometimes plowing several times a day.

Old Business

Financial Update by Dwight Miller

Dwight gave the financial summary for month end February 2017.

RESERVES: Jan. \$237,333; Feb. \$219,528

Most of change is due to prepayment of water metering equipment billed to residents in January. \$44,500 spent on meters and \$24,412 received in reimbursement, the difference explaining the draw down in reserves.

We are also investigating why reserves have not grown as expected. Preliminary findings are this year's budget included commercial water rates to our golf course tenant which are currently not being paid and are in dispute with mediation pending. This is a significant impact to the financial viability of our reserves in the amount of \$35,000 annually.

Adjusted YTD revenue: \$416,017

Adjusted YTD expenses: \$420,640

Total over budget YTD. \$ 4,623

Past due notices will be sent next week to those with outstanding balances.

Mary said that all the documents requested have been sent to the auditor.

Water Report by John Christianson

John reported that the water project is pretty much done. All the meters are in, and he is holding one meter for the house under construction across from the AC.

John says that we have received the draft documents for our status of municipal conformance. We're on track to finish this part of the project in the near future.

Next year CAST will have to monitor twice a month for water use. All sources must be put to beneficial use. John mentioned that the "unnamed spring" provides water in a part of the year when we do not need it. We might consider sale or other adjustment.

Unused meters will be returned and new construction will have to contact to acquire.

Dwight roundly congratulated John for his hard work and diligent attention and wonderful accomplishment, which protects and enhances the value of all our properties. The board gave John a round of applause.

Lot Offer

Steve Craig has passed an offer on the lot by the clubhouse to Dwight. Most of it seems acceptable, although the dollar offer is low. The board authorized a counter offer. There were no objections.

Budget

Gary distributed updated and corrected drafts of the budget. Gary explained the reformatting of the budget and the four categories created. John C recommended that more of the overhead category be distributed into the direct charges for the items that involved that expense.

Use of the new equipment was discussed. Possible substitutions of one piece for another were proposed, and fuel consumption was factored in. Several different strategies were proposed.

Dwight asked whether possible sale of one or more pieces would be offset by two years of costs involving renting like equipment. Dwight said that we need to find out that information quickly since the budget must be in the mail by 1 May. Gary will inquire and report back.

Mary asked about training and performance reviews. Dwight pointed out that this question was not an expense, but an allocation so it will show in budget. John suggested a budget line called "employee

administrative costs". Mary approved of the term.

Gary reviewed the effective change page.

Dwight said that he will be writing off the uncollectable accounts.

Mary asked about the changes in bookkeeping practices. Several are still pending. Contract will be up for renewal at end of April. Dwight suggested that an investigation of any issue be expeditiously done, since timeline is so short.

Gary pointed out that business taxes, IRS, bank fees and the like had previously not been itemized in the budget, so this should clarify somewhat where the money goes.

John and Dwight will coordinate on capital side of budget. Dwight wants the budget finished, finalized, and approved before the annual meeting, so the presentation can be efficient.

John pointed out the need for a road and building maintenance category. Discussion followed. Dwight said that part of the issue is the unpaid account. Mary suggested a change of category for the website.

Paula announced that there will be a budget meeting after the next board meeting.

If you have anything for the budget before it is finalized, send it to Gary. John thanked Dwight and Gary for all the reworking of the budget.

The next meeting will be 9 a.m., 9 April 2017, at the Kahler Glen Athletic Club meeting room.

Dwight moved that the board move into Executive session. John seconded. Motion passed unanimously. Executive session declared. Telephone connection with Brook failed.

At 12:17, Paula moved that Executive session be ended. Nancy seconded. Motion passed unanimously.

Paula will respond to the draft resolution from Michelle Green regarding who will be present at the scheduled mediation. There was no objection.

At 12:17, Nancy moved to adjourn the meeting. John seconded. Motion passed unanimously. Meeting was adjourned.

Respectfully submitted,

Nancy Miller

Kahler Glen Community Association Board, Secretary